

SHB 3374 - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/11/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "PART 1

4 NEW SECTION. **Sec. 101.** For the purpose of providing state funds  
5 for federally matched flood hazard mitigation and other projects  
6 throughout the Chehalis river basin, the state finance committee is  
7 authorized to issue general obligation bonds of the state of Washington  
8 in the sum of fifty million dollars, or as much thereof as may be  
9 required, to finance the projects and all costs incidental thereto.  
10 Bonds authorized in this section may be sold at such price as the state  
11 finance committee shall determine. No bonds authorized in this section  
12 may be offered for sale without prior legislative appropriation of the  
13 net proceeds of the sale of the bonds.

14 NEW SECTION. **Sec. 102.** The proceeds from the sale of the bonds  
15 authorized in section 101 of this act shall be deposited in the state  
16 building construction account created by RCW 43.83.020. If the state  
17 finance committee deems it necessary to issue taxable bonds in order to  
18 comply with federal internal revenue service rules and regulations  
19 pertaining to the use of nontaxable bond proceeds, the proceeds of such  
20 taxable bonds shall be transferred to the state taxable building  
21 construction account in lieu of any deposits otherwise provided by this  
22 section. The state treasurer shall submit written notice to the  
23 director of financial management if it is determined that any such  
24 transfer to the state taxable building construction account is  
25 necessary. Moneys in the account may be spent only after  
26 appropriation. These proceeds shall be used exclusively for the  
27 purposes specified in section 101 of this act and for the payment of

1 expenses incurred in the issuance and sale of the bonds. These  
2 proceeds shall be administered by the office of financial management  
3 subject to legislative appropriation.

4 NEW SECTION. **Sec. 103.** (1) The debt-limit general fund bond  
5 retirement account shall be used for the payment of the principal of  
6 and interest on the bonds authorized in section 101 of this act.

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

16 NEW SECTION. **Sec. 104.** (1) Bonds issued under section 101 of this  
17 act shall state that they are a general obligation of the state of  
18 Washington, shall pledge the full faith and credit of the state to the  
19 payment of the principal thereof and the interest thereon, and shall  
20 contain an unconditional promise to pay the principal and interest as  
21 the same shall become due.

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

26 NEW SECTION. **Sec. 105.** The legislature may provide additional  
27 means for raising moneys for the payment of the principal of and  
28 interest on the bonds authorized in section 101 of this act, and  
29 section 103 of this act shall not be deemed to provide an exclusive  
30 method for the payment.

31 NEW SECTION. **Sec. 106.** The bonds authorized in section 101 of  
32 this act shall be a legal investment for all state funds or funds under  
33 state control and for all funds of any other public body.

PART 2

NEW SECTION. **Sec. 201.** The legislature finds that the state's public schools and skill centers are a vital component of the future economic prosperity of our state and provide students with access to high-quality academic and technical skills instruction. Skill centers challenge, motivate, and provide opportunities for students to achieve in basic skills, critical thinking, leadership, and work skills through hands-on education, applied academics, and technology training using a cost-effective delivery model. The legislature further finds that barriers to access exist for students in rural and high-density areas, but the development of satellite and branch campus programs will provide the needed access. The legislature further finds that existing and proposed new skill centers will require facilities and equipment that simulate business and industry. Therefore, it is the intent of the legislature to provide a new source of funding for the critical capital needs of the state's skill centers to enhance access to career and technical education opportunities and to improve the condition of existing facilities. Enhanced capital funding will provide skill centers the ability to fulfill their critical role in maintaining and stimulating the state's economy and expanding quality academic and career and technical education opportunities to more students, especially students who lack access to these programs to date.

In the interest of funding equity and ensuring a commitment to the new development, major renovation, or expansion of skill centers, all school district partners must contribute to the acquisition or major capital costs of skill center projects supported by this act to the greatest extent feasible.

NEW SECTION. **Sec. 202.** For the purpose of providing school construction assistance grants and needed capital improvements consisting of the predesign, design, acquisition, construction, modification, renovation, expansion, equipping, and other improvements of skill centers facilities, including capital improvements to support satellite or branch campus programs for underserved rural areas or high-density areas, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of one hundred million dollars, or as much thereof as may be required, to

1 finance all or a part of these projects and all costs incidental  
2 thereto. Bonds authorized in this section may be sold at such price as  
3 the state finance committee shall determine. No bonds authorized in  
4 this section may be offered for sale without prior legislative  
5 appropriation of the net proceeds of the sale of the bonds. If the  
6 state finance committee deems it necessary to issue taxable bonds in  
7 order to comply with federal internal revenue service rules and  
8 regulations pertaining to the use of nontaxable bond proceeds, the  
9 proceeds of such taxable bonds shall be transferred to the state  
10 taxable building construction account in lieu of any deposits otherwise  
11 provided by this section. The state treasurer shall submit written  
12 notice to the director of financial management if it is determined that  
13 any such transfer to the state taxable building construction account is  
14 necessary.

15 NEW SECTION. **Sec. 203.** This chapter is not intended to limit the  
16 legislature's ability to appropriate bond proceeds if the full amount  
17 authorized in this chapter has not been appropriated after one biennia,  
18 and the authorization to issue bonds contained in this chapter does not  
19 expire until the full authorization has been appropriated and issued.

20 NEW SECTION. **Sec. 204.** (1) The proceeds from the sale of the  
21 bonds authorized in section 202 of this act shall be deposited in the  
22 school construction and skill centers building account created in  
23 section 210 of this act.

24 (2) The proceeds shall be used exclusively for the purposes stated  
25 in section 202 of this act and for the payment of the expenses incurred  
26 in connection with the sale and issuance of the bonds.

27 NEW SECTION. **Sec. 205.** (1) The nondebt-limit reimbursable bond  
28 retirement account must be used for the payment of the principal and  
29 interest on the bonds authorized in section 202 of this act.

30 (2)(a) The state finance committee must, on or before June 30th of  
31 each year, certify to the state treasurer the amount needed in the  
32 ensuing twelve months to meet the bond retirement and interest  
33 requirements on the bonds authorized in section 202 of this act.

34 (b) On or before the date on which any interest or principal and  
35 interest is due, the state treasurer shall transfer from that portion

1 of the common school construction fund derived from the interest on the  
2 permanent common school fund into the nondebt-limit reimbursable bond  
3 retirement account the amount computed in (a) of this subsection for  
4 bonds issued for the purposes of section 202 of this act. Any  
5 deficiency in such transfer shall be made up as soon as moneys are  
6 available for transfer and shall constitute a continuing obligation of  
7 that portion of the common school construction fund derived from the  
8 interest on the permanent common school fund until all deficiencies are  
9 fully paid.

10 NEW SECTION. **Sec. 206.** (1) Bonds issued under section 202 of this  
11 act shall state that they are a general obligation of the state of  
12 Washington, shall pledge the full faith and credit of the state to the  
13 payment of the principal thereof and the interest thereon, and shall  
14 contain an unconditional promise to pay the principal and interest as  
15 the same shall become due.

16 (2) The owner and holder of each of the bonds or the trustee for  
17 the owner and holder of any of the bonds may by mandamus or other  
18 appropriate proceeding require the transfer and payment of funds as  
19 directed in this section.

20 NEW SECTION. **Sec. 207.** The bonds authorized in section 202 of  
21 this act shall be a legal investment for all state funds or funds under  
22 state control and for all funds of any other public body.

23 NEW SECTION. **Sec. 208.** The legislature may provide additional  
24 means for raising moneys for the payment of the principal of and  
25 interest on the bonds authorized in section 202 of this act, and  
26 section 202 of this act shall not be deemed to provide an exclusive  
27 method for the payment.

28 NEW SECTION. **Sec. 209.** This chapter provides a complete,  
29 additional, and alternative method for accomplishing the purposes of  
30 this chapter and is supplemental and additional to powers conferred by  
31 other laws. The issuance of bonds under this chapter shall not be  
32 deemed to be the only method to fund projects under this chapter.



1 (6) Indebtedness authorized or incurred before July 1, 1993,  
2 pursuant to statute which requires that the state treasury be  
3 reimbursed, in the amount of the principal of and the interest on such  
4 indebtedness, from money other than general state revenues or from the  
5 special excise tax imposed pursuant to chapter 67.40 RCW;

6 (7) Indebtedness authorized and incurred after July 1, 1993,  
7 pursuant to statute that requires that the state treasury be  
8 reimbursed, in the amount of the principal of and the interest on such  
9 indebtedness, from (a) moneys outside the state treasury, except higher  
10 education operating fees, (b) higher education building fees, (c)  
11 indirect costs recovered from federal grants and contracts, and (d)  
12 fees and charges associated with hospitals operated or managed by  
13 institutions of higher education;

14 (8) Any agreement, promissory note, or other instrument entered  
15 into by the state finance committee under RCW 39.42.030 in connection  
16 with its acquisition of bond insurance, letters of credit, or other  
17 credit support instruments for the purpose of guaranteeing the payment  
18 or enhancing the marketability, or both, of any state bonds, notes, or  
19 other evidence of indebtedness;

20 (9) Indebtedness incurred for the purposes identified in RCW  
21 43.99N.020;

22 (10) Indebtedness incurred for the purposes of the school district  
23 bond guaranty established by chapter 39.98 RCW;

24 (11) Indebtedness incurred for the purposes of replacing the  
25 waterproof membrane over the east plaza garage and revising related  
26 landscaping construction pursuant to RCW 43.99Q.070;

27 (12) Indebtedness incurred for the purposes of the state  
28 legislative building rehabilitation, to the extent that principal and  
29 interest payments of such indebtedness are paid from the capitol  
30 building construction account pursuant to RCW 43.99Q.140(2)(b); ~~((and))~~

31 (13) Indebtedness incurred for the purposes of financing projects  
32 under RCW 47.10.867; and

33 (14) Indebtedness incurred for the purposes of school construction  
34 assistance grants and capital improvements for skill centers under  
35 section 202 of this act.

36 To the extent necessary because of the constitutional or statutory  
37 debt limitation, priorities with respect to the issuance or

1 guaranteeing of bonds, notes, or other evidences of indebtedness by the  
2 state shall be determined by the state finance committee.

3 **Sec. 302.** RCW 28A.245.030 and 2007 c 463 s 4 are each amended to  
4 read as follows:

5 (1) The office of the superintendent of public instruction shall  
6 review and revise the guidelines for skill centers to encourage skill  
7 center programs. The superintendent, in cooperation with the workforce  
8 training and education coordinating board, skill center directors, and  
9 the Washington association for career and technical education, shall  
10 review and revise the existing skill centers' policy guidelines and  
11 create and adopt rules governing skill centers as follows:

12 (a) The threshold enrollment at a skill center shall be revised so  
13 that a skill center program need not have a minimum of seventy percent  
14 of its students enrolled on the skill center core campus in order to  
15 facilitate serving rural students through expansion of skill center  
16 programs by means of satellite programs or branch campuses;

17 (b) The developmental planning for branch campuses shall be  
18 encouraged. Underserved rural areas or high-density areas may partner  
19 with an existing skill center to create satellite programs or a branch  
20 campus. Once a branch campus reaches sufficient enrollment to become  
21 self-sustaining, it may become a separate skill center or remain an  
22 extension of the founding skill center; and

23 (c) Satellite and branch campus programs shall be encouraged to  
24 address high-demand fields.

25 (2) Rules adopted under this section shall allow for innovative  
26 models of satellite and branch campus programs, and such programs shall  
27 not be limited to those housed in physical buildings.

28 (3) The superintendent of public instruction shall develop and  
29 deliver a ten-year capital plan for legislative review before  
30 implementation. The superintendent of public instruction shall adopt  
31 rules that set as a goal a ten percent minimum local project  
32 contribution threshold for major skill center projects, unless there is  
33 a compelling rationale not to do so, including but not limited to local  
34 economic conditions, as determined by the superintendent of public  
35 instruction. This applies to the acquisition or major capital costs of  
36 skill center projects as outlined in the ten-year capital plan.

37 (4) Subject to available funding, the superintendent shall:

1 (a) Conduct approved feasibility studies for serving noncooperative  
2 rural and high-density area students in their geographic areas; and  
3 (b) Develop a statewide master plan that identifies standards and  
4 resources needed to create a technology infrastructure for connecting  
5 all skill centers to the K-20 network.

6 NEW SECTION. **Sec. 303.** Sections 101 through 106 of this act  
7 constitute a new chapter in Title 43 RCW.

8 NEW SECTION. **Sec. 304.** Sections 201 through 210 of this act  
9 constitute a new chapter in Title 28A RCW.

10 NEW SECTION. **Sec. 305.** Part headings used in this act are not any  
11 part of the law.

12 NEW SECTION. **Sec. 306.** If any provision of this act or its  
13 application to any person or circumstance is held invalid, the  
14 remainder of the act or the application of the provision to other  
15 persons or circumstances is not affected.

16 NEW SECTION. **Sec. 307.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and takes effect  
19 immediately."

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By Committee on Ways & Means

**ADOPTED 03/11/2008**

20 On page 1, line 1 of the title, after "Relating to" strike the  
21 remainder of the title and insert "state general obligation bonds for  
22 flood hazard mitigation projects and school facilities; amending RCW  
23 39.42.060 and 28A.245.030; adding a new chapter to Title 43 RCW; adding  
24 a new chapter to Title 28A RCW; creating a new section; and declaring  
25 an emergency."

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