

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6002

Chapter 244, Laws of 2012

62nd Legislature
2012 Regular Session

SCHOOL CONSTRUCTION ASSISTANCE FORMULA

EFFECTIVE DATE: 03/30/12

Passed by the Senate February 8, 2012
YEAS 45 NAYS 1

BRAD OWEN

President of the Senate

Passed by the House March 1, 2012
YEAS 96 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 30, 2012, 1:21 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6002** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 30, 2012

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6002

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By Senate Ways & Means (originally sponsored by Senators Kilmer, Parlette, Morton, and Shin)

READ FIRST TIME 01/30/12.

1 AN ACT Relating to adjustments to the school construction
2 assistance formula; amending RCW 28A.525.162; reenacting and amending
3 RCW 28A.525.166; creating a new section; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The school construction assistance funding
6 formula is used to determine state funding contributions to school
7 construction projects. It is the intent of the legislature that the
8 formula use the most accurate method available to reflect the actual
9 number of students using districts' school facilities. State funding
10 currently provides all-day kindergarten for over twenty percent of
11 kindergarten students and RCW 28A.150.315 calls for the continued
12 phasing-in of all-day kindergarten each year until full statewide
13 implementation is achieved in the 2017-18 school year. In addition,
14 because alternative learning experience programs of education take
15 place in whole, or in part, outside the regular classroom setting, and
16 because online alternative learning experience programs are delivered
17 primarily electronically using the internet or other computer-based
18 methods, it is appropriate to consider the impact of alternative
19 learning experience students in assessing school space needs. The

1 legislature acknowledges the review of the formula conducted by the
2 office of the superintendent of public instruction and accepts many
3 recommendations from the resulting December 2011 report. The
4 legislature also intends to provide financial assistance for school
5 districts affected by the transition to the new funding formula. This
6 assistance will be limited to grants to cover direct district
7 expenditures for contracted architects, engineers, and other
8 consultants for projects that are no longer eligible for state
9 assistance under the new formula or for projects requiring significant
10 redesign work as a result of reduced state assistance under the new
11 formula.

12 **Sec. 2.** RCW 28A.525.162 and 2009 c 129 s 5 are each amended to
13 read as follows:

14 (1) Funds appropriated to the superintendent of public instruction
15 from the common school construction fund shall be allotted by the
16 superintendent of public instruction in accordance with (~~student~~
17 ~~enrollment and the provisions of RCW 28A.525.200~~) this chapter.

18 (2) No allotment shall be made to a school district until such
19 district has provided local funds equal to or greater than the
20 difference between the total approved project cost and the amount of
21 state funding assistance to the district for financing the project
22 computed pursuant to RCW 28A.525.166, with the following exceptions:

23 (a) The superintendent of public instruction may waive the local
24 requirement for state funding assistance for districts which have
25 provided funds for school building construction purposes through the
26 authorization of bonds or through the authorization of excess tax
27 levies or both in an amount equivalent to two and one-half percent of
28 the value of its taxable property, as defined in RCW 39.36.015.

29 (b) No such local funds shall be required as a condition to the
30 allotment of funds from the state for the purpose of making major or
31 minor structural changes to existing school facilities in order to
32 bring such facilities into compliance with the barrier free access
33 requirements of section 504 of the federal rehabilitation act of 1973
34 (29 U.S.C. Sec. 706) and rules implementing the act.

35 (3) For the purpose of computing the state funding assistance
36 percentage under RCW 28A.525.166 when a school district is granted
37 authority to enter into contracts, adjusted valuation per pupil shall

1 be calculated using headcount student enrollments from the most recent
2 October enrollment reports submitted by districts to the superintendent
3 of public instruction, adjusted as follows:

4 (a) In the case of projects for which local bonds were approved
5 after May 11, 1989:

6 (i) For districts which have been designated as serving high school
7 districts under RCW 28A.540.110, students residing in the nonhigh
8 district so designating shall be excluded from the enrollment count if
9 the student is enrolled in any grade level not offered by the nonhigh
10 district;

11 (ii) The enrollment of nonhigh school districts shall be increased
12 by the number of students residing within the district who are enrolled
13 in a serving high school district so designated by the nonhigh school
14 district under RCW 28A.540.110, including only students who are
15 enrolled in grade levels not offered by the nonhigh school district;
16 and

17 (iii) The number of preschool students with disabilities included
18 in the enrollment count shall be multiplied by one-half;

19 (b) In the case of construction or modernization of high school
20 facilities in districts serving students from nonhigh school districts,
21 the adjusted valuation per pupil shall be computed using the combined
22 adjusted valuations and enrollments of each district, each weighted by
23 the percentage of the district's resident high school students served
24 by the high school district; (~~and~~)

25 (c) The number of kindergarten students included in the enrollment
26 count shall be (~~multiplied by one-half~~) counted as one headcount
27 student; and

28 (d) The number of students residing outside the school district who
29 are enrolled in alternative learning experience programs under RCW
30 28A.150.325 shall be excluded from the total.

31 (4) In lieu of the exclusion in subsection (3)(d) of this section,
32 a district may submit an alternative calculation for excluding students
33 enrolled in alternative learning experience programs. The alternative
34 calculation must show the student headcount use of district classroom
35 facilities on a regular basis for a regular duration by out-of-district
36 alternative learning experience program students subtracted by the
37 headcount of in-district alternative learning experience program
38 students not using district classroom facilities on a regular basis for

1 a reasonable duration. The alternative calculation must be submitted
2 in a form approved by the office of the superintendent of public
3 instruction. The office of the superintendent of public instruction
4 must develop rules to define "regular basis" and "reasonable duration."

5 (5) The superintendent of public instruction, considering policy
6 recommendations from the school facilities citizen advisory panel,
7 shall prescribe such rules as are necessary to equate insofar as
8 possible the efforts made by school districts to provide capital funds
9 by the means aforesaid.

10 ((+5+)) (6) For the purposes of this section, "preschool students
11 with disabilities" means children of preschool age who have
12 developmental disabilities who are entitled to services under RCW
13 28A.155.010 through 28A.155.100 and are not included in the
14 kindergarten enrollment count of the district.

15 **Sec. 3.** RCW 28A.525.166 and 2009 c 421 s 5 and 2009 c 129 s 6 are
16 each reenacted and amended to read as follows:

17 Allocations to school districts of state funds provided by RCW
18 28A.525.162 through 28A.525.180 shall be made by the superintendent of
19 public instruction and the amount of state funding assistance to a
20 school district in financing a school plant project shall be determined
21 in the following manner:

22 (1) The boards of directors of the districts shall determine the
23 total cost of the proposed project, which cost may include the cost of
24 acquiring and preparing the site, the cost of constructing the building
25 or of acquiring a building and preparing the same for school use, the
26 cost of necessary equipment, taxes chargeable to the project, necessary
27 architects' fees, and a reasonable amount for contingencies and for
28 other necessary incidental expenses: PROVIDED, That the total cost of
29 the project shall be subject to review and approval by the
30 superintendent.

31 (2) The state funding assistance percentage for a school district
32 shall be computed by the following formula:

33 The ratio of the school district's adjusted valuation per pupil
34 divided by the ratio of the total state adjusted valuation per pupil
35 shall be subtracted from three, and then the result of the foregoing
36 shall be divided by three plus (the ratio of the school district's

1 adjusted valuation per pupil divided by the ratio of the total state
2 adjusted valuation per pupil).

3
4
5
6
7
8
9

$$\begin{array}{rcccl} & \text{District adjusted} & \text{Total state} & & \\ & \text{3-valuation} & \div \text{adjusted valuation} & \text{State} & \\ \text{Computed} & \text{per pupil} & \text{per pupil} & \text{Funding} & \\ \text{State} = & \frac{\quad}{\quad} & & = - \% \text{ Assistance} & \\ \text{Ratio} & \text{District adjusted} & \text{Total state} & & \\ & \text{3+valuation} & \div \text{adjusted valuation} & & \\ & \text{per pupil} & \text{per pupil} & & \end{array}$$

10 PROVIDED, That in the event the state funding assistance percentage to
11 any school district based on the above formula is less than twenty
12 percent and such school district is otherwise eligible for state
13 funding assistance under RCW 28A.525.162 through 28A.525.180, the
14 superintendent may establish for such district a state funding
15 assistance percentage not in excess of twenty percent of the approved
16 cost of the project, if the superintendent finds that such additional
17 assistance is necessary to provide minimum facilities for housing the
18 pupils of the district.

19 (3) In addition to the computed state funding assistance percentage
20 developed in subsection (2) of this section, a school district shall be
21 entitled to additional percentage points determined by the average
22 percentage of growth for the past three years. One percent shall be
23 added to the computed state funding assistance percentage for each
24 percent of growth, with a maximum of twenty percent.

25 (4) In computing the state funding assistance percentage in
26 subsection (2) of this section and adjusting the percentage under
27 subsection (3) of this section, students residing outside the school
28 district who are enrolled in alternative learning experience programs
29 under RCW 28A.150.325 shall be excluded from the count of total pupils.
30 In lieu of the exclusion in this subsection, a district may submit an
31 alternative calculation for excluding students enrolled in alternative
32 learning experience programs. The alternative calculation must show
33 the student headcount use of district classroom facilities on a regular
34 basis for a reasonable duration by out-of-district alternative learning
35 experience program students subtracted by the headcount of in-district
36 alternative learning experience program students not using district
37 classroom facilities on a regular basis for a reasonable duration. The
38 alternative calculation must be submitted in a form approved by the

1 office of the superintendent of public instruction. The office of the
2 superintendent of public instruction must develop rules to define
3 "regular basis" and "reasonable duration."

4 (5) The approved cost of the project determined in the manner
5 prescribed in this section multiplied by the state funding assistance
6 percentage derived as provided for in this section shall be the amount
7 of state funding assistance to the district for the financing of the
8 project: PROVIDED, That need therefor has been established to the
9 satisfaction of the superintendent: PROVIDED, FURTHER, That additional
10 state funding assistance may be allowed if it is found by the
11 superintendent, considering policy recommendations from the school
12 facilities citizen advisory panel that such assistance is necessary in
13 order to meet (a) a school housing emergency resulting from the
14 destruction of a school building by fire, the condemnation of a school
15 building by properly constituted authorities, a sudden excessive and
16 clearly foreseeable future increase in school population, or other
17 conditions similarly emergent in nature; or (b) a special school
18 housing burden resulting from projects of statewide significance or
19 imposed by virtue of the admission of nonresident students into
20 educational programs established, maintained and operated in conformity
21 with the requirements of law; or (c) a deficiency in the capital funds
22 of the district resulting from financing, subsequent to April 1, 1969,
23 and without benefit of the state funding assistance provided by prior
24 state assistance programs, the construction of a needed school building
25 project or projects approved in conformity with the requirements of
26 such programs, after having first applied for and been denied state
27 funding assistance because of the inadequacy of state funds available
28 for the purpose, or (d) a condition created by the fact that an
29 excessive number of students live in state owned housing, or (e) a need
30 for the construction of a school building to provide for improved
31 school district organization or racial balance, or (f) conditions
32 similar to those defined under (a), (b), (c), (d), and (e) of this
33 subsection, creating a like emergency.

34 NEW SECTION. Sec. 4. This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately.

Passed by the Senate February 8, 2012.

Passed by the House March 1, 2012.

Approved by the Governor March 30, 2012.

Filed in Office of Secretary of State March 30, 2012.