

SB 5202 - S AMD 925
By Senator Wellman

ADOPTED 01/12/2022

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

3 **"Sec. 1.** RCW 28A.320.330 and 2021 c 332 s 7045 are each amended
4 to read as follows:

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

7 (1)(a) A general fund for the school district to account for all
8 financial operations of the school district except those required to
9 be accounted for in another fund.

10 (b) By the 2018-19 school year, a local revenue subfund of its
11 general fund to account for the financial operations of a school
12 district that are paid from local revenues. The local revenues that
13 must be deposited in the local revenue subfund are enrichment levies
14 and transportation vehicle levies collected under RCW 84.52.053,
15 local effort assistance funding received under chapter 28A.500 RCW,
16 and other school district local revenues including, but not limited
17 to, grants, donations, and state and federal payments in lieu of
18 taxes, but do not include other federal revenues, or local revenues
19 that operate as an offset to the district's basic education
20 allocation under RCW 28A.150.250. School districts must track
21 expenditures from this subfund separately to account for the
22 expenditure of each of these streams of revenue by source, and must
23 provide the supplemental expenditure schedule under (c) of this
24 subsection, and any other supplemental expenditure schedules required
25 by the superintendent of public instruction or state auditor, for
26 purposes of RCW 43.09.2856.

27 (c) Beginning in the 2019-20 school year, the superintendent of
28 public instruction must require school districts to provide a
29 supplemental expenditure schedule by revenue source that identifies
30 the amount expended by object for each of the following supplementary
31 enrichment activities beyond the state funded amount:

1 (i) Minimum instructional offerings under RCW 28A.150.220 or
2 28A.150.260 not otherwise included on other lines;

3 (ii) Staffing ratios or program components under RCW 28A.150.260,
4 including providing additional staff for class size reduction beyond
5 class sizes allocated in the prototypical school model and additional
6 staff beyond the staffing ratios allocated in the prototypical school
7 formula;

8 (iii) Program components under RCW 28A.150.200, 28A.150.220, or
9 28A.150.260, not otherwise included on other lines;

10 (iv) Program components to support students in the program of
11 special education;

12 (v) Program components of professional learning, as defined by
13 RCW 28A.415.430, beyond that allocated under RCW 28A.150.415;

14 (vi) Extracurricular activities;

15 (vii) Extended school days or an extended school year;

16 (viii) Additional course offerings beyond the minimum
17 instructional program established in the state's statutory program of
18 basic education;

19 (ix) Activities associated with early learning programs;

20 (x) Activities associated with providing the student
21 transportation program;

22 (xi) Any additional salary costs attributable to the provision or
23 administration of the enrichment activities allowed under RCW
24 28A.150.276;

25 (xii) Additional activities or enhancements that the office of
26 the superintendent of public instruction determines to be a
27 documented and demonstrated enrichment of the state's statutory
28 program of basic education under RCW 28A.150.276; and

29 (xiii) All other costs not otherwise identified in other line
30 items.

31 (d) For any salary and related benefit costs identified in
32 (c)(xi), (xii), and (xiii) of this subsection, the school district
33 shall maintain a record describing how these expenditures are
34 documented and demonstrated enrichment of the state's statutory
35 program of basic education. School districts shall maintain these
36 records until the state auditor has completed the audit under RCW
37 43.09.2856.

38 (e) A depreciation subfund for the school district to reserve
39 funds for future facility and equipment needs. Up to two percent of a
40 school district's general fund may be deposited each fiscal year into

1 the depreciation subfund for the purpose of preventative maintenance
2 or emergency facility needs. The preventative maintenance must be
3 necessary to realize the originally anticipated useful life of a
4 building or facility and include: Exterior painting of facilities;
5 replacement or renovation of roofing, exterior walls, windows,
6 heating, air conditioning and ventilation systems, floor coverings in
7 classrooms and common areas, and electrical and plumbing systems; and
8 renovation of playfields, athletic facilities, and other district
9 real property. No moneys from the depreciation subfund may be used
10 for employee compensation.

11 (2) A capital projects fund shall be established for major
12 capital purposes. All statutory references to a "building fund" shall
13 mean the capital projects fund so established. Money to be deposited
14 into the capital projects fund shall include, but not be limited to,
15 bond proceeds, proceeds from excess levies authorized by RCW
16 84.52.053, state apportionment proceeds as authorized by RCW
17 28A.150.270, earnings from capital projects fund investments as
18 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
19 revenues transferred pursuant to subsection (3) of this section.

20 Money derived from the sale of bonds, including interest earnings
21 thereof, may only be used for those purposes described in RCW
22 28A.530.010, except that accrued interest paid for bonds shall be
23 deposited in the debt service fund.

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

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

31 (a) Major renovation and replacement of facilities and systems
32 where periodical repairs are no longer economical or extend the
33 useful life of the facility or system beyond its original planned
34 useful life. Such renovation and replacement shall include, but shall
35 not be limited to, major repairs, exterior painting of facilities,
36 replacement and refurbishment of roofing, exterior walls, windows,
37 heating and ventilating systems, floor covering in classrooms and
38 public or common areas, and electrical and plumbing systems.

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

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

3 (i) "Preliminary energy audits" means a determination of the
4 energy consumption characteristics of a building, including the size,
5 type, rate of energy consumption, and major energy using systems of
6 the building.

7 (ii) "Energy audit" means a survey of a building or complex which
8 identifies the type, size, energy use level, and major energy using
9 systems; which determines appropriate energy conservation maintenance
10 or operating procedures and assesses any need for the acquisition and
11 installation of energy conservation measures, including solar energy
12 and renewable resource measures.

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

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

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

22 (f)(i) Costs associated with implementing technology systems,
23 facilities, and projects, including acquiring hardware, licensing
24 software, and online applications and training related to the
25 installation of the foregoing. However, the software or applications
26 must be an integral part of the district's technology systems,
27 facilities, or projects.

28 (ii) Costs associated with the application and modernization of
29 technology systems for operations and instruction including, but not
30 limited to, the ongoing fees for online applications, subscriptions,
31 or software licenses, including upgrades and incidental services, and
32 ongoing training related to the installation and integration of these
33 products and services. However, to the extent the funds are used for
34 the purpose under this subsection (2)(f)(ii), the school district
35 shall transfer to the district's general fund the portion of the
36 capital projects fund used for this purpose. The office of the
37 superintendent of public instruction shall develop accounting
38 guidelines for these transfers in accordance with internal revenue
39 service regulations.

1 (g) Major equipment repair, painting of facilities, and other
2 major preventative maintenance purposes. However, to the extent the
3 funds are used for the purpose under this subsection (2)(g), the
4 school district shall transfer to the district's general fund the
5 portion of the capital projects fund used for this purpose. The
6 office of the superintendent of public instruction shall develop
7 accounting guidelines for these transfers in accordance with internal
8 revenue service regulations. Based on the district's most recent two-
9 year history of general fund maintenance expenditures, funds used for
10 this purpose may not replace routine annual preventive maintenance
11 expenditures made from the district's general fund.

12 (h) During the 2021-2023 fiscal biennium, renovation and
13 replacement of facilities and systems, purchase or installation of
14 items of equipment and furniture, including maintenance vehicles and
15 machinery, and other preventative maintenance or infrastructure
16 improvement purposes.

17 (3) A debt service fund to provide for tax proceeds, other
18 revenues, and disbursements as authorized in chapter 39.44 RCW. State
19 forestland revenues that are deposited in a school district's debt
20 service fund pursuant to RCW 79.64.110 and to the extent not
21 necessary for payment of debt service on school district bonds may be
22 transferred by the school district into the district's capital
23 projects fund.

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

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

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29 On page 1, line 2 of the title, after "maintenance;" strike the
30 remainder of the title and insert "and amending RCW 28A.320.330."

EFFECT: Updates the underlying statute language to reflect current law.

--- **END** ---