
Capital Budget Committee

SB 5487

Brief Description: Concerning small school district consolidation incentives for infrastructure enhancement and modernization.

Sponsors: Senators Hawkins, Pedersen, Braun, Frockt, Hasegawa, Hunt, Keiser, Mullet, Nobles and Wagoner.

Brief Summary of Bill

- Provides a 10 percent state funding assistance enhancement for 10 years to qualifying school districts that voluntarily consolidate.
- Directs the Office of the Superintendent of Public Instruction to administer consolidation planning grants and appropriates \$200,000 from the Common School Construction Fund for this purpose.

Hearing Date: 2/25/22

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

Background:

School District Consolidation.

School district consolidation occurs when two or more school districts join to form a new school district. The consolidation process is initiated when a written petition is presented to the educational service district superintendent. The petition must be signed by:

- 10 or more registered voters residing in each district or part of a district proposed to be included in the new district;
- 10 or more registered voters residing in the territory of a proposed new district and approved by the board of directors of the affected school districts; or
- 10 percent or more of the registered voters residing in such affected areas.

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

Before consolidation can be completed, the educational service district superintendent must hold a special election of the voters of the affected districts, where a simple majority determines approval or rejection. If consolidation is approved, the educational district superintendent must write an order for the approved changes in district boundaries, as well as an equitable adjustment of assets and liabilities.

School Construction Assistance Program.

The School Construction Assistance Program (SCAP) provides state financial assistance on a formula basis to school districts for constructing new, and remodeling existing, school buildings. Capital construction costs for instructional space that exceed the state financial assistance provided by SCAP are generally borne by school districts. A school district must first secure local funding before it may become eligible for SCAP funding. Only districts' permanent instructional space is eligible for state funding through the program. The Office of the Superintendent of Public Instruction (OSPI) administers the program and works with school districts on project approval and reimbursement.

The state allocates SCAP funding to districts based on a set of space and cost standards that are determined by the OSPI and adopted by the Legislature, as well as a statutory funding assistance percentage based on the relative property wealth of districts. The funding assistance percentage reduces the amount of SCAP assistance provided based on the relative property wealth of school districts, such that relatively wealthier districts receive a lower percentage of their recognized costs covered through SCAP. However, districts experiencing growth in student enrollments are entitled to receive additional "growth" percentage points, not to exceed 20 percent, added to their funding assistance percentage. The minimum, overall funding assistance percentage is 20 percent of recognized project costs and can be as much as 100 percent of the recognized costs, depending on district property wealth and growth.

Summary of Bill:

To encourage efficient administration in the delivery of kindergarten to twelfth grade (K-12) education, qualifying school districts are eligible for a consolidation incentive in the form of enhanced state funding assistance for infrastructure enhancement and modernization.

To qualify for the incentive, two or more whole school districts with contiguous territory must reorganize to form a new school district. At least one of the participating school districts must have 1,000 or fewer students enrolled at the time the consolidation is approved.

Upon consolidation, the new school district's computed state funding assistance percentage must be increased by 10 percentage points, not to exceed 100 percent, for 10 consecutive years.

The OSPI must administer consolidation planning grants to assist eligible districts in accessing consolidation incentives, and \$200,000 is appropriated from the Common School Construction Fund for this purpose. School districts seeking consolidation planning grants must provide a

brief statement describing the efficiencies that the school district intends to realize through consolidation, as well as any barriers to consolidation that the school district can identify. If applications for consolidation planning grants exceed funds available, the OSPI must prioritize planning grants for school districts with the fewest enrolled students.

Appropriation: The bill appropriates \$200,000 from the Common School Construction Fund.

Fiscal Note: Available.

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