

HOUSE BILL REPORT

HB 2552

As Reported by House Committee On:

Education
Capital Budget

Title: An act relating to clarifying the uses of the school district capital projects fund to include the costs of implementing technology facilities plans.

Brief Description: Allowing the school district capital projects fund to provide for costs associated with implementing technology systems.

Sponsors: Representatives Fromhold, Talcott, Quall, Anderson, Armstrong, Ogden, Lantz, Edwards, Haigh, McIntire, Schual-Berke, Hunt and Santos.

Brief History:

Committee Activity:

Education: 2/5/02, 2/6/02 [DP];

Capital Budget: 2/12/02 [DP].

Brief Summary of Bill

- Permits school districts to include the costs of technology systems, facilities, and projects in capital projects and to fund those costs from most of the revenue sources in the districts' capital projects funds.
- Includes among the allowable technology expenditures the costs of acquiring hardware, licensing software, and on-line applications and of the training associated with those activities.

HOUSE COMMITTEE ON EDUCATION

Majority Report: Do pass. Signed by 11 members: Representatives Quall, Chair; Haigh, Vice Chair; Talcott, Ranking Minority Member; Anderson, Cox, McDermott, Rockefeller, Santos, Schindler, Schmidt and Upthegrove.

Staff: Susan Morrissey (786-7111).

Background:

By law, school districts must establish a capital projects fund for major capital purposes.

Money in the fund may come from a variety of sources including bond proceeds, money from excess levies, a portion of state basic education dollars, rental and lease dollars, money from the sale of real property, and earnings from capital project fund investments.

Expenditures from the capital projects fund are restricted by law, including restrictions that vary by the source of the money in the fund. Money in the fund that comes from sources other than bond sales or the rental, lease, or sale of property may be used for a variety of purposes described in law. These include the renovation or replacement of facilities and the renovation or rehabilitation of playfields, athletic fields, and other district property. The money may also be used for energy audits, cost-effective energy conservation measures, and for the purchase or installation of equipment and furniture. Vehicles cannot be acquired through these funds.

Summary of Bill:

Money in each district's capital projects fund that is acquired from sources other than bond sales and the rental, lease, or sale of property may be used for certain technology expenses. The expenses include the costs associated with the implementation of technology systems, facilities, and projects. Allowable expenses include the costs associated with the acquisition of hardware, licensing software, and on-line applications and training if the software and applications are an integral part of the project.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Technology applications, including computer software, are an integral part of most educational programs and any new or renovated school building. The technology industry, led by software manufacturers, is changing the way software programs are distributed and licensed. Many have shifted from selling software to licensing its usage and updating it as software applications are refined. In response to these changes, districts may be forced to fund these activities out of general fund revenues instead of capital construction funds if current law is not changed. Adopting the statutory change will provide districts with flexibility in the use of local funds, help them accommodate the changes in the software industry, and permit them to keep funding these applications as they do now.

Testimony Against: None.

Testified: Representative Fromhold, prime sponsor; Charlie Brown and Grace Yuan,

School Technology Coalition; Dick Anastasi, Northshore School District; and Barbara Mertens, Washington Association of School Administrators.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 15 members: Representatives Murray, Chair; McIntire, Vice Chair; Armstrong, Bush, Casada, Chase, Esser, Hankins, Hunt, Lantz, O'Brien, Ogden, Reardon, Veloria and Woods.

Minority Report: Do not pass. Signed by 2 members: Representatives Alexander, Ranking Minority Member; and Schoesler.

Staff: Charlie Gavigan (786-7340).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Education:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: School districts need flexibility to use capital funds to meet technology needs. This bill clarifies that school districts can use certain revenues in their capital fund for major technology expenditures that could be considered operating expenses. Software is a major component of any computer or technology facility. Training in new systems or technology can be considered a capital expense. Technology levies are expected to be the primary source of this funding.

Testimony Against: None.

Testified: Representative Fromhold, prime sponsor; Charlie Brown, School Technology Coalition; and Richard J. Frank, PSTECH.