

1 program specified in chapter 28A.525 RCW. This grant program is not
2 intended to replace the financing provisions established in the state
3 Constitution, but rather to supplement those financing provisions.
4 The grant program helps finance new school capacity to accommodate
5 enrollment growth and to modernize and replace existing schools while
6 respecting local decisions and control by locally elected school
7 boards.

8 (2) The legislature also finds that some school districts may
9 benefit from additional financial assistance to provide school
10 facilities beyond that which is provided through the school
11 construction assistance grant program for the purpose of constructing
12 or acquiring additional classrooms to support state-funded all-day
13 kindergarten and class size reduction in kindergarten through third
14 grade.

15 (3) The legislature intends to authorize and appropriate bonds
16 over the next several fiscal biennia to assist school districts
17 construct or acquire additional classrooms to support state-funded
18 all-day kindergarten and class size reduction in kindergarten through
19 third grade.

20 **PART 2: Bond Authorization**

21 NEW SECTION. **Sec. 201.** For the purpose of providing funds for
22 financial assistance to local school districts for capital facilities
23 necessary to provide all-day kindergarten and reduce class size in
24 kindergarten through third grade the state finance committee is
25 authorized to issue general obligation bonds of the state of
26 Washington in the sum of two hundred forty million dollars, or as
27 much thereof as may be required, to finance the projects and all
28 costs incidental thereto. Bonds authorized in this section may be
29 sold at such price as the state finance committee shall determine. No
30 bonds authorized in this section may be offered for sale without
31 prior legislative appropriation of the net proceeds of the sale of
32 the bonds.

33 NEW SECTION. **Sec. 202.** The proceeds from the sale of the bonds
34 authorized in section 201 of this act must be deposited in the K-3
35 class size reduction account hereby created in the state treasury.
36 Moneys in the account may be spent only after appropriation. The
37 proceeds must be used exclusively for the purposes specified in

1 section 201 of this act and for the payment of expenses incurred in
2 the issuance and sale of the bonds. The office of financial
3 management shall administer these proceeds, subject to legislative
4 appropriation.

5 NEW SECTION. **Sec. 203.** (1) The debt-limit general fund bond
6 retirement account must be used for the payment of the principal of
7 and interest on the bonds authorized in section 201 of this act.

8 (2) The state finance committee shall, on or before June 30th of
9 each year, certify to the state treasurer the amount needed in the
10 ensuing twelve months to meet the bond retirement and interest
11 requirements. On each date on which any interest or principal and
12 interest payment is due, the state treasurer shall withdraw from any
13 general state revenues received in the state treasury and deposit in
14 the debt-limit general fund bond retirement account an amount equal
15 to the amount certified by the state finance committee to be due on
16 the payment date.

17 (3) Bonds issued under section 201 of this act must state that
18 they are a general obligation of the state of Washington, must pledge
19 the full faith and credit of the state to the payment of the
20 principal thereof and the interest thereon, and must contain an
21 unconditional promise to pay the principal and interest as the same
22 becomes due.

23 (4) The owner and holder of each of the bonds or the trustee for
24 the owner and holder of any of the bonds may by mandamus or other
25 appropriate proceeding require the transfer and payment of funds as
26 directed in this section.

27 NEW SECTION. **Sec. 204.** The legislature may provide additional
28 means for raising moneys for the payment of the principal of and
29 interest on the bonds authorized in section 201 of this act may not
30 be deemed to provide an exclusive method for the payment.

31 NEW SECTION. **Sec. 205.** The bonds authorized in section 201 of
32 this act are a legal investment for all state funds or funds under
33 state control and for all funds of any other public body.

34 **PART 3: K-3 Class Size Grant Program**

1 NEW SECTION. **Sec. 301.** A new section is added to chapter
2 28A.188 RCW to read as follows:

3 (1) The K-3 class size reduction grant program must be
4 administered by the office of the superintendent of public
5 instruction within the provisions of this section. Grants must be
6 calculated and awarded based on the following four steps:

7 (a) Step 1: A verified count of necessary added classrooms in a
8 district must be completed by the district and verified by the office
9 of the superintendent of public instruction in accordance with the
10 following requirements:

11 (i) An inventory of all district classrooms in all elementary
12 schools must be completed. For purposes of this section, elementary
13 school is any district school containing students in kindergarten
14 through fifth grade or sixth grade if the sixth grade students are in
15 schools with younger students. All classrooms include any room in an
16 elementary school in a permanent or portable structure that is in use
17 as a classroom or that could be used as a classroom under building
18 codes in effect at the time the school was constructed or was
19 modernized or renovated. All classrooms also includes all planned
20 elementary school classrooms in projects approved at the "D6" stage
21 or later of the school construction assistance program. This
22 inventory of classrooms must be entered in the inventory and
23 condition of school system maintained by the office of the
24 superintendent of public instruction.

25 (ii) A count of available classrooms in each elementary school in
26 a district must be completed. Available classrooms include all
27 classrooms inventoried in (a)(i) of this subsection minus:

28 (A) Classrooms in elementary schools that are regularly used for
29 students in grades seventh or higher;

30 (B) Classrooms in elementary schools that are regularly used for
31 prekindergarten students participating in special education programs;

32 (C) Classrooms in elementary schools that are regularly used for
33 prekindergarten students not participating in special education
34 programs if such use started prior to the effective date of this
35 section;

36 (D) Seventy-five percent of classrooms in elementary schools that
37 are regularly used for kindergarten through sixth grade students
38 participating in special education programs;

39 (E) Fifty percent of classrooms in elementary schools that are
40 regularly used for students in gifted and talented education;

1 (F) Fifty percent of classrooms in elementary schools that are
2 regularly used for laboratory space, music, or art if such regular
3 use exceeds fifty percent of school hours in the average week.

4 (iii) A calculation of needed classrooms must be completed. The
5 number needed classrooms is calculated by dividing the number of
6 students in each grade in the most recent final October head count by
7 the average class sizes enumerated in RCW 28A.150.260 in effect as of
8 October 31, 2014.

9 (iv) A calculation of necessary added classrooms must be
10 completed. Necessary added classrooms are calculated by subtracting
11 available classrooms from needed classrooms.

12 (b) Step 2: A determination must be made whether the number of
13 necessary added classrooms is sufficient to justify constructing a
14 new school or modernizing a previously closed school, or whether the
15 number of necessary added classrooms can be provided with the
16 addition of portable or modular classrooms or increasing the number
17 of classrooms in a planned school approved at the "D6" stage of the
18 school construction assistance program.

19 (i) If the number of necessary added classrooms is twelve or
20 greater, the presumption is a new school is required. For this
21 purpose a new school means a newly constructed school, an addition of
22 twelve or more classrooms to an existing school, or modernization of
23 a previously closed school.

24 (ii) If the number of necessary added classrooms is less than
25 twelve, the presumption is the added classrooms can be provided with
26 the addition of portable or modular classrooms or by increasing the
27 number of classrooms in a planned school approved at the "D6" stage
28 of the school construction assistance program. A school district may
29 choose to provide necessary added classrooms with portable or modular
30 classrooms even if the number of necessary added classrooms is twelve
31 or greater. Portable classrooms obtained through this grant program
32 must be of a quality and durability such that the life expectance of
33 the portable exceeds thirteen years.

34 (c) Step 3: A calculation of the grant amount a school district
35 is eligible for must be determined.

36 (i) Grants for necessary added classrooms that can be provided
37 with the addition of portable or modular classrooms must not exceed
38 two hundred ten thousand dollars multiplied by the number of
39 necessary added classrooms multiplied by the state matching ratio
40 defined in (c)(iii) of this subsection.

1 (ii) Grants for necessary added classrooms that must be provided
2 with a new school must not exceed five hundred fourteen thousand
3 dollars multiplied by the number of necessary added classrooms
4 multiplied by the state matching ratio defined in (c)(iii) of this
5 subsection.

6 (iii) The state matching ratio for use in this section only is
7 the computed state ratio defined in RCW 28A.525.166 plus twenty
8 percent of the percent of district head count eligible and enrolled
9 in the free and reduced school lunch program.

10 (iv) Grants may not exceed the total project cost for providing
11 the necessary added classrooms multiplied by the state matching ratio
12 defined in (c)(iii) of this subsection.

13 (v) The amounts in (c)(i) and (ii) of this subsection must be
14 increased for the fiscal year of the grant award by the same
15 percentage increase as the construction cost allowance is increased
16 from fiscal year 2014 as authorized in the omnibus capital
17 appropriations act.

18 (d) Step 4: A determination that the school district is ready to
19 begin the project or projects to provide the necessary added
20 classrooms must be made. To be determined ready, a district must
21 certify that the required local funds are authorized to complete the
22 project and the district has an available site or sites for the
23 project. Grant award letters may not be issued for any project prior
24 to the office of financial management approving sufficient allotments
25 for the project award. The office of the superintendent of public
26 instruction must submit sufficient documentation to the office of
27 financial management to justify the project grant award, including
28 steps taken to verify counts and calculations, in requesting
29 allotment approval. Grant funds may only be disbursed after the
30 required local match has been fully expended.

31 (3) The superintendent of public instruction must compile an
32 annual report of grants awarded during each fiscal year. The report
33 must show how each grant award was calculated and the status of all
34 awarded grants. The annual report must also include a report on
35 actual class size reductions achieved in school districts which have
36 received grants provided under this section. The report must be
37 submitted to the appropriate committees of the legislature by October
38 1st for the preceding fiscal year.

39 (4) The office of the superintendent of public instruction must
40 write rules to ensure new space added with funding provided by grants

1 awarded through this section is included in the inventory for
2 determining eligibility for the school construction assistance
3 program. Classroom capacity funded through this grant program is not
4 also eligible for funding under the school construction assistance
5 program. Grant funds provided under this section and the local match
6 required by this program must not be considered as local match under
7 the school construction assistance program.

8 (5) This section expires July 1, 2023.

9 **PART 4: Appropriation**

10 NEW SECTION. **Sec. 401.** Two hundred forty million dollars of the
11 K-3 class size reduction account--state are appropriated to the
12 office of the superintendent of public instruction solely for the
13 purposes of section 301 of this act.

14 **PART 5: Miscellaneous**

15 NEW SECTION. **Sec. 501.** Sections 201 through 205 of this act
16 constitute a new chapter in Title 43 RCW.

17 NEW SECTION. **Sec. 502.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 503.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of
23 the state government and its existing public institutions, and takes
24 effect immediately.

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