

# SENATE BILL REPORT

## SB 6045

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As of January 24, 2024

**Title:** An act relating to school district efficiencies and consolidation.

**Brief Description:** Concerning school district efficiencies and consolidation.

**Sponsors:** Senators Hunt and Valdez.

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/25/24.

**Brief Summary of Bill**

- Directs the Washington State School Director's Association to work with school districts to develop and implement a comprehensive statewide consolidation initiative.
- Establishes the Commission on School District Efficiencies and Consolidation which is directed to develop and recommend a comprehensive plan for the consolidation of Washington school districts by December 1, 2029.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Staff:** Alex Fairfortune (786-7416)

**Background:** Changing School District Boundaries. It is the state's policy that decisions on proposed changes in school district organization should be made, whenever possible, by negotiated agreement between the affected school districts. If the districts cannot agree the decision must be made by regional committees on school district organization based on the committee's best judgement when considering the following:

- a balance of local petition requests and the needs of the statewide community at large, balancing the best interest of public education in the affected districts, communities,

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- educational service districts (ESDs), and the state;
- responsibly serving all of the affected citizens and students by contributing to logical service boundaries and recognizing a changing economic pattern within ESDs;
- enhancing the educational opportunities for students by reducing existing disparities among the affected districts' ability to provide operating and capital funds through an equitable adjustment of the assets and liabilities of the affected districts;
- promoting a wiser use of public funds through improvement in the school district system of ESDs and the state; and
- other criteria or considerations as may be established in rule by the Superintendent of Public Instruction.

The boundaries of existing school districts may be altered or reorganized in one of three ways: (1) transfer of territory by petition; (2) consolidation of school districts; and (3) dissolution and annexation. There is currently no statute authorizing a portion of a school district to break off into a new school district.

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:

- ten or more registered voters residing in each whole district and each part of a district proposed to be included in the new district;
- ten 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.

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.

**Summary of Bill:** Comprehensive Statewide Consolidation Initiative. The Washington State School Directors' Association (WSSDA) must work with school districts to develop and implement a comprehensive statewide consolidation initiative to streamline and provide efficiencies in the administration and operation of school districts and ESDs. The goals of the initiative are increased efficiency, cost savings, and an improved learning environment for students.

*Initiative Collaboration and Strategies.* WSSDA must work collaboratively with, and receive assistance from, state associations representing school administrators, school business managers, ESDs, principals, teachers, classified employees, and parents.

The following efficiency strategies must be considered and may be included under the

initiative:

- consolidation of districts;
- consolidation of administration between or among districts;
- development and implementation of shared services including, but not limited to, food services, transportation, administration, construction, technology, and instruction;
- increased use of technology; and
- other efficiencies and consolidations as appropriate.

*Cost Savings.* Cost savings resulting from the consolidation initiative must remain in the public school system to allow school districts to redirect resources to activities that improve student learning.

WSSDA must file an annual report with the Office of the Superintendent of Public Instruction (OSPI) that includes documented and projected annual cost savings resulting from the consolidation initiative starting September 1, 2027, and each September 1st thereafter, with a final report by September 1, 2031.

Commission on School District Efficiencies and Consolidation. The Commission on School District Efficiencies and Consolidation (Commission) is established to develop and recommend a comprehensive plan for the consolidation of Washington school districts and to consider appeals or alternatives to the consolidation plan.

*Membership.* The Commission must be composed of the following members:

- one representative of the State Board of Education (SBE) selected by the board;
- two representatives of school administrators selected by WSSDA, with one representative each from the East and West of the Cascade Mountains;
- two representatives of school board directors selected by WSSDA, with one representative each from the East and West of the Cascade Mountains;
- one representative of certificated instructional school employees selected by the Washington Education Association;
- an individual with experience as a demographer or as a participant on the Redistricting Commission, selected by the Governor; and
- four individuals selected jointly by the Speaker of the House of Representatives and the President of the Senate, with two individuals each from the East and West of the Cascade Mountains.

*Commission on School District Efficiencies and Consolidation Support and Administration.* OSPI must convene the initial meeting of the Commission and provide staff support for the Commission. Members of the Commission must elect a chair at the initial meeting and any vacancies must be filled in the same manner as originally provided. Members are entitled to receive compensation and reimbursement for travel expenses.

*Consolidation Criteria.* The Commission must develop objective criteria, ranked in priority

order, for the consolidation of Washington school districts. The following criteria must be included:

- school districts with fewer than 15,000 full-time equivalent (FTE) students may be consolidated with districts with more than 15,000 FTE students;
- school districts with more than 15,000 FTE students may not be consolidated with school districts with more than 15,000 FTE students;
- school districts with more than 20,000 FTE students may not be consolidated;
- an emphasis must be placed on consolidating school districts with 2000 or fewer students;
- school districts that are consolidated must currently share boundaries; and
- remote and necessary districts may continue.

The Commission must hold at least one public hearing on the proposed criteria in each ESD before adopting them as administrative rules. The Commission must provide notice at least ten days before the date of each hearing by posting in one or more newspapers within the ESD and on the websites of the ESD school districts.

*Proposed Comprehensive Plan.* The Commission must develop a comprehensive plan (plan) for the consolidation of Washington school districts based on the adopted objective criteria. The plan must result in no more than 150 school districts in the state and establish their boundaries. The plan must also consider dividing school districts with more than 25,000 FTE students into two or more school districts. Decisions regarding the disposition of schools must remain with school district boards of directors, including the closing or consolidation of schools.

The plan may include recommendations for consolidation of school districts or services, including but not limited to joint transportation or food service agreements, consolidated administration, joint use of facilities, or joint delivery and management of special services. The plan may also result in a reorganization or consolidation of the number of ESDs and their boundaries.

The Commission must hold at least one public hearing in each ESD during the development of the proposed plan. The Commission must provide notice at least ten days before the date of each hearing by posting in one or more newspapers within the ESD and on the websites of the ESD school districts.

*Review of Proposed Comprehensive Plan.* The Joint Legislative Audit and Review Committee (JLARC) must conduct an independent review of the proposed plan to assure that it follows the objective criteria to the maximum extent possible. JLARC must submit a report of its findings and any recommended changes to the Commission by September 1, 2029.

*Final Comprehensive Plan.* The Commission must submit the final plan to OSPI, the Governor, and the Legislature by December 1, 2029. The plan must consist of two parts, to

be submitted separately in the form of proposed legislation.

Part A must consist of a list of the recommended school districts and ESDs and their respective boundaries. Except for amendments to correct technical errors or omissions, this legislation may only be amended with approval by a two-thirds vote of each house of the Legislature.

Part B must consist of recommended procedures and timelines for implementation of the plan, including:

- a phased-in implementation schedule;
- procedures and timelines for determination, adjustment, and transfer of assets and liabilities among school districts, including bonded indebtedness;
- procedures and timelines for determination and election of district and ESD boards of directors, including transition periods of up to two years during which previous directors must continue to have governing responsibilities;
- a process and limited timeframe for school districts to appeal or propose an alternative to their consolidation;
- amendments or temporary suspension of statutes necessary to implement the plan and provide an ongoing process for management of school district organization and boundaries after the plan's implementation.

*Legislative Action.* If the proposed legislation submitted by the Commission is signed into law before June 30, 2030, the provisions directing the consolidation initiative expire.

*Consolidation Appeal.* If a school district's organization is changed by the adopted plan then the school district may appeal the consolidation to the Commission. If an appeal affects the organization of more than one school district then it must be submitted jointly by all affected districts and propose an alternative consolidation for consideration. No school district may submit more than one appeal. If the Commission sustains an appeal it must order implementation of the alternative consolidation.

The Commission must adopt rules establishing the procedures, criteria, and time frame for consideration and determination of appeals, including an appeal deadline, based on Part B of the plan.

*Significant Efficiencies.* School districts may submit a proposal to achieve significant efficiencies and reductions in operating costs through the consolidation of services as an alternative to the plan. The proposal must be in the form of a memorandum of understanding signed by the school directors of each participating school district, and include the proposed consolidation of the districts submitting the proposal. The Commission may approve an agreement if the districts demonstrate significant efficiencies and reductions. If approved, the Commission must order implementation of the memorandum of understanding and the proposed consolidation.

The Commission must adopt rules establishing the procedures, criteria, and time frame for consideration and approval of agreements, including a definition of "significant efficiencies and reductions in operating costs" based on Part B of the plan.

Decisions and orders of the Commission must be filed with OSPI, the State Auditor, appropriate county officials, and the Legislature.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** Yes.

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