

# FINAL BILL REPORT

## 2SHB 1280

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C 129 L 07

Synopsis as Enacted

**Brief Description:** Providing for the use of the school district capital projects funds for technology.

**Sponsors:** By House Committee on Capital Budget (originally sponsored by Representatives Ericks, Jarrett, Quall, O'Brien, Strow, Morrell, Roach, Hunt, McDonald, Chase, Simpson, Haler, Moeller, McCune, Schual-Berke, Miloscia and Springer).

**House Committee on Education**

**House Committee on Capital Budget**

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

### **Background:**

School districts must establish a general fund for maintenance and operations of the district and a capital projects fund for major capital projects. Proceeds from bond sales, capital fund investments, and excess levies for construction, modernization, or remodeling of school facilities (capital levies) are deposited in the capital projects fund. Monies in the capital projects fund can be used for specified purposes, including: major renovation, energy capital improvements, and major items of equipment and furniture (except vehicles). Since 2002, capital project funds may also be used for the costs of: implementing technology systems, facilities, and projects; acquiring hardware, licensing software, and online applications; and training related to technology installation.

Some school districts propose technology levies to their voters. Technology levies are really capital levies that the school district proposes to use for technology as allowed by the law. Under the State Constitution and statute, capital levies may be authorized for up to six years. There is no levy lid for capital levies.

School districts pay for other technology costs from their general maintenance and operations fund with funds coming from state allocations for nonemployee-related costs and any local maintenance and operations levies. School districts that do not have capital levies may be relying on maintenance and operating funds for all technology-related purchases.

### **Summary:**

The authorized uses of school district capital projects funds for technology are expanded to include costs associated with the application and modernization of technology systems for operations and instruction. These costs include: ongoing fees for on-line applications, subscriptions, or software license; upgrades and incidental services; and ongoing training related to the installation and integration of the technology.

A school district using capital projects funds for the expanded purposes must transfer the funds to the district's general fund. The Superintendent of Public Instruction must adopt accounting guidelines for these transfers in accordance with Internal Revenue Service regulations.

The limitations of current law that prevent a district from authorizing more than one maintenance and operations levy during the same time period do not apply to capital levies.

**Votes on Final Passage:**

House	64	33
Senate	32	15

**Effective:** July 22, 2007