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**SENATE BILL 5487**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Hawkins and Pedersen

Prefiled 12/06/21.

1 AN ACT Relating to small school district consolidation incentives  
2 for infrastructure enhancement and modernization; amending RCW  
3 28A.525.166; adding a new section to chapter 28A.315 RCW; and making  
4 an appropriation.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.315  
7 RCW to read as follows:

8 (1) To encourage efficient administration in the delivery of K-12  
9 education, qualifying school districts are eligible for a  
10 consolidation incentive in the form of enhanced state funding  
11 assistance for infrastructure enhancement and modernization.

12 (2) To qualify for a consolidation incentive, two or more whole  
13 school districts with contiguous territory must reorganize to form a  
14 new school district pursuant to RCW 28A.315.235. At least one of the  
15 participating school districts must have 1,000 or fewer full-time  
16 equivalent students enrolled at the time the consolidation is  
17 approved.

18 (3) Upon consolidation, the new school district's computed state  
19 funding assistance percentage as calculated under RCW 28A.525.166  
20 must be increased by 10 percentage points, not to exceed 100 percent,  
21 for 10 consecutive years.

1 (4) The office of the superintendent of public instruction must  
2 administer consolidation planning grants to eligible districts and  
3 provide technical assistance as needed within appropriations for this  
4 purpose. Districts seeking consolidation planning grants must provide  
5 a brief statement describing the efficiencies that the school  
6 district intends to realize through consolidation, as well as any  
7 barriers to consolidation that the school district can identify. If  
8 applications for consolidation planning grants exceed funds  
9 available, the office of the superintendent of public instruction  
10 must prioritize planning grants for school districts with the fewest  
11 enrolled students.

12 **Sec. 2.** RCW 28A.525.166 and 2015 3rd sp.s. c 3 s 7018 are each  
13 amended to read as follows:

14 Allocations to school districts of state funds provided by RCW  
15 28A.525.162 through 28A.525.180 shall be made by the superintendent  
16 of public instruction and the amount of state funding assistance to a  
17 school district in financing a school plant project shall be  
18 determined in the following manner:

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

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

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

36		District adjusted	Total state	
37		3-valuation	÷ adjusted valuation	
38	Computed	per pupil	per pupil	State

$$\begin{array}{l}
 \text{1} \qquad \qquad \qquad \text{State} = \frac{\text{District adjusted}}{\text{Total state}} = - \% \text{ Funding} \\
 \text{2} \qquad \qquad \qquad \text{Ratio} \quad \text{District adjusted} \quad \text{Total state} \quad \text{Assistance} \\
 \text{3} \qquad \qquad \qquad \qquad \text{3+valuation} \quad \div \text{ adjusted valuation} \\
 \text{4} \qquad \qquad \qquad \qquad \text{per pupil} \quad \qquad \text{per pupil}
 \end{array}$$

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

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

21 (4) In addition to the computed state funding assistance  
22 percentage developed in subsection (2) of this section, a new school  
23 district formed through consolidation pursuant to section 1 of this  
24 act is entitled to 10 additional percentage points for the next 10  
25 consecutive years. No school district may receive additional  
26 percentage points under this subsection (4) that cause the district's  
27 total computed state funding assistance percentage to exceed 100  
28 percent.

29 (5) In computing the state funding assistance percentage in  
30 subsection (2) of this section and adjusting the percentage under  
31 subsections (3) and (4) of this section, students residing outside  
32 the school district who are enrolled in alternative learning  
33 experience courses under RCW 28A.232.010 shall be excluded from the  
34 count of total pupils. In lieu of the exclusion in this subsection, a  
35 district may submit an alternative calculation for excluding students  
36 enrolled in alternative learning experience courses. The alternative  
37 calculation must show the student headcount use of district classroom  
38 facilities on a regular basis for a reasonable duration by out-of-  
39 district alternative learning experience students subtracted by the

1 headcount of in-district alternative learning experience students not  
2 using district classroom facilities on a regular basis for a  
3 reasonable duration. The alternative calculation must be submitted in  
4 a form approved by the office of the superintendent of public  
5 instruction. The office of the superintendent of public instruction  
6 must develop rules to define "regular basis" and "reasonable  
7 duration."

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

1        ~~((6))~~ (7) For the 2015-2017 biennium, schools determined to  
2 have a lack of sufficient space to provide science classrooms or  
3 labs, to meet the requirements of law, have a special housing burden  
4 condition similar to those defined under subsection ~~((5))~~ (6)(b) of  
5 this section, creating a like emergency. For the 2015-2017 biennium,  
6 school districts are entitled to additional percentage points for  
7 school construction projects that have a special housing burden  
8 condition only and have received private donations in the form of  
9 cash, in-kind, or equipment of more than one hundred thousand  
10 dollars. The additional percentage points are determined by (a)  
11 school district student enrollments in the free and reduced-price  
12 meals program, (b) school district class as defined by RCW  
13 28A.300.065, and (c) the funding assistance percentage as calculated  
14 in subsection (2) of this section. The additional percentage points  
15 under (a) of this subsection are twenty percent of the percent of  
16 student enrollments eligible and enrolled in the free and reduced-  
17 price meals program. The additional percentage points under (b) of  
18 this subsection are ten for second class school districts. The  
19 additional percentage points under (c) of this subsection are ten for  
20 school districts with funding assistance percentages of more than  
21 fifty percent.

22        NEW SECTION. **Sec. 3.** The sum of \$200,000, or as much thereof as  
23 may be necessary, is appropriated for the fiscal biennium ending June  
24 30, 2023, from the common school construction fund to the office of  
25 the superintendent of public instruction for the purposes of  
26 administering consolidation planning grants to assist school  
27 districts in accessing consolidation incentives for infrastructure  
28 enhancements and modernization.

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