
Education Committee

HB 2954

Brief Description: Authorizing certain school districts and educational service districts to designate a district treasurer.

Sponsors: Representatives Hunter, Priest, Jarrett and Anderson.

Brief Summary of Bill

- Authorizes boards of Educational Service Districts (ESDs) and school districts with 10,000 or more students and in counties with 400,000 or more people to designate a District Treasurer with the same powers, duties, and responsibilities for financial matters as the County Treasurer.
- Allows a District Treasurer to be a school district, an ESD, or another person with experience in financial matters.
- Authorizes an ESD or school district acting as a District Treasurer to adopt a policy to pay financial obligations by warrant or check.

Hearing Date: 1/31/08

Staff: Barbara McLain (786-7383).

Background:

Except for some public utility districts and large port districts, the County Treasurer serves as the treasurer for all special purpose districts in the county, including school districts and Educational Service Districts (ESDs). The duties of a treasurer include receiving and depositing all funds, issuing and paying warrants and checks, making investments, keeping records of all withdrawals and deposits, and issuing statements. Essentially, the County Treasurer is the bank for the districts. The County Auditor registers all warrants of the district.

County Treasurers are authorized to make investment decisions for funds under their management within choices and options specified by law. The level of services available from the County

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Treasurer and the charges for those services vary by county. County Treasurers operate in different ways and have very different amounts of funds to manage. Under current law, funds that are not immediately required by a district for expenditure or investment are invested by the County Treasurer and the earnings deposited in the General Fund of the county. Some counties operate investment pools for multiple special purpose districts and are authorized to charge for the actual expense of administering the pool. Another statute provides for a transaction fee to be paid to the County Treasurer based on investment earnings.

Public utility districts and large port districts are authorized to designate some other person with experience in financial matters to serve as treasurer for the district. The treasurer must be bonded to protect the district against loss. These districts are expressly authorized to adopt a policy to pay financial obligations by warrants or by checks as long as the fund is solvent at the time the check is issued.

There are 28 school districts with enrollment of 10,000 or more students. Of these, 23 school districts are located in counties with a population of 400,000 or more. There are nine ESDs.

Summary of Bill:

The board of directors of any school district with enrollment of 10,000 or more full-time equivalent students and located in a county with a population of 400,000 or more is authorized to designate a District Treasurer. The District Treasurer has the powers, responsibilities, and duties for school district financial matters, and is subject to the same restrictions under current law, as the County Treasurer and the County Auditor.

A District Treasurer can be:

- the school district;
- an ESD agreeing to serve as the District Treasurer on behalf of the school district;
- some other person having experience in financial and fiscal matters; or
- another school district through an interlocal agreement.

A District Treasurer must be bonded in an amount and under terms that the board of directors finds will protect the district against loss, but for not less than \$25,000. A school district acting as its own District Treasurer is authorized to adopt a policy to pay financial obligations by warrants or by checks as long as the fund is solvent at the time the check is issued.

Each ESD board of directors is authorized to act as its own District Treasurer; designate some other person with experience in financial matters to serve as the ESD District Treasurer; or by mutual agreement, act as a District Treasurer on behalf of an eligible school district. An ESD District Treasurer must be bonded in an amount and under terms that the ESD board finds will protect the ESD against loss, but for not less than \$25,000. An ESD acting as its own District Treasurer or acting as a District Treasurer on behalf of a school district is authorized to adopt a policy to pay financial obligations by warrants or by checks as long as the fund is solvent at the time the check is issued.

Changes are made throughout the statutes pertaining to school districts and ESDs to include reference to District Treasurers.

Appropriation: None.

Fiscal Note: Requested on January 22, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.