

ESSB 5267 - H COMM AMD

By Committee on Capital Budget

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

3 "NEW SECTION. **Sec. 1.** The legislature recognizes that technology
4 has become an integral part of the facilities and educational delivery
5 systems in our schools. In order to prepare our state's students to
6 participate fully in our state's economy, school districts are making
7 substantial capital investments in their technology systems,
8 facilities, and projects. Districts are implementing, applying, and
9 modernizing their technology systems. Software companies are shifting
10 from selling software as a one-time package to a license or an extended
11 contractual relationship requiring a subscription and ongoing payments.
12 School districts must be empowered to respond to the changing business
13 models in the software industry and be given flexibility and authority
14 to use capital projects funds to pay for licenses or online application
15 fees. It is the intent of the legislature that these investments be
16 deemed major capital purpose and are also permitted uses of the
17 district's two to six-year levies authorized by RCW 84.52.053.

18 **Sec. 2.** RCW 28A.320.330 and 2002 c 275 s 2 are each amended to
19 read as follows:

20 School districts shall establish the following funds in addition to
21 those provided elsewhere by law:

22 (1) A general fund for maintenance and operation of the school
23 district to account for all financial operations of the school district
24 except those required to be accounted for in another fund.

25 (2) A capital projects fund shall be established for major capital
26 purposes. All statutory references to a "building fund" shall mean the
27 capital projects fund so established. Money to be deposited into the
28 capital projects fund shall include, but not be limited to, bond
29 proceeds, proceeds from excess levies authorized by RCW 84.52.053,

1 state apportionment proceeds as authorized by RCW 28A.150.270, and
2 earnings from capital projects fund investments as authorized by RCW
3 28A.320.310 and 28A.320.320.

4 Money derived from the sale of bonds, including interest earnings
5 thereof, may only be used for those purposes described in RCW
6 28A.530.010, except that accrued interest paid for bonds shall be
7 deposited in the debt service fund.

8 Money to be deposited into the capital projects fund shall include
9 but not be limited to rental and lease proceeds as authorized by RCW
10 28A.335.060, and proceeds from the sale of real property as authorized
11 by RCW 28A.335.130.

12 Money legally deposited into the capital projects fund from other
13 sources may be used for the purposes described in RCW 28A.530.010, and
14 for the purposes of:

15 (a) Major renovation, including the replacement of facilities and
16 systems where periodical repairs are no longer economical. Major
17 renovation and replacement shall include, but shall not be limited to,
18 roofing, heating and ventilating systems, floor covering, and
19 electrical systems.

20 (b) Renovation and rehabilitation of playfields, athletic fields,
21 and other district real property.

22 (c) The conduct of preliminary energy audits and energy audits of
23 school district buildings. For the purpose of this section:

24 (i) "Preliminary energy audits" means a determination of the energy
25 consumption characteristics of a building, including the size, type,
26 rate of energy consumption, and major energy using systems of the
27 building.

28 (ii) "Energy audit" means a survey of a building or complex which
29 identifies the type, size, energy use level, and major energy using
30 systems; which determines appropriate energy conservation maintenance
31 or operating procedures and assesses any need for the acquisition and
32 installation of energy conservation measures, including solar energy
33 and renewable resource measures.

34 (iii) "Energy capital improvement" means the installation, or
35 modification of the installation, of energy conservation measures in a
36 building which measures are primarily intended to reduce energy
37 consumption or allow the use of an alternative energy source.

1 (d) Those energy capital improvements which are identified as being
2 cost-effective in the audits authorized by this section.

3 (e) Purchase or installation of additional major items of equipment
4 and furniture: PROVIDED, That vehicles shall not be purchased with
5 capital projects fund money.

6 (f)(i) Costs associated with implementing technology systems,
7 facilities, and projects, including acquiring hardware, licensing
8 software, and online applications and training related to the
9 installation of the foregoing. However, the software or applications
10 must be an integral part of the district's technology systems,
11 facilities, or projects.

12 (ii) Costs associated with the application and modernization of
13 technology systems for operations and instruction including, but not
14 limited to, the ongoing fees for online applications, subscriptions, or
15 software licenses, including upgrades and incidental services, and
16 ongoing training related to the installation and integration of these
17 products and services. Proceeds of federally tax-exempt obligations
18 issued or incurred pursuant to authority granted in RCW 28A.530.010 or
19 28A.530.080 or under chapter 39.94 RCW may not be used for the purpose
20 under this subsection (2)(f)(ii). However, to the extent the funds are
21 used for the purpose under this subsection (2)(f)(ii), the school
22 district shall transfer to the district's general fund the portion of
23 the capital projects fund used for this purpose. The office of the
24 superintendent of public instruction shall develop accounting
25 guidelines for these transfers in accordance with internal revenue
26 service regulations.

27 (3) A debt service fund to provide for tax proceeds, other
28 revenues, and disbursements as authorized in chapter 39.44 RCW.

29 (4) An associated student body fund as authorized by RCW
30 28A.325.030.

31 (5) Advance refunding bond funds and refunded bond funds to provide
32 for the proceeds and disbursements as authorized in chapter 39.53 RCW.

33 **Sec. 3.** RCW 84.52.053 and 1997 c 260 s 1 are each amended to read
34 as follows:

35 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
36 84.52.043 shall not prevent the levy of taxes by school districts, when
37 authorized so to do by the voters of such school district in the manner

1 and for the purposes and number of years allowable under Article VII,
2 section 2(a) of the Constitution of this state. Elections for such
3 taxes shall be held in the year in which the levy is made or, in the
4 case of propositions authorizing two-year through four-year levies for
5 maintenance and operation support of a school district, authorizing
6 two-year levies for transportation vehicle funds established in RCW
7 28A.160.130, or authorizing two-year through six-year levies to support
8 the construction, modernization, or remodeling of school facilities,
9 which includes the purposes of RCW 28A.320.330(2)(f), in the year in
10 which the first annual levy is made(~~(:—PROVIDED, That)~~).

11 (2) Once additional tax levies have been authorized for maintenance
12 and operation support of a school district for a two-year through four-
13 year period as provided under subsection (1) of this section, no
14 further additional tax levies for maintenance and operation support of
15 the district for that period may be authorized. For the purpose of
16 applying the limitation of this subsection, a two-year through six-year
17 levy to support the construction, modernization, or remodeling of
18 school facilities shall not be deemed to be a tax levy for maintenance
19 and operation support of a school district.

20 (3) A special election may be called and the time therefor fixed by
21 the board of school directors, by giving notice thereof by publication
22 in the manner provided by law for giving notices of general elections,
23 at which special election the proposition authorizing such excess levy
24 shall be submitted in such form as to enable the voters favoring the
25 proposition to vote "yes" and those opposed thereto to vote "no"."

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