

# HOUSE BILL REPORT

## 2SSB 5572

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**As Passed House:**  
March 6, 2020

**Title:** An act relating to modernization grants for small school districts.

**Brief Description:** Authorizing modernization grants for small school districts.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Takko, Short, Warnick, Schoesler and King).

**Brief History:**

**Committee Activity:**

Capital Budget: 4/4/19, 3/2/20 [DP].

**Floor Activity:**

Passed House: 3/6/20, 97-0.

**Brief Summary of Second Substitute Bill**

- Creates a small school district modernization grant program, administered by the Office of the Superintendent of Public Instruction (OSPI), for school districts and state-tribal education compact schools with 1,000 or fewer student enrollments.
- Directs the OSPI and an advisory committee, appointed by the Superintendent of Public Instruction (SPI), to establish prioritization criteria and an evaluation process for the committee to review and rank grant applications.
- Requires the SPI to propose a list of projects to the Governor by September 1 of even-numbered years, as prioritized by the advisory committee.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 21 members: Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry, Davis, Dye, Gildon, Leavitt, Lekanoff, Maycumber, Morgan, Pellicciotti, Peterson, Riccelli, Santos, Sells, Stonier and Walsh.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** John Wilson-Tepeli (786-7115).

**Background:**

In the state omnibus capital appropriations act, the state provides financial assistance to school districts for constructing new school buildings for enrollment growth or modernizing or replacing aging school facilities through the School Construction Assistance Program (SCAP) administered by the Office of the Superintendent of Public Instruction (OSPI). The SCAP is based on two principles: (1) state and local school districts share the responsibility for the provision of school facilities; and (2) there is an equalization of burden among school districts to provide school facilities regardless of the wealth of the districts. State funding assistance is provided for permanent instructional space only. Land purchases and auxiliary facilities, such as stadia and district administrative space, must be funded entirely by the school districts with local revenues.

A school district must first secure local funding before it may become eligible for state financial assistance. Local funding may include voter-approved capital levies and bond proceeds, impact fees, mitigation payments, interest income from a school district's capital projects fund, or transfers from a school district's general fund with OSPI approval. Once the local share is secured, the state allocates funding to districts based on a set of space and cost standards adopted by the Legislature, and a statutory funding assistance percentage based on the relative wealth of the district.

**Summary of Bill:**

A school construction assistance grant program for modernization of schools at small school districts and state-tribal education compact schools is created.

Eligibility.

To be eligible for the grants, school districts or state-tribal schools must have enrollments of 1,000 students or fewer. Districts with incomplete information in the Inventory and Condition of Schools (ICOS) data system administered by the OSPI may not apply for construction grants, but may apply for planning grants.

School Construction Assistance Program Coordination.

The OSPI must provide technical assistance and planning grants within appropriations to districts interested in seeking small school district modernization grants. If sufficient funds are unavailable, the OSPI may prioritize planning grants for school districts and state-tribal schools with the most serious building deficiencies and the most limited financial capacity. Small school district modernization projects must meet the requirements of the SCAP, except estimated cost thresholds and local funding assistance percentages do not apply. The OSPI may streamline administrative processes and procedures of the SCAP program to coordinate SCAP-eligible projects with the small school district modernization grants so long as the combined grant awards do not exceed total project costs minus local funding resources.

Advisory Committee.

The Superintendent of Public Instruction (SPI) must appoint an advisory committee composed of members experienced in financing, managing, repairing, and improving school facilities in small school districts, but the committee members must not be involved in a small school district modernization grant request for the biennium under consideration. The OSPI, in consultation with the advisory committee, must design a grant application process with specific criteria developed by the advisory committee for prioritizing grant requests. The advisory committee must prioritize grant applications that achieve the greatest improvement of school facilities, in the school districts and state-tribal schools 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. Available school district and state-tribal school resources are also considered in prioritizing the grants.

#### Prioritized List.

The advisory committee evaluates final applications and submits a prioritized list to the SPI. The list must describe the projects, the proposed state funding level per project, the estimated total project costs including other funding and in-kind resources, and student outcome achievement measures. The SPI will propose a prioritized list to the Governor by September 1 of even-numbered years. The SPI and the Governor may determine the level of funding in their capital budget proposals, but the funding requests must follow the prioritized list unless new information deems projects are no longer viable.

#### Grant Disbursement and Reporting Requirements.

The OSPI awards grants to the school districts or state-tribal schools receiving the modernization grants and must specify reporting requirements, including the obligation to update all pertinent information in the ICOS. Grants must not be awarded until the school districts or state-tribal schools have identified available local and other resources sufficient to complete the approved project considering the amount of the state grant.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) This bill is important for the 150 small school districts across the state, many of which do not have the adequate property values to access state SCAP funding. Some of these schools have unhealthy environmental conditions for students, which detracts from student learning. This program will improve educational equity across the state by improving school facilities in rural areas. Allowing tribal compact schools to access these funds will also improve educational equity.

(Opposed) None.

**Persons Testifying:** Senator Honeyford, prime sponsor; and Marissa Rathbone, Washington State School Directors' Association.

**Persons Signed In To Testify But Not Testifying:** None.