
SUBSTITUTE SENATE BILL 5126

State of Washington

68th Legislature

2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Pedersen, Hawkins, Wellman, and C. Wilson; by request of Superintendent of Public Instruction)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to providing common school trust revenue to small
2 school districts; and amending RCW 28A.515.320.

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

4 **Sec. 1.** RCW 28A.515.320 and 1996 c 186 s 503 are each amended to
5 read as follows:

6 (1) The common school construction fund is to be used exclusively
7 for the purpose of financing the construction of facilities for the
8 common schools. The sources of said fund shall be: ~~((1))~~ (a) Those
9 proceeds derived from sale or appropriation of timber and other crops
10 from school and state land other than those granted for specific
11 purposes; ~~((2))~~ (b) the interest accruing on the permanent common
12 school fund less the allocations to the state treasurer's service
13 ~~((account-[fund]))~~ fund pursuant to RCW 43.08.190 and the state
14 investment board expense account pursuant to RCW 43.33A.160 together
15 with all rentals and other revenue derived therefrom and from land
16 and other property devoted to the permanent common school fund;
17 ~~((3))~~ (c) all moneys received by the state from the United States
18 under the provisions of section 191, Title 30, ~~((United States Code))~~
19 U.S.C., Annotated, and under section 810, chapter 12, Title 16,
20 (Conservation), ~~((United States Code))~~ U.S.C., Annotated, except
21 moneys received before June 30, 2001, and when ~~((thirty))~~ 30

1 megawatts of geothermal power is certified as commercially available
2 by the receiving utilities and the department of (~~community, trade,~~
3 ~~and economic development~~) commerce, (~~eighty~~) 80 percent of such
4 moneys, under the Geothermal Steam Act of 1970 pursuant to former RCW
5 43.140.030; and (~~(+4)~~) (d) such other sources as the legislature may
6 direct. That portion of the common school construction fund derived
7 from interest on the permanent common school fund may be used to
8 retire such bonds as may be authorized by law for the purpose of
9 financing the construction of facilities for the common schools.

10 (2) The interest accruing on the permanent common school fund
11 less the allocations to the state treasurer's service fund pursuant
12 to RCW 43.08.190 and the state investment board expense account
13 pursuant to RCW 43.33A.160 together with all rentals and other
14 revenues accruing thereto pursuant to subsection (~~(+2)~~) (1)(b) of
15 this section prior to July 1, 1967, shall be exclusively applied to
16 the current use of the common schools.

17 (3) To the extent that the moneys in the common school
18 construction fund are in excess of the amount necessary to allow
19 fulfillment of the purpose of said fund, the excess shall be
20 available for deposit to the credit of the permanent common school
21 fund or available for the current use of the common schools, as the
22 legislature may direct. Any money from the common school construction
23 fund which is made available for the current use of the common
24 schools shall be restored to the fund by appropriation, including
25 interest income (~~(foregone [forgone])~~) forgone, before the end of the
26 next fiscal biennium following such use.

27 (4) Appropriations for the small school districts project
28 prioritized list submitted under RCW 28A.525.159 are the first
29 priority of appropriations from the common school construction fund,
30 after payment of principal and interest on the bonds authorized in
31 RCW 28A.527.040 from that portion of the common school construction
32 fund derived from interest on the permanent common school fund.
33 Appropriations from the common school construction fund must be
34 prioritized as follows, as fund balance allows:

35 (a) Beginning with appropriations enacted for the 2025-2027
36 fiscal biennium, no less than \$60,000,000 of new appropriations in
37 the biennial capital budget must be used to fund the small school
38 districts project prioritized list, and any remaining amounts in the
39 common school construction fund may be appropriated for other common
40 school construction purposes.

1 (b) Beginning with appropriations enacted for the 2027-2029
2 fiscal biennium, no less than \$70,000,000 of new appropriations in
3 the biennial capital budget must be used to fund the small school
4 districts project prioritized list, and any remaining amounts in the
5 common school construction fund may be appropriated for other common
6 school construction purposes.

7 (c) Beginning with appropriations enacted for the 2029-2031
8 fiscal biennium and each biennium thereafter, no less than
9 \$80,000,000 of new appropriations in the biennial capital budget must
10 be used to fund the small school districts project prioritized list,
11 and any remaining amounts in the common school construction fund may
12 be appropriated for other common school construction purposes.

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