

SHB 2334 - H AMD 873

By Representative Dunshee

NOT CONSIDERED 04/26/2009

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

3 "PART I

4 SHORT TITLE AND INTENT

5 NEW SECTION. **Sec. 101.** This act may be known and cited as the  
6 Washington works act.

7 NEW SECTION. **Sec. 102.** The legislature intends to create jobs and  
8 increase the quality of life of all Washington citizens by issuing  
9 bonds for the investment in energy operational cost savings and safety  
10 and health infrastructure improvements to public facilities in all  
11 public K-12 school districts, community and technical colleges, state  
12 universities, regional universities, The Evergreen State College, and  
13 other public facilities.

14 This new source of funding for the critical capital needs of the  
15 state's public facilities furthers the policy goals of the state and is  
16 intended to enhance the ability of the state to fulfill its essential  
17 role in stimulating the state's economy by creating jobs.

18 It is the intent of the legislature that this new source of funding  
19 will not displace funding levels for the capital and operating budgets  
20 of the state. It is instead intended that the new funding will allow  
21 the public entities to use the current level of capital funding to  
22 provide for many of those urgent needs. The legislature also intends  
23 that the funds made available in this act be expended as quickly as  
24 possible consistent with good management practices in order to provide  
25 jobs for Washington families and realize long-term economic benefits  
26 for our state.

27 PART II

1 **BOND AUTHORIZATION**

2 NEW SECTION. **Sec. 201.** (1) For the purpose of creating jobs by  
3 constructing needed capital improvements to energy operational cost  
4 savings and safety and health infrastructure improvements to public  
5 facilities, the state finance committee is authorized to issue general  
6 obligation bonds of the state of Washington in the sum of three billion  
7 dollars, or so much thereof as may be required, for this purpose and  
8 all costs incidental thereto. The bonds issued under the authority of  
9 this section are known as Washington works bonds.

10 (2) Bonds authorized in this section must be sold in the manner, at  
11 the time or times, in amounts, and at such prices as the state finance  
12 committee determines.

13 (3) The authorization to issue bonds contained in this chapter does  
14 not expire until the full authorization has been issued.

15 (4) No bonds authorized in this section may be offered for sale  
16 without prior legislative appropriation of the net proceeds of the sale  
17 of the bonds.

18 NEW SECTION. **Sec. 202.** (1) The nondebt-limit reimbursable bond  
19 retirement account must be used for the payment of the principal of and  
20 interest on the bonds authorized in section 201 of this act.

21 (2) The state finance committee must, on or before June 30th of  
22 each year, certify to the state treasurer the amount needed in the  
23 ensuing twelve months to meet the bond retirement and interest  
24 requirements on the bonds authorized in section 201 of this act.

25 (3) On each date on which any interest or principal and interest  
26 payment is due on bonds issued for the purposes of section 201 of this  
27 act, the state treasurer must transfer from the stabilization debt  
28 payment account created in section 204 of this act for deposit into the  
29 nondebt-limit reimbursable bond retirement account the amount computed  
30 in subsection (2) of this section for bonds issued for the purposes of  
31 section 201 of this act.

32 (4) If the stabilization debt payment account has insufficient  
33 revenues to pay the principal and interest computed in subsection (2)  
34 of this section, then the nondebt-limit general fund bond retirement  
35 account must be used for the payment of the remaining principal and

1 interest computed in subsection (2) of this section from any additional  
2 means provided by the legislature.

3 NEW SECTION. **Sec. 203.** (1) Bonds issued under sections 201  
4 through 204 of this act must state that they are a general obligation  
5 of the state of Washington, must pledge the full faith and credit of  
6 the state to the payment of the principal thereof and the interest  
7 thereon, and must contain an unconditional promise to pay the principal  
8 and interest as the same shall become due.

9 (2) The owner and holder of each of the bonds or the trustee for  
10 the owner and holder of any of the bonds may by mandamus or other  
11 appropriate proceeding require the transfer and payment of funds as  
12 directed in this section.

13 NEW SECTION. **Sec. 204.** The stabilization debt payment account is  
14 created in the state treasury. All receipts from energy savings  
15 authorized in sections 301 through 310 of this act must be deposited in  
16 the account. Moneys in the account may be spent only after  
17 appropriation.

18 **PART III**  
19 **APPROPRIATIONS**

20 NEW SECTION. **Sec. 301.** (1) All appropriations in sections 301  
21 through 310 of this act must be distributed using the performance-based  
22 contracting method of delivering energy operational cost savings and  
23 safety and health infrastructure improvements to public facilities.

24 (2) One-half of the funds provided from the Washington works bonds  
25 for the energy infrastructure improvements must be repaid from the  
26 energy and utility cost savings, defined in this section, and from hard  
27 operational cost savings, defined in this section, within twenty years.  
28 The repayments must be deposited into the stabilization debt payment  
29 account.

30 (3) The definitions in this section apply throughout this chapter  
31 and sections 301 through 310 of this act unless the context clearly  
32 requires otherwise.

33 (a) "Energy and utility cost savings" means savings realized from

1 improvements to water, sewer, solid waste, electricity, natural gas,  
2 propane, and oil utilities and revenue generated from on-site energy  
3 sources.

4 (b) "Energy-saving performance contracting" means the process  
5 authorized by chapter 39.35C RCW by which a company contracts with a  
6 state agency to conduct no-cost energy audits, guarantee energy savings  
7 from energy efficiency, provide financing for energy infrastructure  
8 improvements, and agree to be paid for its investment solely from  
9 savings resulted from the energy efficiency improvement installed or  
10 implemented.

11 (c) "Energy infrastructure improvements" means energy audits,  
12 weatherization, energy efficiency retrofits, energy efficiency measures  
13 or improvements, local on-site energy generation and safety and health  
14 improvements.

15 (d) "Hard operational cost savings" means savings realized from  
16 parts, service fees, capital renewal costs, and other measurable annual  
17 expenses to maintain and repair systems. This definition does not mean  
18 labor savings related to existing facility staff.

19 (e) "Public facilities" means buildings, building components, and  
20 major equipment or systems owned by state and local governments and  
21 subdivisions of the state.

22 NEW SECTION.      **Sec. 302.**      **FOR THE SUPERINTENDENT OF PUBLIC**  
23 **INSTRUCTION**

24 K-12 School Safety, Health, and Energy Efficiency

25 The appropriation in this section is subject to the following  
26 conditions and limitations:

27 (1) The appropriation is provided solely for energy operational  
28 cost savings and safety and health infrastructure improvements to  
29 school facilities initiated after July 1, 2009.

30 (2) Within the total amount, the office of the superintendent of  
31 public instruction shall provide \$100,000 to each school district and  
32 distribute the remainder by equal amounts per full-time equivalent  
33 student in each school district.

34 (3) The appropriation in this section must be distributed using the  
35 performance-based contracting method of delivering energy operational  
36 cost savings and safety and health infrastructure improvements to  
37 public facilities, unless the minimal cost or the immediacy of the

1 project makes performance-based contracting impracticable. If the  
2 minimal cost or immediacy of the project makes performance-based  
3 contracting impracticable, the school district must receive a waiver  
4 from the office of the superintendent of public instruction in order to  
5 use the appropriation to address safety and health needs. The safety  
6 and health improvements must address the primary and secondary school  
7 environmental health and safety rule revisions proposed as amended  
8 October 8, 2008, by the Washington state board of health.

9 (4) The superintendent of public instruction must report to the  
10 appropriate committees of the legislature and the office of financial  
11 management on the timing and use of the funds by the end of each fiscal  
12 year, until the funds are fully expended.

13 Appropriation:

14	Washington Works Account--State . . . . .	\$2,002,000,000
15	Prior Biennia (Expenditures) . . . . .	.\$0
16	Future Biennia (Projected Costs) . . . . .	\$0
17	TOTAL . . . . .	\$2,002,000,000

18 NEW SECTION. **Sec. 303. FOR THE COMMUNITY AND TECHNICAL COLLEGE**  
19 **SYSTEM**

20 Community and Technical College Safety, Health, and Energy  
21 Efficiency

22 The appropriation in this section is subject to the following  
23 conditions and limitations: The appropriation is provided solely for  
24 energy operational cost savings and safety and health infrastructure  
25 improvements to community and technical college facilities. The state  
26 board for community and technical colleges system board must report to  
27 the appropriate committees of the legislature and the office of  
28 financial management on the timing and use of the funds by the end of  
29 each fiscal year, until the funds are fully expended.

30 Appropriation:

31	Washington Works Account--State . . . . .	\$286,000,000
32	Prior Biennia (Expenditures) . . . . .	.\$0
33	Future Biennia (Projected Costs) . . . . .	\$0
34	TOTAL . . . . .	\$286,000,000

1 NEW SECTION. Sec. 304. FOR THE UNIVERSITY OF WASHINGTON

2 University of Washington Safety, Health, and Energy Efficiency

3 The appropriation in this section is subject to the following  
4 conditions and limitations: The appropriation is provided solely for  
5 energy operational cost savings and safety and health infrastructure  
6 improvements to University of Washington facilities. The University of  
7 Washington must report to the appropriate committees of the legislature  
8 and the office of financial management on the timing and use of the  
9 funds by the end of each fiscal year, until the funds are fully  
10 expended.

11 Appropriation:

12	Washington Works Account--State . . . . .	\$79,100,000
13	Prior Biennia (Expenditures) . . . . .	.\$0
14	Future Biennia (Projected Costs) . . . . .	\$0
15	TOTAL . . . . .	\$79,100,000

16 NEW SECTION. Sec. 305. FOR WASHINGTON STATE UNIVERSITY

17 Washington State University Safety, Health, and Energy Efficiency

18 The appropriation in this section is subject to the following  
19 conditions and limitations: The appropriation is provided solely for  
20 energy operational cost savings and safety and health infrastructure  
21 improvements to Washington State University facilities. Washington  
22 State University must report to the appropriate committees of the  
23 legislature and the office of financial management on the timing and  
24 use of the funds by the end of each fiscal year, until the funds are  
25 fully expended.

26 Appropriation:

27	Washington Works Account--State . . . . .	\$45,700,000
28	Prior Biennia (Expenditures) . . . . .	.\$0
29	Future Biennia (Projected Costs) . . . . .	\$0
30	TOTAL . . . . .	\$45,700,000

31 NEW SECTION. Sec. 306. FOR WESTERN WASHINGTON UNIVERSITY

32 Western Washington University Safety, Health, and Energy Efficiency

1 The appropriation in this section is subject to the following  
2 conditions and limitations: The appropriation is provided solely for  
3 energy operational cost savings and safety and health infrastructure  
4 improvements to Western Washington University facilities. Western  
5 Washington University must report to the appropriate committees of the  
6 legislature and the office of financial management on the timing and  
7 use of the funds by the end of each fiscal year, until the funds are  
8 fully expended.

9 Appropriation:

10	Washington Works Account--State . . . . .	\$25,000,000
11	Prior Biennia (Expenditures) . . . . .	.\$0
12	Future Biennia (Projected Costs) . . . . .	\$0
13	TOTAL . . . . .	\$25,000,000

14 NEW SECTION. **Sec. 307. FOR EASTERN WASHINGTON UNIVERSITY**

15 Eastern Washington University Safety, Health, and Energy Efficiency

16 The appropriation in this section is subject to the following  
17 conditions and limitations: The appropriation is provided solely for  
18 operational cost savings and safety and health infrastructure  
19 improvements to Eastern Washington University facilities. Eastern  
20 Washington University must report to the appropriate committees of the  
21 legislature and the office of financial management on the timing and  
22 use of the funds by the end of each fiscal year, until the funds are  
23 fully expended.

24 Appropriation:

25	Washington Works Account--State . . . . .	\$19,100,000
26	Prior Biennia (Expenditures) . . . . .	.\$0
27	Future Biennia (Projected Costs) . . . . .	\$0
28	TOTAL . . . . .	\$19,100,000

29 NEW SECTION. **Sec. 308. FOR CENTRAL WASHINGTON UNIVERSITY**

30 Central Washington University Safety, Health, and Energy Efficiency

31 The appropriation in this section is subject to the following  
32 conditions and limitations: The appropriation is provided solely for  
33 energy operational cost savings and safety and health infrastructure  
34 improvements to Central Washington University facilities. Central

1 Washington University must report to the appropriate committees of the  
2 legislature and the office of financial management on the timing and  
3 use of the funds by the end of each fiscal year, until the funds are  
4 fully expended.

5 Appropriation:

6	Washington Works Account--State . . . . .	\$18,800,000
7	Prior Biennia (Expenditures) . . . . .	.\$0
8	Future Biennia (Projected Costs) . . . . .	\$0
9	TOTAL . . . . .	\$18,800,000

10 NEW SECTION. **Sec. 309. FOR THE EVERGREEN STATE COLLEGE**

11 The Evergreen State College Safety, Health, and Energy Efficiency

12 The appropriation in this section is subject to the following  
13 conditions and limitations: The appropriation is provided solely for  
14 energy operational cost savings and safety and health infrastructure  
15 improvements to The Evergreen State College facilities. The Evergreen  
16 State College must report to the appropriate committees of the  
17 legislature and the office of financial management on the timing and  
18 use of the funds by the end of each fiscal year, until the funds are  
19 fully expended.

20 Appropriation:

21	Washington Works Account--State . . . . .	\$8,600,000
22	Prior Biennia (Expenditures) . . . . .	.\$0
23	Future Biennia (Projected Costs) . . . . .	\$0
24	TOTAL . . . . .	\$8,600,000

25 NEW SECTION. **Sec. 310. FOR THE DEPARTMENT OF GENERAL**  
26 **ADMINISTRATION**

27 Public Facility Energy Efficiency

28 The appropriation in this section is subject to the following  
29 conditions and limitations:

30 (1) The appropriation is provided solely for energy efficiency  
31 improvements to public facilities as defined in this section. The  
32 department of general administration must create a stakeholder group  
33 that includes state and local governments, and energy services company



1 members to make recommendations to the department of general  
2 administration regarding the appropriate process and mechanism for the  
3 distribution of funds for energy efficiency purposes.

4 (2) The department must report to the appropriate committees of the  
5 legislature and the office of financial management on the timing and  
6 use of the funds by the end of each fiscal year, until the funds are  
7 fully expended.

8 Appropriation:

9	Washington Works Account--State . . . . .	\$500,000,000
10	Prior Biennia (Expenditures) . . . . .	.\$0
11	Future Biennia (Projected Costs) . . . . .	\$0
12	TOTAL . . . . .	\$500,000,000

13 **PART IV**

14 **TECHNICAL PROVISIONS**

15 NEW SECTION. **Sec. 401.** (1) The legislature may provide additional  
16 means for raising moneys for the payment of the principal of and  
17 interest on the bonds authorized in section 201 of this act, and  
18 section 310 of this act is not deemed to provide an exclusive method  
19 for their payment.

20 (2) The issuance of bonds under this chapter is not deemed to be  
21 the only method to fund projects under this chapter.

22 (3) The office of the state treasurer must determine a mechanism to  
23 allow individual Washington state residents to purchase Washington  
24 works bonds.

25 NEW SECTION. **Sec. 402.** The bonds authorized by this chapter  
26 constitute a legal investment for all state funds or for funds under  
27 state control and all funds of municipal corporations.

28 NEW SECTION. **Sec. 403.** The state finance committee is authorized  
29 to prescribe the form, terms, conditions, and covenants of the bonds  
30 provided for in this act, the time or times of sale of all or any  
31 portion of them, and the conditions and manner of their sale and  
32 issuance.

1 NEW SECTION. **Sec. 404.** The Washington works account is created in  
2 the state treasury. All receipts from bonds authorized under section  
3 201 of this act must be deposited in the account. Moneys in the  
4 account may be spent only after appropriation. The proceeds from the  
5 sale of the bonds authorized in section 201 of this act shall be  
6 deposited in the account. Moneys in the account shall be used  
7 exclusively for:

8 (1) The purposes of sections 301 through 310 of this act, which  
9 includes energy infrastructure that improves the safety, health, and  
10 energy efficiency of all public schools and other public facilities;  
11 and

12 (2) The payment of the expenses incurred in connection with the  
13 sale and issuance of the bonds.

14 **PART V**

15 **REFERENDUM PROVISIONS**

16 NEW SECTION. **Sec. 501.** (1) The secretary of state shall submit  
17 sections 101 through 204 of this act to the people for their adoption  
18 and ratification, or rejection, at the next general election to be held  
19 in this state, in accordance with Article II, section 1 and Article  
20 VIII, section 3 of the state Constitution and the laws adopted to  
21 facilitate their operation.

22 (2) If the people ratify this act as specified under subsection (1)  
23 of this section, revenues generated shall be spent as detailed in this  
24 act.

25 (3) Pursuant to RCW 29A.72.050(6), the statement of subject and  
26 concise description for the ballot title shall read: "The legislature  
27 has passed House Bill No . . . . (this act), concerning funding  
28 improvements for schools and other public facilities. This bill would  
29 authorize bonds to construct energy operational cost savings and safety  
30 and health infrastructure improvements to schools and other public  
31 facilities."

32 NEW SECTION. **Sec. 502.** This act is contingent upon approval by  
33 the voters of sections 101 through 204 of this act. If sections 101  
34 through 204 of this act are not approved by the voters by December 1,  
35 2009, this act is null and void.

1        NEW SECTION.    **Sec. 503.**    Part headings used in this act are not any  
2 part of the law.

3        NEW SECTION.    **Sec. 504.**    Sections 201 through 204, 301, and 401  
4 through 404 of this act constitute a new chapter in Title 43 RCW."

5        Correct the title.

EFFECT:        Energy operational cost savings are added to capital safety and health improvements as activities directed by the bill that will create jobs. All appropriations must be distributed using the performance-based contracting method of delivering energy infrastructure improvements to public facilities; however, the Office of the Superintendent of Public Instruction may grant waivers for the use of performance-based contracting due to the immediacy or minimal cost of a project. The Department of General Administration (department) is directed to create a stakeholder group to make recommendations regarding the appropriate process and mechanism for the distribution of funds appropriated to the department for energy efficiency purposes in public facilities.

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