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HOUSE BILL 2400

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives Fromhold, Kenney and Moeller

Read first time 04/03/2007. Referred to Committee on Capital Budget.

1            AN ACT Relating to enhancing state school construction assistance;  
2 amending RCW 82.02.090; adding a new section to chapter 28A.515 RCW;  
3 creating new sections; providing a contingent effective date; and  
4 providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.** The legislature recognizes that many public  
7 school districts have existing facilities in need of repair and  
8 renovation in order to meet programmatic needs, improve safety, and  
9 meet the needs of an increasing student population. The legislature  
10 also recognizes that many school districts are experiencing high  
11 student enrollment growth beyond current physical capacity, placing a  
12 considerable burden on existing facilities. In addition, there are a  
13 number of school districts that have experienced multiple consecutive  
14 levy failures, making them ineligible for state school construction  
15 assistance. Despite the progress that the legislature has made to  
16 increase school construction funding over the past two biennia, the  
17 need for funding of additional projects continues to outpace available  
18 resources.

1       It is the intent of the legislature to continue to address the  
2 construction needs in Washington's school districts by projecting  
3 school construction needs over a ten-year period; determining the  
4 appropriate state share of school construction assistance; evaluating  
5 and enhancing the state's distribution formulae for allocating  
6 resources to school districts; establishing a goal to increase the  
7 minimum state match level from twenty percent to fifty percent;  
8 establishing a goal to provide no less than one billion dollars of  
9 funding for school construction; creating new revenue sources to  
10 support school construction; phasing out and replacing impact fee  
11 revenue collected under RCW 82.02.050 through 82.02.100 for school  
12 facilities; and creating three new funds to target the state's  
13 investment in school construction in key areas.

14       NEW SECTION.   **Sec. 2.** (1)(a) A joint legislative task force on  
15 school construction funding is established, with members as provided in  
16 this subsection.

17       (i) The joint legislative task force on school construction funding  
18 shall consist of eight members, two members each, one from each major  
19 caucus, from the house of representatives committees on capital budget  
20 and education, appointed by the speaker of the house of  
21 representatives, and two members each, one from each major caucus, from  
22 the senate committees on ways and means and early learning and K-12  
23 education, appointed by the president of the senate.

24       (ii) The president of the senate and the speaker of the house of  
25 representatives jointly shall appoint two members representing school  
26 districts.

27       (iii) The office of the superintendent of public instruction and  
28 the office of financial management must cooperate with the task force  
29 and must maintain liaison representatives.

30       (iv) The task force may consult with other interested parties, as  
31 may be appropriate, for technical advice and assistance.

32       (b) The task force must choose a chair from among its legislative  
33 membership.

34       (2) The task force must examine the following:

35       (a) The statutory provisions regarding the funding of school  
36 construction projects;

1 (b) Eligibility requirements and distribution formulae for the  
2 state's school construction assistance grant program including, but not  
3 limited to the following:

4 (i) The criteria used to determine a school district's eligibility  
5 to receive state assistance;

6 (ii) The maximum cost per square foot of construction used to  
7 calculate the amount of state assistance to school districts for school  
8 construction and modernization;

9 (iii) The amount of instructional space a school district is  
10 eligible to build or remodel with state assistance; and

11 (iv) The state matching ratio;

12 (c) The nature and costs of school construction needs anticipated  
13 for the ten-year period ending June 30, 2017;

14 (d) Flexibility needed in the system to address diverse district  
15 and geographic needs;

16 (e) Potential revenue sources to increase stability of available  
17 funding sources and provide for anticipated future construction needs,  
18 as well as alternative funding mechanisms for school construction  
19 including, but not limited to funding mechanisms that: (i) Phase out  
20 and replace revenue collected under RCW 82.02.050 through 82.02.100 for  
21 school facilities; and (ii) encourage cooperative partnerships with  
22 early learning providers, skill centers, community and technical  
23 colleges, or public baccalaureate institutions through the use of a  
24 supermatch concept;

25 (f) Methods for ensuring that revenue sources examined under this  
26 subsection: (i) Provide revenue to better fund future construction  
27 needs; and (ii) address construction needs unique to high growth areas,  
28 including high growth areas that do not impose impact fees under RCW  
29 82.02.050 through 82.02.100 and that have experienced consecutive  
30 school levy failures.

31 (3) The office of the superintendent of public instruction shall  
32 provide progress updates to the task force on the development of the  
33 pilot inventory of school district facility information as provided for  
34 in section . . . , chapter . . . , Laws of 2007 (Engrossed Substitute  
35 House Bill No. 1092) for review and comment by the task force.

36 (4) Staff support for the task force must be provided by the house  
37 of representatives office of program research and the senate committee  
38 services.

1 (5) Legislative members of the task force must be reimbursed for  
2 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
3 members, except those representing an employer or organization, are  
4 entitled to be reimbursed for travel expenses in accordance with RCW  
5 43.03.050 and 43.03.060.

6 (6) The expenses of the task force must be paid jointly by the  
7 senate and the house of representatives. Task force expenditures are  
8 subject to approval by the senate facilities and operations committee  
9 and the house of representatives executive rules committee, or their  
10 successor committees.

11 (7) The task force must report its findings and recommendations to  
12 the governor and the appropriate committees of the senate and the house  
13 of representatives by December 1, 2007.

14 (8) This section expires December 31, 2007.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.515  
16 RCW to read as follows:

17 (1) The high growth school district assistance account is created  
18 in the state treasury. Moneys in the account may be spent only after  
19 appropriation. Expenditures from the account must be used solely for  
20 new construction, modernization, or replacement of school facilities  
21 within high growth districts that do not receive impact fees for school  
22 facilities pursuant to RCW 82.02.050 through 82.02.100, and that have  
23 experienced three or more consecutive bond levy failures.

24 (2) The school district capital equalization account is created in  
25 the state treasury. Moneys in the account may be spent only after  
26 appropriation. Expenditures from the account must be used solely to  
27 fund the impact of future increases to the minimum level of the state  
28 matching percentage of project costs that will be paid for by the  
29 state.

30 (3) The high growth school district transition account is created  
31 in the state treasury. Moneys in the account may be spent only after  
32 appropriation. Expenditures from the account must be used solely for  
33 system improvements for school facilities within high growth districts  
34 that receive impact fees for school facilities pursuant to RCW  
35 82.02.050 through 82.02.100.

36 (4) The definitions in this subsection apply throughout this  
37 section.

1 (a) "High growth" means actual enrollment, as provided by the  
2 office of the superintendent of public instruction, on May 1st of the  
3 current school year that is at least ten percent greater than  
4 enrollment on May 1st of the school year three years prior to the  
5 current school year.

6 (b) "Impact fee" means a fee imposed pursuant to RCW 82.02.050  
7 through 82.02.090 for system improvements for school facilities.

8 (c) "System improvement" has the same meaning as in RCW 82.02.090.

9 **Sec. 4.** RCW 82.02.090 and 1990 1st ex.s. c 17 s 48 are each  
10 amended to read as follows:

11 Unless the context clearly requires otherwise, the following  
12 definitions shall apply in RCW 82.02.050 through 82.02.090:

13 (1) "Development activity" means any construction or expansion of  
14 a building, structure, or use, any change in use of a building or  
15 structure, or any changes in the use of land, that creates additional  
16 demand and need for public facilities.

17 (2) "Development approval" means any written authorization from a  
18 county, city, or town which authorizes the commencement of development  
19 activity.

20 (3) "Impact fee" means a payment of money imposed upon development  
21 as a condition of development approval to pay for public facilities  
22 needed to serve new growth and development, and that is reasonably  
23 related to the new development that creates additional demand and need  
24 for public facilities, that is a proportionate share of the cost of the  
25 public facilities, and that is used for facilities that reasonably  
26 benefit the new development. "Impact fee" does not include a  
27 reasonable permit or application fee.

28 (4) "Owner" means the owner of record of real property, although  
29 when real property is being purchased under a real estate contract, the  
30 purchaser shall be considered the owner of the real property if the  
31 contract is recorded.

32 (5) "Proportionate share" means that portion of the cost of public  
33 facility improvements that are reasonably related to the service  
34 demands and needs of new development.

35 (6) "Project improvements" mean site improvements and facilities  
36 that are planned and designed to provide service for a particular  
37 development project and that are necessary for the use and convenience

1 of the occupants or users of the project, and are not system  
2 improvements. No improvement or facility included in a capital  
3 facilities plan approved by the governing body of the county, city, or  
4 town shall be considered a project improvement.

5 (7) "Public facilities" means the following capital facilities  
6 owned or operated by government entities: (a) Public streets and  
7 roads; (b) publicly owned parks, open space, and recreation facilities;  
8 and (c) (~~school facilities; and (d)~~) fire protection facilities in  
9 jurisdictions that are not part of a fire district.

10 (8) "Service area" means a geographic area defined by a county,  
11 city, town, or intergovernmental agreement in which a defined set of  
12 public facilities provide service to development within the area.  
13 Service areas shall be designated on the basis of sound planning or  
14 engineering principles.

15 (9) "System improvements" mean public facilities that are included  
16 in the capital facilities plan and are designed to provide service to  
17 service areas within the community at large, in contrast to project  
18 improvements.

19 NEW SECTION. **Sec. 5.** Section 4 of this act takes effect July 1,  
20 2009, if specific funding or a funding source, for the purposes of  
21 section 4 of this act, referencing section 4 of this act by bill or  
22 chapter number and section number, or RCW number, is provided by June  
23 30, 2009, in the omnibus appropriations act, the capital appropriations  
24 act, or legislation. If specific funding or a funding source for the  
25 purposes of section 4 of this act, referencing section 4 of this act by  
26 bill or chapter number and section number, or RCW number, is not  
27 provided by June 30, 2009, in the omnibus appropriations act, the  
28 capital appropriations act, or legislation, section 4 of this act is  
29 null and void.

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