

# HOUSE BILL REPORT

## SHB 1777

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### As Passed Legislature

**Title:** An act relating to the disclosure of proceeds from a school bond levy.

**Brief Description:** Requiring specificity in school board resolutions for ballot propositions authorizing indebtedness.

**Sponsors:** By House Committee on Education (originally sponsored by Representatives Radcliff, Carrell, D. Schmidt, Thompson, Goldsmith, Pelesky, McMahan, Johnson, Smith, Fuhrman, Campbell, Lambert, Casada, Lisk, Mulliken, McMorris, Hargrove, Brumsickle, Clements, Silver, Koster, Backlund, Boldt, Hymes, Mitchell, Skinner and Blanton).

#### **Brief History:**

##### **Committee Activity:**

Education: 2/17/95, 2/23/95 [DPS].

##### **Floor Activity:**

Passed House: 3/14/95, 97-1.

Passed Legislature.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Brumsickle, Chairman; Johnson, Vice Chairman; Clements; G. Fisher; Pelesky; Quall; Radcliff; Smith; Thompson and Veloria.

**Minority Report:** Do not pass. Signed by 9 members: Representatives Elliot, Vice Chairman; Cole, Ranking Minority Member; Poulsen, Assistant Ranking Minority Member; Dickerson; Fuhrman; Hatfield; McMahan; Talcott and B. Thomas.

**Staff:** Robert Butts (786-7111).

**Background:** To raise funds for school construction, school districts normally are required to get approval from voters to issue bonds or to raise funds through a multi-year capital tax levy.

Districts also are eligible for state assistance for capital construction. In recent years, there has been a lag between when the voters approve the bonds or capital levy and when state assistance funds are available.

Prior to elections, school districts inform voters regarding how the proceeds from the election will likely be spent. However, nothing in current law requires the school district to use the funds for the purposes stated prior to the election.

It has been reported that some school districts have used capital funds raised through bond elections for projects other than those stated prior to the election.

**Summary of Bill:** Prior to conducting an election on a debt financing measure, a school district must adopt a resolution that specifies the purposes of the debt financing measure and any associated state assistance, including the specific buildings to be constructed or remodelled and any additional specific purposes.

If the school board subsequently determines that circumstances have changed, the board shall first conduct a public hearing to consider the circumstances and to receive public testimony. If the board determines alterations to the resolution are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Some school districts have used state construction funds for projects that were not approved by the voters. In some cases, these funds have been used to pay for facilities that the voters turned down. This legislation will give the public information on where bond funds and state assistance will be spent.

**Testimony Against:** The original bill will require school districts to predict the future. Enrollments change, earthquakes occur, and state funding is often late. It will tie the hands of school districts: more flexibility is needed.

**Testified:** Representative Radcliff, prime sponsor; Rudolph Fyles, South Kitsap School District (con); Dwayne Slate, Washington State School Directors' Association (con); and Barbara Mertens, Washington Association of School Administrators (con).