

# SENATE BILL REPORT

## SB 5385

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As Reported By Senate Committee On:  
Education, February 19, 2001

**Title:** An act relating to educational service districts' authority to borrow.

**Brief Description:** Modifying educational service districts' borrowing authority.

**Sponsors:** Senators Kastama, Carlson, McAuliffe and Rasmussen.

**Brief History:**

**Committee Activity:** Education: 2/12/01, 2/19/01 [DP, DNP].

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### SENATE COMMITTEE ON EDUCATION

**Majority Report:** Do pass.

Signed by Senators McAuliffe, Chair; Eide, Vice Chair; Carlson, Finkbeiner, Hewitt, Johnson, Kastama, Kohl-Welles, Prentice, Rasmussen, Regala and Zarelli.

**Minority Report:** Do not pass.

Signed by Senator Hochstatter.

**Staff:** Susan Mielke (786-7422)

**Background:** Under current law, the nine regional educational service districts (ESDs) may purchase, lease, receive by gift, or contract for any real or personal property needed to operate the district. ESDs serving a minimum of 200,000 students may also borrow money for the same purposes. The Puget Sound ESD is the only ESD serving 200,000 students.

The State Board of Education must approve the acquisition of any real property by an ESD and may determine the conditions under which the property is acquired. ESDs that borrow money to acquire property must use that property as collateral and must have a note signed by the district and the lender.

**Summary of Bill:** All ESDs may borrow money in order to acquire real or personal property.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill extends the same borrowing authority to all nine ESDs by eliminating the minimum enrollment requirement. ESDs already have the ability to acquire real property through lease-purchase agreements but this is not always the best method to use.

This bill retains the current regulations that require approval by the State Board of Education. It merely provides another option and greater flexibility to all the ESDs, instead of just one ESD.

**Testimony Against:** None.

**Testified:** Terry Munther, Superintendent, ESD 101; Terry Lindquist, Superintendent, Puget Sound ESD; Norm Wisner, WASA and AESD.