

---

**SENATE BILL 5789**

---

**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senators Mullet and Schoesler

Prefiled 12/04/23.

1 AN ACT Relating to the sales and use tax for school construction  
2 assistance program capital projects; and amending RCW 28A.525.166.

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

4 **Sec. 1.** RCW 28A.525.166 and 2015 3rd sp.s. c 3 s 7018 are each  
5 amended to read as follows:

6 Allocations to school districts of state funds provided by RCW  
7 28A.525.162 through 28A.525.180 shall be made by the superintendent  
8 of public instruction and the amount of state funding assistance to a  
9 school district in financing a school plant project shall be  
10 determined in the following manner:

11 (1) The boards of directors of the districts shall determine the  
12 total cost of the proposed project, which cost may include the cost  
13 of acquiring and preparing the site, the cost of constructing the  
14 building or of acquiring a building and preparing the same for school  
15 use, the cost of necessary equipment, taxes chargeable to the  
16 project, necessary architects' fees, and a reasonable amount for  
17 contingencies and for other necessary incidental expenses: PROVIDED,  
18 That the total cost of the project shall be subject to review and  
19 approval by the superintendent.

20 (2) The state funding assistance percentage for a school district  
21 shall be computed by the following formula:

1 The ratio of the school district's adjusted valuation per pupil  
 2 divided by the ratio of the total state adjusted valuation per pupil  
 3 shall be subtracted from three, and then the result of the foregoing  
 4 shall be divided by three plus (the ratio of the school district's  
 5 adjusted valuation per pupil divided by the ratio of the total state  
 6 adjusted valuation per pupil).

	District adjusted	Total state	
	3-valuation	÷ adjusted valuation	
Computed	per pupil	per pupil	State
State =	_____		= - % Funding
Ratio	District adjusted	Total state	Assistance
	3+valuation	÷ adjusted valuation	
	per pupil	per pupil	

14 PROVIDED, That in the event the state funding assistance percentage  
 15 to any school district based on the above formula is less than twenty  
 16 percent and such school district is otherwise eligible for state  
 17 funding assistance under RCW 28A.525.162 through 28A.525.180, the  
 18 superintendent may establish for such district a state funding  
 19 assistance percentage not in excess of twenty percent of the approved  
 20 cost of the project, if the superintendent finds that such additional  
 21 assistance is necessary to provide minimum facilities for housing the  
 22 pupils of the district.

23 (3) In addition to the computed state funding assistance  
 24 percentage developed in subsection (2) of this section, a school  
 25 district shall be entitled to additional percentage points determined  
 26 by the average percentage of growth for the past three years. One  
 27 percent shall be added to the computed state funding assistance  
 28 percentage for each percent of growth, with a maximum of twenty  
 29 percent.

30 (4) In computing the state funding assistance percentage in  
 31 subsection (2) of this section and adjusting the percentage under  
 32 subsection (3) of this section, students residing outside the school  
 33 district who are enrolled in alternative learning experience courses  
 34 under RCW 28A.232.010 shall be excluded from the count of total  
 35 pupils. In lieu of the exclusion in this subsection, a district may  
 36 submit an alternative calculation for excluding students enrolled in  
 37 alternative learning experience courses. The alternative calculation  
 38 must show the student head count use of district classroom facilities

1 on a regular basis for a reasonable duration by out-of-district  
2 alternative learning experience students subtracted by the head count  
3 of in-district alternative learning experience students not using  
4 district classroom facilities on a regular basis for a reasonable  
5 duration. The alternative calculation must be submitted in a form  
6 approved by the office of the superintendent of public instruction.  
7 The office of the superintendent of public instruction must develop  
8 rules to define "regular basis" and "reasonable duration."

9 (5) The approved cost of the project determined in the manner  
10 prescribed in this section excluding taxes chargeable to the project  
11 multiplied by the state funding assistance percentage derived as  
12 provided for in this section, plus state sales and use taxes levied  
13 through the state of Washington and local option sales and use taxes  
14 levied by political subdivisions chargeable to the project, shall be  
15 the amount of state funding assistance to the district for the  
16 financing of the project: PROVIDED, That need therefor has been  
17 established to the satisfaction of the superintendent: PROVIDED,  
18 FURTHER, That additional state funding assistance may be allowed if  
19 it is found by the superintendent, considering policy recommendations  
20 from the school facilities citizen advisory panel that such  
21 assistance is necessary in order to meet (a) a school housing  
22 emergency resulting from the destruction of a school building by  
23 fire, the condemnation of a school building by properly constituted  
24 authorities, a sudden excessive and clearly foreseeable future  
25 increase in school population, or other conditions similarly emergent  
26 in nature; or (b) a special school housing burden resulting from  
27 projects of statewide significance or imposed by virtue of the  
28 admission of nonresident students into educational programs  
29 established, maintained and operated in conformity with the  
30 requirements of law; or (c) a deficiency in the capital funds of the  
31 district resulting from financing, subsequent to April 1, 1969, and  
32 without benefit of the state funding assistance provided by prior  
33 state assistance programs, the construction of a needed school  
34 building project or projects approved in conformity with the  
35 requirements of such programs, after having first applied for and  
36 been denied state funding assistance because of the inadequacy of  
37 state funds available for the purpose; or (d) a condition created by  
38 the fact that an excessive number of students live in state owned  
39 housing; or (e) a need for the construction of a school building to  
40 provide for improved school district organization or racial balance;

1 or (f) conditions similar to those defined under (a), (b), (c), (d),  
2 and (e) of this subsection, creating a like emergency.

3 (6) For the 2015-2017 biennium, schools determined to have a lack  
4 of sufficient space to provide science classrooms or labs, to meet  
5 the requirements of law, have a special housing burden condition  
6 similar to those defined under subsection (5)(b) of this section,  
7 creating a like emergency. For the 2015-2017 biennium, school  
8 districts are entitled to additional percentage points for school  
9 construction projects that have a special housing burden condition  
10 only and have received private donations in the form of cash, in-  
11 kind, or equipment of more than one hundred thousand dollars. The  
12 additional percentage points are determined by (a) school district  
13 student enrollments in the free and reduced-price meals program, (b)  
14 school district class as defined by RCW 28A.300.065, and (c) the  
15 funding assistance percentage as calculated in subsection (2) of this  
16 section. The additional percentage points under (a) of this  
17 subsection are twenty percent of the percent of student enrollments  
18 eligible and enrolled in the free and reduced-price meals program.  
19 The additional percentage points under (b) of this subsection are ten  
20 for second class school districts. The additional percentage points  
21 under (c) of this subsection are ten for school districts with  
22 funding assistance percentages of more than fifty percent.

--- END ---