

**ESSB 5267** - H COMM AMD  
By Committee on Education

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. However, to the extent the funds are used for  
18 the purpose under this subsection (2)(f)(ii), the school district shall  
19 transfer to the district's general fund the portion of the capital  
20 projects fund used for this purpose. The office of the superintendent  
21 of public instruction shall develop accounting guidelines for these  
22 transfers in accordance with internal revenue service regulations.

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

25 (4) An associated student body fund as authorized by RCW  
26 28A.325.030.

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

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

31 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and  
32 84.52.043 shall not prevent the levy of taxes by school districts, when  
33 authorized so to do by the voters of such school district in the manner  
34 and for the purposes and number of years allowable under Article VII,  
35 section 2(a) of the Constitution of this state. Elections for such  
36 taxes shall be held in the year in which the levy is made or, in the  
37 case of propositions authorizing two-year through four-year levies for

1 maintenance and operation support of a school district, authorizing  
2 two-year levies for transportation vehicle funds established in RCW  
3 28A.160.130, or authorizing two-year through six-year levies to support  
4 the construction, modernization, or remodeling of school facilities,  
5 which includes the purposes of RCW 28A.320.330(2)(f), in the year in  
6 which the first annual levy is made( (÷—PROVIDED, That) ).

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

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

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