

# FINAL BILL REPORT

## SB 5403

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C 402 L 23  
Synopsis as Enacted

**Brief Description:** Establishing school district depreciation subfunds for the purposes of preventative maintenance.

**Sponsors:** Senators Schoesler, Wellman, Torres, Boehnke, Muzzall, Dozier, Kuderer, Randall, Wilson, C. and Wilson, L..

**Senate Committee on Early Learning & K-12 Education**  
**House Committee on Education**

**Background:** School District Funds. School district accounting requirements organize and operate on a fund basis. Under current law, school districts must establish:

- a general fund for most financial operations of the school's district, including a subfund for local revenues;
- a capital projects fund for major capital purposes;
- a debt service fund for the retirement of bonds;
- a refunded bond fund; and
- an associated student body fund for all moneys generated through the programs and activities of any associated student body organization.

**Summary:** School districts with fewer than 2000 students must establish a depreciation subfund within their general fund to reserve funds for future facility and equipment needs. Up to 2 percent of a school district's general fund may be deposited into the depreciation subfund each fiscal year for emergency facility needs and preventative maintenance.

Preventative maintenance must be necessary to realize the originally anticipated useful life of a building or facility, and includes:

- exterior painting of facilities;
- replacement or renovation of roofing, exterior walls, windows, heating, air conditioning, ventilation systems, floor coverings, electrical systems, and plumbing systems; and
- renovation of playfields, athletic facilities, and other district real property.

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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.*

School districts, subject to applicable public works bid limits, may use school district employees to perform preventative maintenance with moneys from the subfund, but moneys from the subfund may not be used for employee compensation unrelated to authorized subfund uses.

**Votes on Final Passage:**

Senate	48	0	
House	89	8	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 23, 2023