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By Representatives McClintock, Callan, Leavitt, Couture, Schmidt, Waters, Barkis, Christian, Ramos, Ramel, Reeves, Santos, and Hackney

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1 AN ACT Relating to school districts with aged facilities and a
2 history of capital bond failure; amending RCW 28A.525.159; adding a
3 new section to chapter 28A.525 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that school
6 districts should modernize or replace schools that are at least 50
7 years old, as such facilities may not provide a suitable learning
8 environment for students. The legislature further finds that certain
9 school districts in the state fail to pass capital bonds for school
10 construction on a consistent basis because the local property tax
11 burden required to match state grant funding is too large. Therefore,
12 the legislature intends to create the aging schools assistance
13 program through which school districts with aged facilities and a
14 history of capital bond failure will be able to modernize or replace
15 their school buildings.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.525
17 RCW to read as follows:

18 (1) Modernization, new construction, and planning grants for
19 school districts with aged facilities and a history of capital bond
20 failure must be awarded and determined in accordance with this

1 section. The grant program created in this section shall be known as
2 the aging schools assistance program.

3 (2) Applicant eligibility criteria. Subject to subsection (4) of
4 this section, school districts must meet the following conditions to
5 be eligible for a grant under this section:

6 (a) In the 20 years preceding the date of application for grants
7 pursuant to this section, the registered voters of the applying
8 school district must have failed to approve at least four consecutive
9 capital bond authorizations pursuant to RCW 84.52.056 and the most
10 recent such bond election prior to the date of application must have
11 failed.

12 (b) The applying school district's most recent failure to approve
13 a capital bond prior to an application made under this section must
14 have received the approval of a majority of the voters voting on the
15 proposition.

16 (c) The applying school district must have a student head count
17 enrollment of 1,001 students or more.

18 (3) Project eligibility criteria.

19 (a) Projects funded under this section must meet the following
20 conditions: (i) Subject to (d) of this subsection, projects must
21 comprehensively modernize or replace facilities that are at least 50
22 years old and which have not been modernized in the past 30 years;
23 and (ii) projects must not exceed 110 percent of the statewide
24 average cost per square foot for new construction or modernization,
25 as applicable, and as estimated by the advisory committee and
26 approved by the office of the superintendent of public instruction.
27 If, upon review, the advisory committee determines that districts
28 applying for grants under this section may experience unusual project
29 or bidding conditions, the advisory committee may allow individual
30 exceptions to the cost threshold in this subsection.

31 (b) Instructional facilities that are otherwise eligible under
32 this section that contain or include additions or annexes that do not
33 meet the age requirements of this section are eligible to the extent
34 that the applying school district determines that it would be most
35 cost-effective to modernize or replace these facilities as part of
36 the larger project for which the application is made.

37 (c) Noninstructional facilities that are used by students, such
38 as stadia, grandstands, and sports fields, as determined by the
39 office of the superintendent of public instruction, are eligible
40 project types to the extent that they meet the other project

1 eligibility criteria established in this section. Noninstructional
2 space for the general administration and operation of the district is
3 not eligible for a grant under this section. The eligibility of a
4 noninstructional facility under this section shall not qualify other
5 facilities on a school campus for modernization or replacement
6 eligibility under this section.

7 (d) To meet the project eligibility criteria for comprehensive
8 modernization specified under (a) of this subsection, projects must
9 correct critical physical deficiencies and essential safety concerns,
10 including: (i) Seismic vulnerabilities; (ii) failing or broken
11 building and site systems; (iii) deficiencies of infrastructure and
12 components; (iv) barriers to program accessibility; (v) deteriorated
13 exterior conditions; and (vi) deficiencies in interior classroom
14 spaces. Project approaches may include modernizing, repairing,
15 reconfiguring, or replacing existing buildings, constructing new
16 buildings, and upgrading deteriorated and outdated site
17 infrastructure.

18 (4) Other eligibility criteria.

19 (a) School districts with incomplete or outdated building
20 inventories, natural hazard assessments, and condition information as
21 required by the office of the superintendent of public instruction
22 are not eligible to apply for construction grants under this section
23 but may apply for planning grants. Building inventory and condition
24 information must be provided by an independent consultant certified
25 by the office of the superintendent of public instruction. A seismic
26 building assessment must be conducted by an engineer licensed as a
27 structural engineer in Washington state.

28 (b) If the office of the superintendent of public instruction
29 determines that school districts applying for grants pursuant to this
30 section have met the bond authorization failure criteria under
31 subsection (2) of this section, these districts remain eligible for
32 grants under this section so long as they also meet the other grant
33 program eligibility requirements of this section.

34 (c) Except as provided for in (d) of this subsection, the amount
35 of instructional space per enrolled student at each school funded by
36 the state through a grant under this section must not exceed the
37 student space allocations for instructional space established by the
38 office of the superintendent of public instruction for the school
39 construction assistance program provided by RCW 28A.525.162 through
40 28A.525.180. The noninstructional space funded by the state through a

1 grant under this section must not exceed space standards established
2 by the advisory committee based on their review of applicable
3 industry standards.

4 (d) School districts awarded a grant in this section may receive
5 grant funding for space that exceeds the limitations under (c) of
6 this subsection only for the replacement or modernization of existing
7 school district space that otherwise meets the project eligibility
8 criteria of this section.

9 (e) The space limitations established under (c) and (d) of this
10 subsection are not intended to prevent school districts from
11 constructing additional facility space at their own cost, using local
12 or other nonstate funding. Therefore, school districts participating
13 in a project funded under this section may use local, nonstate
14 funding for construction of additional space that exceeds these
15 limitations. However, any costs associated with additional space
16 shall not count toward the district share of project costs under
17 subsection (10) of this section.

18 (5) Eligible use of grants. A grant awarded pursuant to this
19 section may only be used for the following purposes: (a) The
20 collection of the required information in subsection (4)(a) of this
21 section; (b) all predesign and design costs including value
22 engineering and constructability reviews; and (c) all related costs
23 associated with the project, except for any school district costs
24 that are associated with the general administration and operation of
25 the district, as determined by the office of the superintendent of
26 public instruction.

27 (6) Required grant list.

28 (a) The superintendent of public instruction must propose a list
29 of prioritized planning and construction grants pursuant to this
30 section for school districts meeting the eligibility requirements
31 established in this section to the governor by September 1st of even-
32 numbered years, beginning September 1, 2024. This list must include:
33 (i) A description of the proposed project; (ii) the proposed planning
34 grant amount, when applicable; (iii) the proposed construction grant
35 amount, when applicable; (iv) the anticipated district share of
36 project costs; (v) the estimated total project cost; and (vi) the
37 project score in total and by category.

38 (b) The superintendent of public instruction and the governor may
39 determine the level of funding in their omnibus capital
40 appropriations act requests to support grants under this section, but

1 their funding requests must follow the prioritized list prepared by
2 the advisory committee unless new information determines that a
3 specific project is no longer viable as proposed.

4 (c) The office of the superintendent of public instruction may
5 only award grants in this section after the legislature approves the
6 list of funded grants and appropriates funding specifically for this
7 purpose.

8 (7) Planning grant requirements and prioritization. Subject to
9 the availability of amounts appropriated for this specific purpose,
10 the office of the superintendent of public instruction must assist
11 eligible school districts that are interested in applying for a
12 construction grant under this section by providing technical
13 assistance and planning grants. School districts seeking planning
14 grants under this section must provide a brief statement describing
15 existing school conditions, building system and site deficiencies,
16 the office of the superintendent of public instruction's current and
17 five-year projected student head count enrollment, financial
18 constraints, and evidence of school district bond failures that meet
19 the grant eligibility criteria established under this section. If
20 applications for planning grants exceed funds available, the office
21 of the superintendent of public instruction may prioritize planning
22 grant requests with primary consideration given to school district
23 financial capacity and facility conditions.

24 (8) Construction grant requirements and prioritization.

25 (a) School districts applying for a construction grant under this
26 section must have received and completed a planning grant under
27 subsection (7) of this section or have completed construction
28 documents including drawings, specifications, total project cost
29 estimates, contract and procurement requirements, and other materials
30 required by the advisory committee, as part of the construction grant
31 application process.

32 (b) Subject to the availability of amounts appropriated for this
33 specific purpose, the advisory committee must evaluate final
34 applications from eligible school districts. The advisory committee
35 must submit a prioritized list of grants to the superintendent of
36 public instruction. The list must prioritize applications to achieve
37 the greatest improvement of school facilities with the poorest
38 conditions, in the school districts with the most limited financial
39 capacity, for projects that are likely to improve student health and
40 safety for the amount of state grant support. The advisory committee

1 must develop specific criteria to achieve the prioritization. The
2 submitted prioritized list must describe the project, the proposed
3 state funding level, and the estimated total project cost including
4 other funding and in-kind resources.

5 (c) At least one representative from the advisory committee and
6 at least one representative from the office of the superintendent of
7 public instruction must visit each project site for which an
8 application is received as part of the project prioritization process
9 under this subsection.

10 (9) Advisory committee.

11 (a) The superintendent of public instruction must use the
12 existing advisory committee under RCW 28A.525.159 to prioritize
13 construction grant applications from school districts pursuant to
14 this section. However, the superintendent may appoint supplementary
15 members with additional expertise as needed to evaluate project
16 applications pursuant to this section.

17 (b) The advisory committee may propose changes to the eligibility
18 threshold and grant application scoring procedures to the legislature
19 as they learn more about the characteristics of school districts that
20 are unable to replace or modernize their aging school facilities.

21 (10) Share of project costs.

22 (a) To receive a grant under this section, a school district must
23 provide, for each grant awarded, a district share of project costs
24 equal to 25 percent of the total project cost.

25 (b) A school district may use federal funding, other nonstate
26 grant funding, and private donations to pay for its share under this
27 subsection. When calculating a district's share requirement under (a)
28 of this subsection, the superintendent of public instruction must
29 reduce the district's required share in a manner directly
30 proportionate to the amount of nonstate and nonschool district
31 funding provided to support the state grant.

32 (11) School construction assistance program eligibility. The
33 office of the superintendent of public instruction may not also
34 provide school construction assistance program funding pursuant to
35 RCW 28A.525.162 through 28A.525.180 for projects funded with grants
36 under this section.

37 (12) Disbursement of grant funds and reporting requirements.

38 (a) The office of the superintendent of public instruction must
39 award grants under this section to school districts. The grants must
40 not be awarded until the recipient has identified available local and

1 other resources sufficient to complete the approved project
2 considering the amount of state grant funding. The grant must specify
3 reporting requirements for the district and must include:

4 (i) Updating all school inventory and condition data considered
5 necessary by the office of the superintendent of public instruction;

6 (ii) Submitting a final project report as specified by the office
7 of the superintendent of public instruction in consultation with the
8 advisory committee and approved by the school facilities citizen
9 advisory panel created under RCW 28A.525.025; and

10 (iii) Implementing and maintaining an asset preservation program
11 for the facility receiving grant funding as required by the office of
12 the superintendent of public instruction's asset preservation
13 program.

14 (b) School districts with legislatively approved projects listed
15 under subsection (6) of this section shall secure the district share
16 of project costs required under subsection (10) of this section
17 within the fiscal biennium for which the associated grant funding is
18 appropriated. If a district will not secure the district share of
19 project costs pursuant to this requirement, it must notify the office
20 of the superintendent of public instruction, according to a schedule
21 determined by that office, and declare whether the district intends
22 to pursue nonstate funding for the project in the subsequent
23 biennium. The office of the superintendent of public instruction must
24 request reappropriation of the legislatively approved grant funding
25 listed under subsection (6) of this section for any district with
26 legislatively approved projects that declare a plan to pursue the
27 district share of project cost in the subsequent biennium, pursuant
28 to this subsection. The office of the superintendent of public
29 instruction must also retain the relative ranking from prior
30 application periods for school districts' projects that are not
31 legislatively approved under subsection (6)(c) of this section unless
32 new information determines that a specific project is no longer
33 viable as proposed.

34 **Sec. 3.** RCW 28A.525.159 and 2020 c 299 s 1 are each amended to
35 read as follows:

36 (1) School construction assistance program grants for small
37 school districts and state-tribal education compact schools must be
38 determined in accordance with this section.

1 (2) Eligibility. School districts and state-tribal education
2 compact schools with enrollments that are less than or equal to one
3 thousand students are eligible for small school district
4 modernization grants. The advisory committee specified in subsection
5 (4)(a) of this section may recommend amendments to the eligibility
6 threshold as they learn more about the characteristics of school
7 districts and state-tribal education compact schools that are unable
8 to modernize their aging school facilities. Districts with incomplete
9 information in the inventory and condition of schools data system are
10 not eligible to apply for construction grants but may apply for
11 planning grants.

12 (3) The office of the superintendent of public instruction must
13 assist eligible school districts and state-tribal education compact
14 schools that are interested in applying for a small school district
15 modernization grant under this section by providing technical
16 assistance and planning grants within appropriations for this
17 purpose. Districts and state-tribal education compact schools seeking
18 planning grants must provide a brief statement of the school
19 condition, its deficiencies, student enrollment, student achievement
20 measures, and financial limitations of the district or state-tribal
21 education compact school. If applications for planning grants exceed
22 funds available, the office of the superintendent of public
23 instruction may prioritize the recipients of planning grants in order
24 to help districts and state-tribal education compact schools with the
25 most serious apparent building deficiencies, and the most limited
26 financial capacity.

27 (4) Prioritized construction grants and advisory committee.

28 (a) The superintendent of public instruction must propose a list
29 of prioritized grants to the governor by September 1st of even-
30 numbered years. The superintendent of public instruction must appoint
31 an advisory committee to separately prioritize applications from
32 small school districts and state-tribal education compact schools and
33 from school districts with aged facilities and a history of capital
34 bond failure for grants under section 2 of this act. Committee
35 members must have experience in financing, managing, repairing, and
36 improving school facilities in small school districts or state-tribal
37 education compact schools but must not be involved in a (~~small~~
38 ~~school district modernization program~~) grant request under this
39 section or section 2 of this act for the biennium under
40 consideration. The office of the superintendent of public instruction

1 must provide administrative and staff support to the (~~{advisory}~~)
2 advisory committee and coordinate activities to minimize costs to the
3 extent practicable. The office of the superintendent of public
4 instruction in consultation with the advisory committee must design a
5 grant application process with specific criteria for prioritizing
6 grant requests under this section or section 2 of this act.

7 (b) The advisory committee created in (a) of this subsection must
8 evaluate final applications from eligible school districts and state-
9 tribal education compact schools. The advisory committee must submit
10 a prioritized list of grants to the superintendent of public
11 instruction. The list must prioritize applications to achieve the
12 greatest improvement of school facilities, in the districts and
13 state-tribal education compact schools with the most limited
14 financial capacity, for projects that are likely to improve student
15 health, safety, and academic performance for the largest number of
16 students for the amount of state grant support. The advisory
17 committee must develop specific criteria to achieve the
18 prioritization. The submitted prioritized list must describe the
19 project, the proposed state funding level, and the estimated total
20 project cost including other funding and in-kind resources. The list
21 must also indicate student achievement measures that will be used to
22 evaluate the benefits of the project. The superintendent of public
23 instruction and the governor may determine the level of funding in
24 their omnibus capital appropriations act requests to support small
25 school district modernization grants, but their funding requests must
26 follow the prioritized list prepared by the advisory committee unless
27 new information determines that a specific project is no longer
28 viable as proposed.

29 (5) Coordination with the school construction assistance program.

30 (a) The full administrative and procedural process of school
31 construction assistance program funding under RCW 28A.525.162 through
32 28A.525.180 may be streamlined by the office of the superintendent of
33 public instruction in order to coordinate eligible school
34 construction assistance program funding with the small school
35 district modernization grants. Such coordination must ensure that
36 total state funding from both grants does not exceed total project
37 costs minus available local resources.

38 (b) Projects seeking small school district modernization grants
39 must meet the requirements for a school construction assistance
40 program grant except for the following: (i) The estimated cost of the

1 project may be less than forty percent of the estimated replacement
2 value of the facility, and (ii) local funding assistance percentage
3 requirements of the school construction assistance program do not
4 apply. However, available district and state-tribal education compact
5 school resources are considered in prioritizing small school district
6 modernization grants.

7 (6) Disbursement of grant funds and reporting requirements. The
8 office of the superintendent of public instruction must award grants
9 to school districts and state-tribal education compact schools. The
10 grant must not be awarded until the district or state-tribal
11 education compact school has identified available local and other
12 resources sufficient to complete the approved project considering the
13 amount of the state grant. The grant must specify reporting
14 requirements from the district or state-tribal education compact
15 school, which must include updating all pertinent information in the
16 inventory and condition of schools data system and submitting a final
17 project report as specified by the office of the superintendent of
18 public instruction in consultation with the school facilities
19 ((~~citizens~~—[~~citizen~~])) citizen advisory panel specified in RCW
20 28A.525.025.

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