

---

HOUSE BILL 1757

---

State of Washington                      61st Legislature                      2009 Regular Session

By Representatives Haigh, Haler, Kessler, Takko, Hinkle, Sullivan, McCune, Hunter, Cox, Finn, Priest, and Van De Wege

Read first time 01/28/09. Referred to Committee on Education Appropriations.

1            AN ACT Relating to establishing a small school district contingency  
2 fund; and adding new sections to chapter 28A.300 RCW.

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

4            NEW SECTION.    **Sec. 1.**    A new section is added to chapter 28A.300  
5 RCW to read as follows:

6            (1) The small school district contingency fund program is created  
7 to provide assistance in the form of a loan to small school districts  
8 facing a short-term and temporary shortfall in budgeted operating funds  
9 due to an unforeseen circumstance that is outside the control of the  
10 school district board of directors. An unforeseen circumstance does  
11 not include any labor dispute between a school district board of  
12 directors and any employee of the school district.

13            (2) School districts with an annual average full-time equivalent  
14 student enrollment of one hundred or fewer students may submit an  
15 application to the contingency fund committee for a loan of moneys from  
16 the small school district contingency fund account. Applications must  
17 describe the unforeseen circumstance, the proposed use of moneys from  
18 the loan, and how the loan will be repaid.

1 (3) A contingency fund committee composed of the superintendents of  
2 each of the educational service districts or their designees shall  
3 oversee the administration of the program. The committee shall develop  
4 criteria and an expedited process for reviewing and approving or  
5 denying applications and establish maximum loan amounts. The  
6 procedures developed by the committee shall be adopted as  
7 administrative rules by the office of the superintendent of public  
8 instruction.

9 (4) The contingency fund committee shall select districts to  
10 receive a loan from the account under section 2 of this act based on  
11 review of the applications. The amount of the loan shall be determined  
12 by the committee, and the committee may make a loan from the small  
13 school district contingency fund account to a school district only to  
14 the extent that moneys are available in the account.

15 (5) Each school district receiving a loan from the small school  
16 district contingency fund account shall negotiate a repayment plan with  
17 the contingency fund committee. Repayments shall begin within one year  
18 and all moneys shall be repaid in full no later than three years after  
19 the loan is approved by the committee. No standard or fixed repayment  
20 schedule is required, and the contingency fund committee and the  
21 superintendent of public instruction may not charge interest or fees.

22 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.300  
23 RCW to read as follows:

24 The small school district contingency fund account is created in  
25 the custody of the state treasurer for the purposes of making short-  
26 term loans to small school districts under section 1 of this act.  
27 Appropriations made by the legislature for the purposes of section 1 of  
28 this act shall be deposited into the account, along with any repayments  
29 to the fund made by school districts as provided under section 1 of  
30 this act. Only the superintendent of public instruction or the  
31 superintendent's designee may authorize expenditures from the account  
32 and only at the direction of the contingency fund committee. The  
33 account is subject to allotment procedures under chapter 43.88 RCW, but  
34 an appropriation is not required for expenditures. Moneys deposited  
35 into the fund shall not lapse at the end of the fiscal period for which

1 they were appropriated. Funds appropriated for and deposited into the  
2 account shall not be considered as basic education funding.

--- END ---