
SUBSTITUTE HOUSE BILL 3330

State of Washington 60th Legislature 2008 Regular Session

By House Capital Budget (originally sponsored by Representatives Fromhold, Ormsby, Priest, Sullivan, McCune, Wood, and McIntire)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to facilities for career and technical education;
2 amending RCW 39.42.060 and 28A.245.030; and adding a new chapter to
3 Title 28A RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the state's skill
6 centers are a vital component of the future economic prosperity of our
7 state and provide students with access to high-quality academic and
8 technical skills instruction. Skill centers challenge, motivate, and
9 provide opportunities for students to achieve in basic skills, critical
10 thinking, leadership, and work skills through hands-on education,
11 applied academics, and technology training using a cost-effective
12 delivery model. The legislature further finds that barriers to access
13 exist for students in rural and high-density areas, but the development
14 of satellite and branch campus programs will provide the needed access.
15 The legislature further finds that existing and proposed new skill
16 centers will require facilities and equipment that simulate business
17 and industry. Therefore, it is the intent of the legislature to
18 provide a new source of funding for the critical capital needs of the
19 state's skill centers to enhance access to career and technical

1 education opportunities and to improve the condition of existing
2 facilities. Enhanced capital funding will provide skill centers the
3 ability to fulfill their critical role in maintaining and stimulating
4 the state's economy and expanding quality academic and career and
5 technical education opportunities to more students, especially students
6 who lack access to these programs to date.

7 In the interest of funding equity and ensuring a commitment to the
8 new development, major renovation, or expansion of skill centers, all
9 school district partners must contribute to the acquisition or major
10 capital costs of skill center projects supported by this act to the
11 greatest extent feasible.

12 NEW SECTION. **Sec. 2.** For the purpose of providing needed capital
13 improvements consisting of the predesign, design, acquisition,
14 construction, modification, renovation, expansion, equipping, and other
15 improvements of skill centers facilities, including capital
16 improvements to support satellite or branch campus programs for
17 underserved rural areas or high-density areas, the state finance
18 committee is authorized to issue general obligation bonds of the state
19 of Washington in the sum of one hundred three million dollars, or as
20 much thereof as may be required, to finance all or a part of these
21 projects and all costs incidental thereto. Bonds authorized in this
22 section may be sold at such price as the state finance committee shall
23 determine. No bonds authorized in this section may be offered for sale
24 without prior legislative appropriation of the net proceeds of the sale
25 of the bonds. If the state finance committee deems it necessary to
26 issue taxable bonds in order to comply with federal internal revenue
27 service rules and regulations pertaining to the use of nontaxable bond
28 proceeds, the proceeds of such taxable bonds shall be transferred to
29 the state taxable building construction account in lieu of any deposits
30 otherwise provided by this section. The state treasurer shall submit
31 written notice to the director of financial management if it is
32 determined that any such transfer to the state taxable building
33 construction account is necessary.

34 NEW SECTION. **Sec. 3.** It is the intent of the legislature that the
35 proceeds of new bonds authorized in section 2 of this act will be

1 appropriated beginning with the 2009-2011 biennium, to provide funding
2 for skill centers projects and facilities.

3 This chapter is not intended to limit the legislature's ability to
4 appropriate bond proceeds if the full amount authorized in this chapter
5 has not been appropriated after one biennia, and the authorization to
6 issue bonds contained in this chapter does not expire until the full
7 authorization has been appropriated and issued.

8 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of the bonds
9 authorized in section 2 of this act shall be deposited in the skill
10 centers building account created in section 10 of this act.

11 (2) The proceeds shall be used exclusively for the purposes stated
12 in section 2 of this act and for the payment of the expenses incurred
13 in connection with the sale and issuance of the bonds.

14 NEW SECTION. **Sec. 5.** (1) The nondebt-limit reimbursable bond
15 retirement account must be used for the payment of the principal and
16 interest on the bonds authorized in section 2 of this act.

17 (2)(a) The state finance committee must, on or before June 30th of
18 each year, certify to the state treasurer the amount needed in the
19 ensuing twelve months to meet the bond retirement and interest
20 requirements on the bonds authorized in section 2 of this act.

21 (b) On or before the date on which any interest or principal and
22 interest is due, the state treasurer shall transfer from that portion
23 of the common school construction fund derived from the interest on the
24 permanent common school fund into the nondebt-limit reimbursable bond
25 retirement account the amount computed in (a) of this subsection for
26 bonds issued for the purposes of section 2 of this act. Any deficiency
27 in such transfer shall be made up as soon as moneys are available for
28 transfer and shall constitute a continuing obligation of that portion
29 of the common school construction fund derived from the interest on the
30 permanent common school fund until all deficiencies are fully paid.

31 NEW SECTION. **Sec. 6.** (1) Bonds issued under section 2 of this act
32 shall state that they are a general obligation of the state of
33 Washington, shall pledge the full faith and credit of the state to the
34 payment of the principal thereof and the interest thereon, and shall

1 contain an unconditional promise to pay the principal and interest as
2 the same shall become due.

3 (2) The owner and holder of each of the bonds or the trustee for
4 the owner and holder of any of the bonds may by mandamus or other
5 appropriate proceeding require the transfer and payment of funds as
6 directed in this section.

7 NEW SECTION. **Sec. 7.** The bonds authorized in section 2 of this
8 act shall be a legal investment for all state funds or funds under
9 state control and for all funds of any other public body.

10 NEW SECTION. **Sec. 8.** The legislature may provide additional means
11 for raising moneys for the payment of the principal of and interest on
12 the bonds authorized in section 2 of this act, and section 2 of this
13 act shall not be deemed to provide an exclusive method for the payment.

14 NEW SECTION. **Sec. 9.** This chapter provides a complete,
15 additional, and alternative method for accomplishing the purposes of
16 this chapter and is supplemental and additional to powers conferred by
17 other laws. The issuance of bonds under this chapter shall not be
18 deemed to be the only method to fund projects under this chapter.

19 NEW SECTION. **Sec. 10.** The skill centers building account is
20 created in the state treasury. Proceeds from the bonds issued under
21 section 2 of this act shall be deposited in the account. The account
22 shall be used for purposes stated in section 2 of this act. Moneys in
23 the account may be spent only after appropriation.

24 NEW SECTION. **Sec. 11.** This act shall be known as the skill
25 centers facility enhancement act of 2008.

26 NEW SECTION. **Sec. 12.** Sections 1 through 11 of this act
27 constitute a new chapter in Title 28A RCW.

28 **Sec. 13.** RCW 39.42.060 and 2003 c 147 s 13 are each amended to
29 read as follows:

30 No bonds, notes, or other evidences of indebtedness for borrowed
31 money shall be issued by the state which will cause the aggregate debt

1 contracted by the state to exceed that amount for which payments of
2 principal and interest in any fiscal year would require the state to
3 expend more than seven percent of the arithmetic mean of its general
4 state revenues, as defined in RCW 39.42.070, for the three immediately
5 preceding fiscal years as certified by the treasurer in accordance with
6 RCW 39.42.070. It shall be the duty of the state finance committee to
7 compute annually the amount required to pay principal of and interest
8 on outstanding debt. In making such computation, the state finance
9 committee shall include all borrowed money represented by bonds, notes,
10 or other evidences of indebtedness which are secured by the full faith
11 and credit of the state or are required to be paid, directly or
12 indirectly, from general state revenues and which are incurred by the
13 state, any department, authority, public corporation or quasi public
14 corporation of the state, any state university or college, or any other
15 public agency created by the state but not by counties, cities, towns,
16 school districts, or other municipal corporations, and shall include
17 debt incurred pursuant to section 3 of Article VIII of the Washington
18 state Constitution, but shall exclude the following:

19 (1) Obligations for the payment of current expenses of state
20 government;

21 (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;

22 (3) Principal of and interest on bond anticipation notes;

23 (4) Any indebtedness which has been refunded;

24 (5) Financing contracts entered into under chapter 39.94 RCW;

25 (6) Indebtedness authorized or incurred before July 1, 1993,
26 pursuant to statute which requires that the state treasury be
27 reimbursed, in the amount of the principal of and the interest on such
28 indebtedness, from money other than general state revenues or from the
29 special excise tax imposed pursuant to chapter 67.40 RCW;

30 (7) Indebtedness authorized and incurred after July 1, 1993,
31 pursuant to statute that requires that the state treasury be
32 reimbursed, in the amount of the principal of and the interest on such
33 indebtedness, from (a) moneys outside the state treasury, except higher
34 education operating fees, (b) higher education building fees, (c)
35 indirect costs recovered from federal grants and contracts, and (d)
36 fees and charges associated with hospitals operated or managed by
37 institutions of higher education;

1 (8) Any agreement, promissory note, or other instrument entered
2 into by the state finance committee under RCW 39.42.030 in connection
3 with its acquisition of bond insurance, letters of credit, or other
4 credit support instruments for the purpose of guaranteeing the payment
5 or enhancing the marketability, or both, of any state bonds, notes, or
6 other evidence of indebtedness;

7 (9) Indebtedness incurred for the purposes identified in RCW
8 43.99N.020;

9 (10) Indebtedness incurred for the purposes of the school district
10 bond guaranty established by chapter 39.98 RCW;

11 (11) Indebtedness incurred for the purposes of replacing the
12 waterproof membrane over the east plaza garage and revising related
13 landscaping construction pursuant to RCW 43.99Q.070;

14 (12) Indebtedness incurred for the purposes of the state
15 legislative building rehabilitation, to the extent that principal and
16 interest payments of such indebtedness are paid from the capitol
17 building construction account pursuant to RCW 43.99Q.140(2)(b); (~~and~~)

18 (13) Indebtedness incurred for the purposes of financing projects
19 under RCW 47.10.867; and

20 (14) Indebtedness incurred for the purposes of capital improvements
21 for skill centers under section 2 of this act.

22 To the extent necessary because of the constitutional or statutory
23 debt limitation, priorities with respect to the issuance or
24 guaranteeing of bonds, notes, or other evidences of indebtedness by the
25 state shall be determined by the state finance committee.

26 **Sec. 14.** RCW 28A.245.030 and 2007 c 463 s 4 are each amended to
27 read as follows:

28 (1) The office of the superintendent of public instruction shall
29 review and revise the guidelines for skill centers to encourage skill
30 center programs. The superintendent, in cooperation with the workforce
31 training and education coordinating board, skill center directors, and
32 the Washington association for career and technical education, shall
33 review and revise the existing skill centers' policy guidelines and
34 create and adopt rules governing skill centers as follows:

35 (a) The threshold enrollment at a skill center shall be revised so
36 that a skill center program need not have a minimum of seventy percent

1 of its students enrolled on the skill center core campus in order to
2 facilitate serving rural students through expansion of skill center
3 programs by means of satellite programs or branch campuses;

4 (b) The developmental planning for branch campuses shall be
5 encouraged. Underserved rural areas or high-density areas may partner
6 with an existing skill center to create satellite programs or a branch
7 campus. Once a branch campus reaches sufficient enrollment to become
8 self-sustaining, it may become a separate skill center or remain an
9 extension of the founding skill center; and

10 (c) Satellite and branch campus programs shall be encouraged to
11 address high-demand fields.

12 (2) Rules adopted under this section shall allow for innovative
13 models of satellite and branch campus programs, and such programs shall
14 not be limited to those housed in physical buildings.

15 (3) The superintendent of public instruction shall develop and
16 deliver a ten-year capital plan for legislative review before
17 implementation. The superintendent of public instruction shall adopt
18 rules that set as a goal a ten percent minimum local project
19 contribution threshold for major skill center projects, unless there is
20 a compelling rationale not to do so, including but not limited to local
21 economic conditions, as determined by the superintendent of public
22 instruction. This applies to the acquisition or major capital costs of
23 skill center projects as outlined in the ten-year capital plan.

24 (4) Subject to available funding, the superintendent shall:

25 (a) Conduct approved feasibility studies for serving noncooperative
26 rural and high-density area students in their geographic areas; and

27 (b) Develop a statewide master plan that identifies standards and
28 resources needed to create a technology infrastructure for connecting
29 all skill centers to the K-20 network.

30 NEW SECTION. Sec. 15. If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

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