

ESSB 6080 - S AMD 516

By Senators Dammeier, Keiser

ADOPTED 6/30/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 **"PART 1: Findings and Intent**

4 NEW SECTION. **Sec. 101.** (1) The legislature finds that local
5 school districts design, build, own, and manage public school
6 facilities. The Washington state Constitution provides two ways to
7 fund construction of public school facilities. First, the state
8 Constitution provides the means for school districts to finance
9 school construction. Article VII, section 2 of the state Constitution
10 authorizes school districts to collect capital levies to support the
11 construction, remodeling, or modernization of school facilities. In
12 addition, Article VIII, section 6 of the state Constitution
13 authorizes school districts to incur debt up to eleven and one-half
14 percent of the total assessed value of taxable property for school
15 construction and Article VII, section 2 of the state Constitution
16 authorizes school districts to pay for this debt by issuing general
17 obligation bonds for these capital purposes. Second, Article IX,
18 section 3 of the state Constitution establishes the common school
19 construction fund and dedicates revenues derived from school and
20 state trust lands and earnings of the permanent common school fund to
21 funding common school construction. Beyond these constitutional
22 means, the legislature provides further state assistance to school
23 districts through the issuance of general obligation bonds, the
24 proceeds of which the state appropriates to support the state school
25 construction assistance grant program established in chapter 28A.525
26 RCW. This state grant program is not intended to replace the
27 financing provisions established in the state Constitution, but
28 rather to provide state assistance that supplements the
29 constitutional financing provisions. The state grant program helps
30 finance new school capacity to accommodate enrollment growth and to

1 modernize and replace existing schools while respecting local
2 decisions and control by locally elected school boards.

3 (2) The legislature also finds that some school districts may
4 benefit from additional financial assistance to provide school
5 facilities—beyond that which is provided through the school
6 construction assistance grant program—for the purpose of constructing
7 or acquiring additional classrooms to support state-funded all-day
8 kindergarten and class size reduction in kindergarten through third
9 grade.

10 (3) For the 2015-2017 biennium, the legislature intends to
11 provide additional state financial assistance to help school
12 districts in funding public school facilities necessary to support
13 state-funded all-day kindergarten and class size reduction in
14 kindergarten through third grade.

15 **PART 2: K-3 Class Size Reduction Construction Grant Pilot Program**

16 NEW SECTION. **Sec. 201.** A new section is added to chapter
17 28A.525 RCW to read as follows:

18 (1) The K-3 class size reduction construction grant pilot program
19 must be administered by the office of the superintendent of public
20 instruction within the provisions of this section. Grants must be
21 calculated and awarded based on the following four steps:

22 (a) Step 1: A verified count of necessary added classrooms in a
23 district applying for a grant must be completed by the district and
24 verified by the Washington State University extension energy office.
25 The count of necessary added classrooms must be calculated in
26 accordance with the following requirements:

27 (i) An inventory of all classrooms in all elementary schools in
28 the district applying for the grant must be completed.

29 (ii) For purposes of this section, elementary school is any
30 district school facility containing students in kindergarten through
31 fifth grade or sixth grade. All classrooms include any room in an
32 elementary school in a permanent or portable structure that is in use
33 as a classroom or that could be used as a classroom if one of the
34 following conditions are met:

35 (A) A classroom in a permanent building was designed as a
36 classroom at the time the school was constructed or was subsequently
37 added as part of a modernization or renovation.

1 (B) A classroom in a portable building meets the building code
2 requirements for use as a classroom without requiring repairs or
3 renovations that exceed fifty thousand dollars.

4 The count of all district classrooms must also include all
5 planned elementary school classrooms in projects approved at the "D6"
6 stage or later of the school construction assistance program. This
7 inventory of classrooms must be entered in the inventory and
8 condition of school system maintained by the office of the
9 superintendent of public instruction.

10 (iii) A count of available classrooms in each elementary school
11 in a district must be completed. Available classrooms include all
12 classrooms inventoried in (a)(i) of this subsection minus:

13 (A) Classrooms in elementary schools that are regularly used for
14 students in grades seventh or higher;

15 (B) Classrooms in elementary schools that are regularly used for
16 prekindergarten students participating in special education programs;

17 (C) Classrooms in elementary schools that are regularly used for
18 prekindergarten students not participating in special education
19 programs if such use started prior to the effective date of this
20 section;

21 (D) Seventy-five percent of classrooms in elementary schools that
22 are regularly used for kindergarten through sixth grade students
23 participating in special education programs;

24 (E) Fifty percent of classrooms in elementary schools that are
25 regularly used for students in gifted and talented education;

26 (F) Fifty percent of classrooms in elementary schools that are
27 regularly used for laboratory space, music, or art if such regular
28 use exceeds fifty percent of school hours in the average week.

29 (iv) A calculation of needed classrooms must be completed. The
30 number of needed classrooms is calculated by dividing the number of
31 students in each grade in the most recent final October head count by
32 the average class size objectives for the 2017-18 school year
33 enumerated in RCW 28A.150.260 in effect as of October 31, 2014.
34 Students residing outside the school district who are enrolled in
35 alternative learning experience courses under RCW 28A.232.010 must be
36 excluded from the count of total pupils. In lieu of the exclusion in
37 this subsection, a district may submit an alternative calculation for
38 excluding students enrolled in alternative learning experience
39 courses. The alternative calculation must show the student head count
40 use of district classroom facilities on a regular basis for a

1 reasonable duration by out-of-district alternative learning
2 experience students subtracted by the head count of in-district
3 alternative learning experience students not using district classroom
4 facilities on a regular basis for a reasonable duration. The
5 alternative calculation must be submitted in a form approved by the
6 office of the superintendent of public instruction. The office of the
7 superintendent of public instruction must develop rules to define
8 "regular basis" and "reasonable duration." If the calculation of
9 needed classrooms for fourth and fifth grade students using the
10 average class size ratios in RCW 28A.150.260 is less than the actual
11 number of classrooms regularly used for fourth and fifth grade
12 students, the actual number of fourth and fifth grade classrooms may
13 be used to calculate the total needed classrooms.

14 (v) A calculation of necessary added classrooms must be completed
15 for each school district applying for a grant. Necessary added
16 classrooms are calculated by subtracting the available school
17 district classrooms from the school district needed classrooms.

18 (b) Step 2: A determination must be made whether the number of
19 necessary added classrooms is sufficient to justify constructing a
20 new school or modernizing a previously closed school, or whether the
21 number of necessary added classrooms can be provided with the
22 addition of modular classrooms or increasing the number of classrooms
23 in a planned school approved at the "D6" stage of the school
24 construction assistance program.

25 (i) If the number of necessary added classrooms is twelve or
26 greater, the presumption is a new school is required. For this
27 purpose a new school means a newly constructed school, an addition of
28 twelve or more classrooms to an existing school, or modernization of
29 a previously closed school. A school district may choose to locate
30 any necessary added classrooms among existing school facilities.

31 (ii) If the number of necessary added classrooms is less than
32 twelve, the presumption is the added classrooms can be provided with
33 the addition of modular classrooms or by increasing the number of
34 classrooms in a planned school approved at the "D6" stage of the
35 school construction assistance program. A school district may choose
36 to provide necessary added classrooms with modular classrooms or
37 construct new classrooms or modernize existing school buildings to
38 create additional classrooms.

39 (c) Step 3: A calculation of the grant amount a school district
40 is eligible for must be determined.

1 (i) Grants for necessary added classrooms that can be provided
2 with the addition of modular classrooms must not exceed two hundred
3 ten thousand dollars multiplied by the number of necessary added
4 classrooms multiplied by the state matching ratio defined in (c)(iii)
5 of this subsection.

6 (ii) Grants for necessary added classrooms that must be provided
7 with a new school or modernization of an existing school building
8 must not exceed six hundred fifteen thousand eighty-three dollars
9 multiplied by the number of necessary added classrooms multiplied by
10 the state matching ratio defined in (c)(iii) of this subsection.

11 (iii) The state matching ratio for use in this section only is
12 the computed state ratio defined in RCW 28A.525.166 plus twenty
13 percent of the percent of district head count eligible and enrolled
14 in the free and reduced school lunch program.

15 (iv) Grants may not exceed the total project cost for providing
16 the necessary added classrooms multiplied by the state matching ratio
17 defined in (c)(iii) of this subsection.

18 (v) The amounts in (c)(i) and (ii) of this subsection must be
19 increased for the fiscal year of the grant award by the same
20 percentage increase as the school construction assistance program
21 construction cost allocation is increased from fiscal year 2014 as
22 authorized in the omnibus capital appropriations act.

23 (d) Step 4: Grant funds must be awarded and disbursed in
24 accordance with the following requirements:

25 (i) A determination that the school district is ready to begin
26 the project or projects to provide the necessary added classrooms
27 must be made. To be determined ready, a district must:

28 (A) Have had classrooms inventoried in (a)(i) of this subsection;

29 (B) Certify that the required local funds are authorized to
30 complete the project;

31 (C) Have an available site or sites for the project; and

32 (D) Demonstrate that additional classrooms will achieve progress
33 towards the average class size objectives for the 2017-18 school year
34 enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and
35 all-day kindergarten as funded pursuant to RCW 28A.150.315.

36 (ii) The office of financial management must approve allotments
37 prior to issuing grant award letters. The office of the
38 superintendent of public instruction must submit documentation to the
39 office of financial management to justify the project grant award,

1 including steps taken to verify counts and calculations, in
2 requesting allotment approval.

3 (iii) Grant funds may be disbursed only after the required local
4 match has been fully expended.

5 (2) If grant applications for the K-3 class size reduction
6 construction grant pilot program exceed available funding, the office
7 of the superintendent of public instruction must prioritize grant
8 awards based on the following criteria in the following order of
9 importance:

10 (a) Applicants with high necessary added classrooms to available
11 classrooms ratio in kindergarten through third grades;

12 (b) Applicants with high student to teacher ratios in
13 kindergarten through third grades;

14 (c) Applicants with high percentages of students who are eligible
15 and enrolled in the free and reduced-price meals program; and

16 (d) Applicants that have not raised capital funds through levies
17 or bonds in the prior ten-year period.

18 (3) The superintendent of public instruction must report annually
19 on the grants awarded and school district applicants. The report must
20 include (a) grant amounts and the status of all awarded grants by
21 school district; (b) data documenting actual class size reductions
22 and all-day kindergarten achieved in school districts that have
23 received grants provided under this section; (c) a list of school
24 districts that applied for grants during the current and previous
25 fiscal years with estimates of necessary added classrooms; and (d)
26 any other information relevant to the pilot program. Beginning in
27 2015, the report must be submitted to the office of financial
28 management and the appropriate committees of the legislature by
29 December 1st.

30 (4) This section expires July 1, 2017.

31 **PART 3: Development of K-3 Class Size Reduction Construction Grant**
32 **Program**

33 NEW SECTION. **Sec. 301.** (1) The legislature recognizes that the
34 provisions of the K-3 class size reduction construction grant pilot
35 program will need modifications to (a) ensure that the grant program
36 will meet the program's objectives for all school districts needing
37 additional classrooms, and (b) identify changes to the school

1 construction assistance program to improve appropriate coordination
2 between the two grant programs.

3 (2) In consultation with stakeholders, the office of financial
4 management, and the appropriate committees of the legislature, the
5 superintendent of public instruction shall develop (a) an improved
6 method for calculating needed classrooms, and (b) an improved funding
7 formula for calculating grant awards to meet the objectives of this
8 section and section 201 of this act. The classroom counting method
9 and funding formula must be informed by data collected in state
10 studies and surveys or through inventory and condition assessments
11 conducted by the Washington State University extension energy office.
12 The improved classroom counting method and improved funding formula,
13 and any other requirements of this section, must be reported to the
14 office of financial management and the appropriate committees of the
15 legislature by December 1, 2015.

16 (3)(a) The improved classroom counting method must:

17 (i) Demonstrate a lack of sufficient classroom space district-
18 wide to meet K-3 class size ratios as funded pursuant to average
19 class size objectives for the 2017-18 school year enumerated in RCW
20 28A.150.260 in effect as of October 31, 2014, and to provide all-day
21 kindergarten as funded pursuant to RCW 28A.150.315. The determination
22 that there is a lack of sufficient space must be based on data
23 collected in a state study and survey conducted within the preceding
24 six years from the date of grant application or data collected
25 through an inventory and condition assessment validated by the
26 Washington State University extension energy office within the
27 preceding six years from the date of grant application;

28 (ii) For school districts with student headcount enrollments more
29 than forty-eight thousand, the improved classroom counting method
30 must demonstrate a lack of sufficient classroom space within
31 subdistrict areas in order to account for rapid growth in certain
32 areas of a district that should be met with classroom capacity in
33 those certain areas to avoid prolonged bussing of elementary
34 students.

35 (b) The improved classroom counting method must be designed to
36 ensure that additional classrooms will achieve average class size
37 objectives for the 2017-18 school year enumerated in RCW 28A.150.260
38 in effect as of October 31, 2014, and all-day kindergarten as funded
39 pursuant to RCW 28A.150.315.

1 (4)(a) In consultation with stakeholders, the office of financial
2 management, and the appropriate committees of the legislature, the
3 superintendent of public instruction must also recommend a process
4 for prioritizing grant applications. The prioritization process must
5 produce one prioritized list of grant recipients that includes all of
6 the projects requested by school districts, and report the list,
7 including preliminary estimates of necessary added classrooms, to the
8 office of financial management and the appropriate committees of the
9 legislature.

10 (b) The prioritized list must consider the following priorities:

11 (i) Applicants with high student to teacher ratios in
12 kindergarten through third grades;

13 (ii) Applicants with a high percentage of students who are
14 eligible and enrolled in the free and reduced-price meals program;

15 (iii) Applicants that have not raised capital funds through
16 levies or bonds in the prior ten-year period;

17 (iv) Other criteria that relate to the objectives of the grant
18 program.

19 (5) The improved funding formula must consider options for
20 enhanced state funding for school districts that have not raised
21 capital funds through levies or bonds in the prior ten-year period.

22 (6) In consultation with stakeholders, the office of financial
23 management, and the appropriate committees of the legislature, the
24 office of the superintendent of public instruction must recommend
25 statutory and rule changes to ensure appropriate coordination between
26 the K-3 class size reduction construction grant program and the
27 school construction assistance program. The recommendation must
28 include ways to ensure that new square footage funded through this
29 grant program does not impair a school district's eligibility for
30 modernization or replacement grants through the school construction
31 assistance program eligibility under RCW 28A.525.166.

32 (7) In consultation with stakeholders, the office of financial
33 management, and the appropriate committees of the legislature, the
34 superintendent of public instruction must recommend the content and
35 method for reporting annually on the grants awarded during each
36 fiscal year. The report must include, at least, the grant amounts and
37 the status of all awarded grants by school district. The annual
38 report must also include data documenting actual class size
39 reductions and all-day kindergarten achieved in school districts that
40 have received grants provided under this section. Beginning in 2016,

1 the report must be submitted to the office of financial management
2 and the appropriate committees of the legislature by October 1st for
3 the preceding fiscal year and made available to the public on a web
4 site maintained by the superintendent of public instruction.

5 (8) In consultation with stakeholders, the office of financial
6 management, and the appropriate committees of the legislature, the
7 superintendent of public instruction must recommend statutory and
8 rule changes for awarding grants for construction, modernization, or
9 replacement of school facilities with an expected useful life of less
10 than thirty years.

11 **PART 4: Miscellaneous**

12 NEW SECTION. **Sec. 401.** If any provision of this act or its
13 application to any person or circumstance is held invalid, the
14 remainder of the act or the application of the provision to other
15 persons or circumstances is not affected.

16 NEW SECTION. **Sec. 402.** If specific funding for the purposes of
17 section 201 of this act, referencing section 201 of this act by bill
18 or chapter number and section number, is not provided by July 15,
19 2015, in the omnibus capital appropriations act, section 201 of this
20 act is null and void.

21 NEW SECTION. **Sec. 403.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of
23 the state government and its existing public institutions, and takes
24 effect immediately."

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25 On page 1, line 3 of the title, after "grade;" strike the
26 remainder of the title and insert "adding a new section to chapter
27 28A.525 RCW; creating new sections; providing an expiration date; and
28 declaring an emergency."

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