

# SENATE BILL REPORT

## SB 5453

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As Reported by Senate Committee On:  
Ways & Means, February 23, 2017

**Title:** An act relating to school construction assistance grants for small, rural school districts.

**Brief Description:** Concerning school construction assistance grants for small, rural school districts.

**Sponsors:** Senators Honeyford and Frockt.

**Brief History:**

**Committee Activity:** Ways & Means: 2/16/17, 2/23/17 [DPS, DNP, w/oRec].

**Brief Summary of Substitute Bill**

- Establishes a new grant program to assist small, rural school districts with the cost of school modernization.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5453 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Carlyle, Conway, Darneille, Fain, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

**Minority Report:** Do not pass.  
Signed by Senator Hasegawa.

**Minority Report:** That it be referred without recommendation.  
Signed by Senator Billig.

**Staff:** Richard Ramsey (786-7412)

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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.*

**Background:** The school construction assistance program (SCAP), administered by the Office of Superintendent of Public Instruction (OSPI), provides school districts with financial assistance to expand and modernize school facilities. The amount of financial assistance is based on a formula that considers the amount of square feet needed for the number of students in elementary schools, middle schools, and high schools; multiplied by an assumed cost per square foot for construction; multiplied by a state fund matching rate. The SCAP match rate depends on the relative value of assessed property in the district per student. SCAP only funds permanent school buildings, not portables. A local match, via bond or levy passage, is required for school districts to qualify for SCAP.

The state Constitution authorizes school districts to issue bonds for the purpose of constructing schools. Schools are owned, designed, constructed, and maintained by local school districts. Authorization of general obligation bonds require a 60 percent majority vote.

**Summary of Bill (First Substitute):** A grant program is created to assist small, rural school districts with the cost of school modernization. Only districts with fewer than 1000 students are eligible. The OSPI is directed to recommend measures to enable school districts, which because of low assessed values or high indebtedness are not eligible for SCAP modernization grants, to become eligible in the small rural district SCAP. Districts with incomplete inventory and condition of schools (ICOS) information may not apply.

An advisory committee, which is appointed by the Superintendent of Public Instruction, is established; committee members must have experience in financing, managing, repairing and improving school facilities in small rural districts, and must not be involved in a small, rural project request in the biennium under consideration. OSPI is to provide administrative and staff support to the committee.

Applications must consist of a brief description of the school condition, its deficiencies, student enrollment, student achievement measures, and financial limitations of the district. The advisory committee and OSPI will provide technical assistance to the district to develop affordable and effective proposals to resolve the most serious building deficiencies. The advisory committee must evaluate applications, and by September 1st of even-numbered years, submit a prioritized list of grants to the Superintendent of Public Instruction and the Governor, who must follow the prioritized list in their funding recommendations.

Funding for the grant program will be determined in omnibus capital budget.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Directs the OSPI to recommend measures to enable school districts, which because of low assessed values or high indebtedness are not eligible for SCAP modernization grants, to become eligible in the small rural district SCAP.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: The Chewelah school district can't get into SCAP because of its inability to pass bonds; all 8 bond passage attempts since 1992 have failed. There are 800 students in the school district and the buildings are 35 to 42 years old. The state used to have a small repair grant program. We recommend removing the provision that establishes preference for districts with the greatest achievement gap because there are districts with excellent performance in failing buildings. It is important for OSPI to provide technical assistance. South Bend's elementary school is 70 years old. The district is willing to pass bonds, it did so with 75 percent of the vote, and appraised value limits borrowing capacity to \$6 million. We recommend considering the tax base as a basis for program eligibility.

**Persons Testifying:** PRO: Rick Linehan, Chewelah School District Superintendent (via remote testimony); Jim Kowalkowski, Eastern Washington Quality Schools Coalition/Davenport School District; Jon Tienhaara, South Bend School District/Superintendent; Casey Moore, Director of School Facilities, OSPI; Curt Guaglianone, Mt. Adams School District.

**Persons Signed In To Testify But Not Testifying:** No one.