

# HOUSE BILL REPORT

## HB 1306

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**As Reported by House Committee On:**  
Education

**Title:** An act relating to bond authorization training for school district boards of directors.

**Brief Description:** Concerning bond authorization training for school district boards of directors.

**Sponsors:** Representatives Sells, Santos and Pollet.

**Brief History:**

**Committee Activity:**

Education: 2/5/21, 2/12/21 [DPS].

**Brief Summary of Substitute Bill**

- Requires school district directors to receive training in basic legal requirements and opportunities of public sector capital projects before approving bond authorizations for voter consideration.
- Directs the Washington State School Directors' Association, in partnership with other entities, to draft a model policy and procedure for the training requirements.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Santos, Chair; Dolan, Vice Chair; Berg, Bergquist, Callan, Ortiz-Self, Rude and Stonier.

**Minority Report:** Do not pass. Signed by 2 members: Representatives McEntire and Steele.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Ybarra, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; McCaslin.

**Staff:** Ethan Moreno (786-7386).

**Background:**

School District Bonds.

School district boards of directors (school boards) may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the Washington Constitution and state statutes.

School boards may submit the question of voter-approved indebtedness to voters residing in the school district. Prior to doing so, the school board must adopt a resolution validating and ratifying the proposed indebtedness, and the school district superintendent must notify the county auditor of the suggested time and purpose of the election.

If the indebtedness proposal is approved by 60 percent of the voters voting at the election, the school board may borrow money and issue and sell negotiable bonds. Voter approval requirements differ if the proposal before the voters would result in exceeding a constitutionally established debit limit of 1.5 percent of the assessed value of the property in school district.

Washington State School Directors' Association.

Established by statute, the Washington State School Directors' Association (WSSDA) is the state agency that provides advice and assistance to local school boards. The WSSDA is charged with coordinating policymaking, control, and management of the state's school districts. Among other actions, the WSSDA adopts model policies and procedures, often in response to legislative directives, that school districts may adopt.

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**Summary of Substitute Bill:**

Any member of a school district board of directors voting to approve a bond authorization for voter consideration, must, prior to approving the authorization, receive training in basic legal requirements and opportunities of public sector capital projects. The training must have been in the six-year period preceding the school director's vote. At a minimum, the training must include:

- apprenticeship utilization requirements;
- prevailing wage requirements; and
- the opportunity for school districts, general contractors, and labor organizations to provide perspectives on project labor agreements and community workforce agreements.

School districts and educational service districts are encouraged to provide the training using a regional model with assistance and materials provided by the Washington State Department of Labor and Industries (L&I), labor organizations, and associations representing general contractors.

The WSSDA, in partnership with the L&I, labor organizations, and associations representing general contractors, must draft a model policy and procedure that satisfy the training requirements.

**Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes to the original bill:

- specifies that the required bond training must be for any member of a school district board of directors who is voting to approve a bond authorization for voter consideration, rather than requiring the training for each director on a school district board;
- requires that the bond training for members of school district boards of directors provide the opportunity for school districts, general contractors, and labor organizations to provide perspectives on (rather than engage in) project labor agreements and community workforce agreements; and
- makes the following technical changes:
  - corrects a reference to educational service districts;
  - replaces a reference to "model policies and frameworks" with "model policy and procedure"; and
  - clarifies that any member of a school district board of directors voting to approve a bond authorization for voter consideration must have received the required training in the six-year period preceding their vote.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on September 1, 2022.

**Staff Summary of Public Testimony:**

(In support) The bill was requested by the Office of the Superintendent of Public Instruction. School boards that authorize contracts after bond authorizations do not always understand legal requirements and this can create project implementation challenges. The training required in the bill for school boards can be provided easily by the L&I and others. An amendment is forthcoming regarding labor agreements language in the bill.

Bond issues and public works construction projects are some of the most complicated issues

school boards address. The September 2022 implementation date in the bill is a good provision, as are the training requirements.

The legislation takes an important first step in making sure that communities understand contracting and other requirements before beginning capital projects. The legislation will help schools and small communities.

(Opposed) None.

(Other) The idea of requiring additional training for capital works public works projects is supported, but there is some concern about the labor and community workforce agreement provisions in the bill. If that language is removed, the bill will be supported.

**Persons Testifying:** (In support) Representative Sells, prime sponsor; Jim Stoffer, Washington State School Directors' Association; and Tyler Muench, Office of the Superintendent of Public Instruction.

(Other) Christine Brewer, Associated General Contractors of Washington.

**Persons Signed In To Testify But Not Testifying:** None.