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SUBSTITUTE SENATE BILL 5445

State of Washington 63rd Legislature 2013 Regular Session

By Senate Ways & Means (originally sponsored by Senators Honeyford, Schoesler, Dammeier, Braun, Parlette, Litzow, Baumgartner, Carrell, Sheldon, Ericksen, Becker, King, Fain, Bailey, and Tom)

READ FIRST TIME 02/08/13.

- 1 AN ACT Relating to funding public school capital projects; adding
- 2 a new chapter to Title 43 RCW; creating new sections; making
- 3 appropriations; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. For the purpose of providing funds to finance the public school projects described and authorized by the 6 legislature in the capital appropriations acts for the 2013-2015 fiscal biennium, and all costs incidental thereto, the state finance committee 8 9 is authorized to issue general obligation bonds of the state of 10 Washington in the sum of four hundred seventy-five million dollars, or 11 as much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold 12 13 at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior 14 legislative appropriation of the net proceeds of the sale of the bonds. 15
- NEW SECTION. Sec. 2. The proceeds from the sale of bonds authorized in section 1 of this act shall be deposited in the state building construction account created by RCW 43.83.020. These proceeds

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- 1 shall be used exclusively for the purposes specified in this section
- 2 and for the payment of expenses incurred in the issuance and sale of
- 3 the bonds issued for the purposes of this section, and shall be
- 4 administered by the office of financial management subject to
- 5 legislative appropriation.

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- NEW SECTION. Sec. 3. (1) The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 1 of this act.
 - (2) The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements on the bonds authorized in section 1 of this act.
 - (3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 1 of this act the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.
- NEW SECTION. Sec. 4. (1) Bonds issued under sections 1 through 3 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.
- 25 (2) The owner and holder of each of the bonds or the trustee for 26 the owner and holder of any of the bonds may by mandamus or other 27 appropriate proceeding require the transfer and payment of funds as 28 directed in this section.
- NEW SECTION. Sec. 5. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 2 and 3 of this act shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. Sec. 6. Sections 1 through 5 of this act constitute 2 a new chapter in Title 43 RCW.

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- NEW SECTION. Sec. 7. (1) A capital budget is hereby adopted and, subject to the provisions set forth in this act, the several dollar amounts hereinafter specified, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for capital projects during the period beginning with the effective date of this section and ending June 30, 2015, out of the several funds specified in this act.
- 10 (2) The definitions in this subsection apply throughout this act 11 unless the context clearly requires otherwise.
- 12 (a) "Fiscal year 2014" or "FY 2014" means the period beginning July 1, 2013, and ending June 30, 2014.
- 14 (b) "Fiscal year 2015" or "FY 2015" means the period beginning July 1, 2014, and ending June 30, 2015.
- 16 (c) "Lapse" or "revert" means the amount shall return to an unappropriated status.
- 18 (d) "Provided solely" means the specified amount may be spent only 19 for the specified purpose.
 - (3) Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.
 - (4) The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts. "Prior biennia" typically refers to the immediate prior biennium for reappropriations, but may refer to multiple biennia in the case of specific projects. A "future biennia" amount is an estimate of what may be appropriated for the project or program in the 2013-2015 biennium and the following three biennia; an amount of zero does not necessarily constitute legislative intent to not provide funding for the project or program in the future.
- 34 (5) "Reappropriations" in this act are appropriations and, unless 35 the context clearly provides otherwise, are subject to the relevant 36 conditions and limitations applicable to appropriations.

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- 1 Reappropriations shall be limited to the unexpended balances remaining
- 2 on June 30, 2013, from the 2011-2013 biennial appropriations for each
- 3 project.

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4 NEW SECTION. Sec. 8. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

5 School Security Improvement Grants (92000015)

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

- (1) The appropriation is provided solely for nonrecurring costs associated with school facility safety projects as described in subsections (2) and (3) of this section.
- (2) One-time grants to school districts to implement panic alarm systems developed:
- 13 (a) In conjunction with the district's local law enforcement 14 agency; or
 - (b) By the superintendent of public instruction as a model policy.
- 16 (3) One-time grants to school districts to assist with installation 17 of security control mechanisms or systems. The superintendent shall 18 prioritize grant requests by establishing criteria including, but not 19 limited to, considering districts that receive state funds through the 20 school construction assistance program in FY 2014 or FY 2015.
- 21 Appropriation:
- NEW SECTION. Sec. 9. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION 27 2013-2015 School Construction Assistance Program Maintenance (30000145)
- The appropriations in this section are subject to the following conditions and limitations:
- 31 (1) \$1,340,000 of the common school construction account--state 32 appropriation is provided solely for study and survey grants and for 33 completing inventory and building condition assessments for all public 34 school districts once every six years.

(2) \$933,000 of the common school construction account--state appropriation is provided solely for mapping the design of new facilities and remapping the design of facilities to be remodeled, for school construction projects funded through the school construction assistance program.

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- 6 (3) \$250,000 of the common school construction account--state is 7 provided solely for the development of recommendations on how the 8 school construction assistance program can better support state policy 9 objectives to reform and improve public education. A report describing the recommendations and their projected costs and benefits must be 10 11 submitted to the appropriate committees of the legislature by September 12 The superintendent of public instruction must convene an 13 advisory group to assist in the development of these recommendations. 14 The advisory group must include representation from general classroom teachers at various grade levels, teachers of subjects that require 15 specialized facilities such as science laboratories and vocational 16 facilities, school facility managers, school facility designers, and 17 18 other experts on the relationship between the quality and design of 19 educational facilities and student academic performance. The advisory group must review and consider findings and recommendations in the 2009 20 21 joint legislative task force on school construction funding. 22 recommendations must consider ways to provide financial assistance to 23 develop and improve educational facilities to support at least the 24 following policy objectives:
 - (a) Greater access and more effective instruction in science, technology, engineering, and math;
 - (b) Class size reduction in grades K-3;
 - (c) Increased efficiency in the use of high-cost specialized school facilities, such as the shared use of specialized facilities at skill centers and community colleges;
 - (d) Simplifying the school construction assistance program by scheduling multiple release dates each year;
 - (e) Improving web-based access by taxpayers to school capacity and actual enrollment in order to understand possible opportunities to increase efficiency through consolidation. The office of the superintendent of public instruction must post this capacity and enrollment information on its web site.

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- 1 (4) Funds from this appropriation may be used to match federal 2 dollars provided by the office of economic adjustment for school 3 replacement facilities located on military bases.
 - (5) The office of the superintendent of public instruction must expedite the eligibility review, project approval process, and contracting for any eligible grant under the school construction assistance program to address the school construction emergency resulting from the fire that destroyed the Crestline school in the Evergreen School District.

10 Appropriation:

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11	State Building Construction AccountState \$461,615,000
12	Common School Construction AccountState \$71,328,000
13	Common School Construction AccountFederal \$1,500,000
14	Subtotal Appropriation
15	Prior Biennia (Expenditures)
16	Future Biennia (Projected Costs) \$3,022,299,000
17	TOTAL

NEW SECTION. Sec. 10. (1) Allotments for appropriations in this act shall be provided in accordance with the capital project review requirements adopted by the office of financial management and in compliance with RCW 43.88.110. Projects that will be employing alternative public works construction procedures under chapter 39.10 RCW are subject to the allotment procedures defined in this section and RCW 43.88.110.

- (2) Each project is defined as proposed in the legislative budget notes or in the governor's budget document.
- (3) The office of financial management and the office of the superintendent of public instruction must expedite the allotment and contracting process for projects funded in these appropriations that are ready to begin and meet all other requirements.

NEW SECTION. Sec. 11. State agencies, including institutions of higher education, shall allot and report full-time equivalent staff for capital projects in a manner comparable to staff reporting for operating expenditures.

NEW SECTION. Sec. 12. The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts. "Prior biennia" typically refers to the immediate prior biennium for reappropriations, but may refer to multiple biennia in the case of specific projects. A "future biennia" amount is an estimate of what may be appropriated for the project or program in the 2015-2017 biennium and the following three biennia; an amount of zero does not necessarily constitute legislative intent to not provide funding for the project or program in the future.

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11 NEW SECTION. Sec. 13. RCW 43.88.031 requires the disclosure of 12 the estimated debt service costs associated with new capital bond 13 appropriations. The estimated debt service costs for the 14 appropriations contained in this act are seven million five hundred thousand dollars for the 2013-2015 biennium, forty-eight million 15 dollars for the 2015-2017 biennium, and sixty-eight million dollars for 16 17 the 2017-2019 biennium and each biennium thereafter until the bonds are 18 retired, for a total estimated debt service costs of eight hundred fifty-five million dollars. 19

NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> **Sec. 15.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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