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**SENATE BILL 5572**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Honeyford, Takko, Short, Warnick, Schoesler, and King

AN ACT Relating to modernization grants for small school districts; and adding a new section to chapter 28A.525 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

(1) School construction assistance program grants for small school districts must be determined in accordance with this section.

(2) Eligibility. School districts with enrollments that are less than or equal to one thousand students are eligible for small school district modernization grants. The advisory committee specified in subsection (4)(a) of this section may recommend amendments to the eligibility threshold as they learn more about the characteristics of school districts that are unable to modernize their aging school facilities. Districts with incomplete information in the inventory and condition of schools data system are not eligible to apply for construction grants but may apply for planning grants.

(3) The office of the superintendent of public instruction must assist eligible school districts that are interested in applying for a small school district modernization grant under this section by providing technical assistance and planning grants within appropriations for this purpose. Districts seeking planning grants must provide a brief statement of the school condition, its deficiencies, student enrollment, student achievement measures, and financial limitations of the district. If applications for planning grants exceed funds available, the office of the superintendent of public instruction may prioritize the recipients of planning grants in order to help districts with the most serious apparent building deficiencies, and the most limited financial capacity.

(4) Prioritized construction grants and advisory committee.

(a) The small school district modernization program must propose a list of prioritized grants by September 1st of even-numbered years. The superintendent of public instruction must appoint an advisory committee to prioritize applications from small school districts. Committee members must have experience in financing, managing, repairing, and improving school facilities in small school districts but must not be involved in a small school district modernization program grant request for the biennium under consideration. The office of the superintendent of public instruction must provide administrative and staff support to the committee. The office of the superintendent of public instruction in consultation with the advisory committee must design a grant application process with specific criteria for prioritizing grant requests.

 (b) The advisory committee created in (a) of this subsection must evaluate final applications from eligible school districts. The advisory committee must submit a prioritized list of grants to the superintendent of public instruction and the governor. The list must prioritize applications to achieve the greatest improvement of school facilities, in the districts with the most limited financial capacity, for projects that are likely to improve student health, safety, and academic performance for the largest number of students for the amount of state grant support. The advisory committee must develop specific criteria to achieve the prioritization. The submitted prioritized list must describe the project, the proposed state funding level, and the estimated total project cost including other funding and in-kind resources. The list must also indicate student achievement measures that will be used to evaluate the benefits of the project. The superintendent of public instruction and the governor may determine the level of funding in their omnibus capital appropriations act requests to support small school district modernization grants, but their funding requests must follow the prioritized list prepared by the advisory committee unless new information determines that a specific project is no longer viable as proposed.

(5) Coordination with the school construction assistance program.

(a) The full administrative and procedural process of school construction assistance program funding under RCW 28A.525.162 through 28A.525.180 may be streamlined by the office of the superintendent of public instruction in order to coordinate eligible school construction assistance program funding with the small school district modernization grants. Such coordination must ensure that total state funding from both grants does not exceed total project costs minus available local resources.

(b) Projects seeking small school district modernization grants must meet the requirements for a school construction assistance program grant except for the following: (i) The estimated cost of the project may be less than forty percent of the estimated replacement value of the facility, and (ii) local funding assistance percentage requirements of the school construction assistance program do not apply. However, available district resources are considered in prioritizing small school district modernization grants.

(6) Disbursement of grant funds and reporting requirements. The office of the superintendent of public instruction must execute contracts with school districts receiving small school district modernization grants. The contract must not be executed until the district has identified available local and other resources sufficient to complete the approved project considering the amount of the state grant. The contract must include provisions for disbursing state funds for eligible project costs incurred. When a district has used local funds for costs eligible for state fund reimbursement under a small school district modernization grant, if the state funds are not applied to eligible project costs, use of the state funds must comply with the requirements of the applicable source of local funds. The contract must specify reporting requirements from the district, which must include updating all pertinent information in the inventory and condition of schools data system and submitting a final project report as specified by the office of the superintendent of public instruction in consultation with the school facilities citizens advisory panel specified in RCW 28A.525.025.

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