**5453-S AMS HONE S2953.2 - NOT FOR FLOOR USE**

**SSB 5453** - S AMD **292**

By Senator Honeyford

Strike everything after the enacting clause and insert the following:

"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, rural districts must be determined in accordance with this section.

(2) Eligibility. Small, rural district modernization grants are for school districts with enrollments that are less than or equal to one thousand students. For school districts that, because of low assessed property values or high indebtedness, are not eligible for school construction assistance program modernization grants, the office of the superintendent of public instruction shall recommend measures for those school districts to become eligible in the small, rural district school construction assistance program. Districts with incomplete information in the inventory and condition of schools data system are not eligible to apply.

(3) Coordination with the school construction assistance program (SCAP). Projects seeking small, rural district modernization grants must meet the requirements for a school construction assistance program grant except for the following:

(a) The estimated cost of the project may be less than forty percent of the estimated replacement value of the facility; and

(b) The full administrative and procedural process of school construction assistance program funding 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, rural district modernization grants. Such coordination must ensure that total state funding from both grants does not exceed total project costs minus available local resources.

(4) Prioritized grants and advisory committee.

(a) The small, rural district school 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 for small, rural school districts. Committee members must have experience in financing, managing, repairing, and improving school facilities in small, rural districts but must not be involved in a small, rural modernization program request for the biennium under consideration. The office of the superintendent of public instruction must provide administrative and staff support to the committee. The committee must review and rank applications in the three-step process in this subsection (4).

(b) Step one must involve a simplified application from interested districts with a brief statement of the school condition, its deficiencies, student enrollment, student achievement measures, and financial limitations of the district. The advisory committee created in (a) of this subsection must identify a preliminary list of school districts with the most serious building deficiencies, the most limited financial capacity, and the greatest student opportunity gaps given the condition of school facilities.

(c) After identifying the list of school districts under (b) of this subsection, the advisory committee created in (a) of this subsection and the office of superintendent of public instruction must offer technical assistance to the districts on the list to develop affordable and effective proposals to resolve the most serious building deficiencies.

(d) After offering technical assistance under (c) of this subsection, the advisory committee created in (a) of this subsection must evaluate final applications from the school districts on the first list interested in pursuing a grant. 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, rural school district 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) Disbursement of grant funds and reporting requirements. The office of the superintendent of public instruction must execute a contract with school districts receiving small, rural school 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, rural 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 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 committee specified in RCW 28A.525.025."

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On page 1, line 2 of the title, after "districts;" strike the remainder of the title and insert "and adding a new section to chapter 28A.525 RCW."

EFFECT: Small, rural district modernization grants must meet the School Construction Assistance Program (SCAP) requirements except that:

(1) The cost of the project may be less than the 40% of the replacement value of the facility; and

(2) OSPI may streamline the SCAP administrative and procedural process in order to coordinate eligible SCAP funding with small, rural district modernization grants.