

SB 5313 - S AMD TO S AMD (S-4205.1/19) **759**
By Senator Palumbo

OUT OF ORDER 04/26/2019

1 Beginning on page 1, line 3, strike all of sections 1 through 4
2 and insert the following:

3 **"Sec. 1.** RCW 28A.500.015 and 2018 c 266 s 303 are each amended
4 to read as follows:

5 (1)(a) If any of section 2, 3, 4, 5, or 6 of this act is not
6 enacted into law by August 1, 2019, then beginning in calendar year
7 2019 and each calendar year thereafter, the state must provide state
8 local effort assistance funding to supplement school district
9 enrichment levies as provided in this ((section)) subsection (1).

10 ~~((2))~~ (b) For an eligible school district, annual local effort
11 assistance funding is equal to the school district's maximum local
12 effort assistance multiplied by a fraction equal to the school
13 district's actual enrichment levy divided by the school district's
14 maximum allowable enrichment levy.

15 ~~((3))~~ (c) The state local effort assistance funding provided
16 under this ((section)) subsection (1) is not part of the state's
17 program of basic education deemed by the legislature to comply with
18 the requirements of Article IX, section 1 of the state Constitution.

19 ~~((4))~~ (d) The definitions in this subsection (1)(d) apply
20 throughout this ((section)) subsection (1) unless the context clearly
21 requires otherwise.

22 ~~((a))~~ (i) "Eligible school district" means a school district
23 whose maximum allowable enrichment levy divided by the school
24 district's total student enrollment in the prior school year is less
25 than the state local effort assistance threshold.

26 ~~((b) For the purpose of this section,)~~ (ii) "Inflation" means,
27 for any school year, the rate of the yearly increase of the previous
28 calendar year's annual average consumer price index for all urban
29 consumers, Seattle area, using the official current base compiled by
30 the bureau of labor statistics, United States department of labor.

31 ~~((e))~~ (iii) "Maximum allowable enrichment levy" means the
32 maximum levy permitted by RCW 84.52.0531.

1 ~~((d))~~ (iv) "Maximum local effort assistance" means the
2 difference between the following:

3 ~~((i))~~ (A) The school district's actual prior school year
4 enrollment multiplied by the state local effort assistance threshold;
5 and

6 ~~((ii))~~ (B) The school district's maximum allowable enrichment
7 levy.

8 ~~((e))~~ (v) "Prior school year" means the most recent school year
9 completed prior to the year in which the state local effort
10 assistance funding is to be distributed.

11 ~~((f))~~ (vi) "State local effort assistance threshold" means one
12 thousand five hundred dollars per student, increased for inflation
13 beginning in calendar year 2020.

14 ~~((g))~~ (vii) "Student enrollment" means the average annual full-
15 time equivalent student enrollment.

16 ~~((5))~~ (e) For districts in a high/nonhigh relationship, the
17 enrollments of the nonhigh students attending the high school shall
18 only be counted by the nonhigh school districts for purposes of
19 funding under this ~~((section))~~ subsection (1).

20 ~~((6))~~ (f) For school districts participating in an innovation
21 academy cooperative established under RCW 28A.340.080, enrollments of
22 students attending the academy shall be adjusted so that each
23 participant district receives its proportional share of student
24 enrollments for purposes of funding under this ~~((section))~~ subsection
25 (1).

26 (2)(a) If each of sections 2, 3, 4, 5, and 6 of this act is
27 enacted into law by August 1, 2019, then beginning in calendar year
28 2020 and each calendar year thereafter, the state must provide state
29 local effort assistance funding to supplement school district
30 enrichment levies as provided in this subsection (2).

31 (b)(i) For an eligible school district with an actual enrichment
32 levy rate that is less than one dollar and fifty cents per thousand
33 dollars of assessed value in the school district, the annual local
34 effort assistance funding is equal to the school district's maximum
35 local effort assistance multiplied by a fraction equal to the school
36 district's actual enrichment levy rate divided by one dollar and
37 fifty cents per thousand dollars of assessed value in the school
38 district.

39 (ii) For an eligible school district with an actual enrichment
40 levy rate that is equal to or greater than one dollar and fifty cents

1 per thousand dollars of assessed value in the school district, the
2 annual local effort assistance funding is equal to the school
3 district's maximum local effort assistance.

4 (iii) Beginning in calendar year 2022, for state-tribal education
5 compact schools established under chapter 28A.715 RCW, the annual
6 local effort assistance funding is equal to the actual enrichment
7 levy per student as calculated by the superintendent of public
8 instruction for the prior school year for the school district in
9 which the state-tribal education compact school is located multiplied
10 by the student enrollment of the state-tribal education compact
11 school in the prior school year.

12 (iv) (A) Beginning in calendar year 2022, for charter schools
13 established under chapter 28A.710 RCW, the annual local effort
14 assistance funding is equal to the actual enrichment levy per student
15 as calculated by the superintendent of public instruction for the
16 prior school year for the school district in which the charter school
17 is located multiplied by the student enrollment of the charter school
18 in the prior school year.

19 (B) The legislature must appropriate annual local effort
20 assistance funds for charter schools from the Washington opportunity
21 pathways account in accordance with RCW 28A.710.270.

22 (c) The state local effort assistance funding provided under this
23 subsection (2) is not part of the state's program of basic education
24 deemed by the legislature to comply with the requirements of Article
25 IX, section 1 of the state Constitution.

26 (d) The definitions in this subsection (2) (d) apply throughout
27 this subsection (2) unless the context clearly requires otherwise.

28 (i) "Eligible school district" means a school district where the
29 amount generated by a levy of one dollar and fifty cents per thousand
30 dollars of assessed value in the school district, divided by the
31 school district's total student enrollment in the prior school year,
32 is less than the state local effort assistance threshold.

33 (ii) "Inflation" means, for any school year, the rate of the
34 yearly increase of the previous calendar year's annual average
35 consumer price index for all urban consumers, Seattle area, using the
36 official current base compiled by the bureau of labor statistics,
37 United States department of labor. Beginning in 2021, for the purpose
38 of this section, "inflation" means the percentage change in the
39 implicit price deflator for personal consumption expenditures for the
40 United States for the prior calendar year as published in the

1 November economic and revenue forecast by the economic and revenue
2 forecast council or successor agency.

3 (iii) "Maximum local effort assistance" means the difference
4 between the following:

5 (A) The school district's actual prior school year enrollment
6 multiplied by the state local effort assistance threshold; and

7 (B) The amount generated by a levy of one dollar and fifty cents
8 per thousand dollars of assessed value in the school district.

9 (iv) "Prior school year" means the most recent school year
10 completed prior to the year in which the state local effort
11 assistance funding is to be distributed.

12 (v) "State local effort assistance threshold" means one thousand
13 five hundred dollars per student, increased for inflation beginning
14 in calendar year 2020.

15 (vi) "Student enrollment" means the average annual full-time
16 equivalent student enrollment.

17 (e) For districts in a high/nonhigh relationship, the enrollments
18 of the nonhigh students attending the high school shall only be
19 counted by the nonhigh school districts for purposes of funding under
20 this subsection (2).

21 (f) For school districts participating in an innovation academy
22 cooperative established under RCW 28A.340.080, enrollments of
23 students attending the academy shall be adjusted so that each
24 participant district receives its proportional share of student
25 enrollments for purposes of funding under this subsection (2).

26 **Sec. 2.** RCW 84.52.0531 and 2018 c 266 s 307 are each amended to
27 read as follows:

28 (1)(a) If any of section 1, 3, 4, 5, or 6 of this act is not
29 enacted into law by August 1, 2019, then beginning with taxes levied
30 for collection in 2019, the maximum dollar amount which may be levied
31 by or for any school district for enrichment levies under RCW
32 84.52.053 is equal to the lesser of one dollar and fifty cents per
33 thousand dollars of the assessed value of property in the school
34 district or the maximum per-pupil limit.

35 ~~((2))~~ (b) The definitions in this subsection (1)(b) apply to
36 this ~~(section)~~ subsection (1) unless the context clearly requires
37 otherwise.

38 ~~((a) For the purpose of this section,)~~ (i) "Inflation" means,
39 for any school year, the rate of the yearly increase of the previous

1 calendar year's annual average consumer price index for all urban
2 consumers, Seattle area, using the official current base compiled by
3 the bureau of labor statistics, United States department of labor.

4 ~~((b))~~ (ii) "Maximum per-pupil limit" means two thousand five
5 hundred dollars, multiplied by the number of average annual full-time
6 equivalent students enrolled in the school district in the prior
7 school year. Beginning with property taxes levied for collection in
8 2020, the maximum per-pupil limit shall be increased by inflation.

9 ~~((e))~~ (iii) "Prior school year" means the most recent school
10 year completed prior to the year in which the levies are to be
11 collected.

12 ~~((3))~~ (c) For districts in a high/nonhigh relationship, the
13 enrollments of the nonhigh students attending the high school shall
14 only be counted by the nonhigh school districts for purposes of
15 funding under this ~~((section))~~ subsection (1).

16 ~~((4))~~ (d) For school districts participating in an innovation
17 academy cooperative established under RCW 28A.340.080, enrollments of
18 students attending the academy shall be adjusted so that each
19 participant district receives its proportional share of student
20 enrollments for purposes of funding under this ~~((section))~~ subsection
21 (1).

22 ~~((5))~~ (e) Beginning with propositions for enrichment levies for
23 collection in calendar year 2020 and thereafter, a district must
24 receive approval of an enrichment levy expenditure plan under RCW
25 28A.505.240 before submission of the proposition to the voters.

26 ~~((6))~~ (f) The superintendent of public instruction shall
27 develop rules and regulations and inform school districts of the
28 pertinent data necessary to carry out the provisions of this
29 ~~((section))~~ subsection (1).

30 ~~((7))~~ (g) Beginning with taxes levied for collection in 2018,
31 enrichment levy revenues must be deposited in a separate subfund of
32 the school district's general fund pursuant to RCW 28A.320.330, and
33 for the 2018-19 school year are subject to the restrictions of RCW
34 28A.150.276 and the audit requirements of RCW 43.09.2856.

35 ~~((8))~~ (h) Funds collected from levies for transportation
36 vehicles, construction, modernization, or remodeling of school
37 facilities as established in RCW 84.52.053 are not subject to the
38 levy limitations in ~~((subsections—(1)))~~ (a) through ~~((5))~~ (e) of
39 this ~~((section))~~ subsection.

1 (2) (a) If each of sections 1, 3, 4, 5, and 6 of this act is
2 enacted into law by August 1, 2019, beginning with taxes levied for
3 collection in 2020, the maximum dollar amount which may be levied by
4 or for any school district for enrichment levies under RCW 84.52.053
5 is equal to the lesser of two dollars and fifty cents per thousand
6 dollars of the assessed value of property in the school district or
7 the maximum per-pupil limit. This maximum dollar amount shall be
8 reduced accordingly as provided under RCW 43.09.2856(2).

9 (b) The definitions in this subsection (2)(b) apply to this
10 subsection (2) unless the context clearly requires otherwise.

11 (i) "Inflation" means the percentage change in the implicit price
12 deflator for personal consumption expenditures for the United States
13 for the prior calendar year as published in the November economic and
14 revenue forecast by the economic and revenue forecast council or
15 successor agency.

16 (ii) "Maximum per-pupil limit" means:

17 (A) Two thousand five hundred dollars, as increased by inflation
18 beginning with property taxes levied for collection in 2020,
19 multiplied by the number of average annual full-time equivalent
20 students enrolled in the school district in the prior school year,
21 for school districts with fewer than forty thousand annual full-time
22 equivalent students enrolled in the school district in the prior
23 school year; or

24 (B) Three thousand dollars, as increased by inflation beginning
25 with property taxes levied for collection in 2020, multiplied by the
26 number of average annual full-time equivalent students enrolled in
27 the school district in the prior school year, for school districts
28 with forty thousand or more annual full-time equivalent students
29 enrolled in the school district in the prior school year.

30 (iii) "Prior school year" means the most recent school year
31 completed prior to the year in which the levies are to be collected.

32 (c) For districts in a high/nonhigh relationship, the enrollments
33 of the nonhigh students attending the high school shall only be
34 counted by the nonhigh school districts for purposes of funding under
35 this subsection (2).

36 (d) For school districts participating in an innovation academy
37 cooperative established under RCW 28A.340.080, enrollments of
38 students attending the academy shall be adjusted so that each
39 participant district receives its proportional share of student
40 enrollments for purposes of funding under this subsection (2).

1 (e) Beginning with propositions for enrichment levies for
2 collection in calendar year 2020 and thereafter, a district must
3 receive approval of an enrichment levy expenditure plan under RCW
4 28A.505.240 before submission of the proposition to the voters.

5 (f) The superintendent of public instruction shall develop rules
6 and regulations and inform school districts of the pertinent data
7 necessary to carry out the provisions of this subsection (2).

8 (g) Beginning with taxes levied for collection in 2018,
9 enrichment levy revenues must be deposited in a separate subfund of
10 the school district's general fund pursuant to RCW 28A.320.330, and
11 for the 2018-19 school year are subject to the restrictions of RCW
12 28A.150.276 and the audit requirements of RCW 43.09.2856.

13 (h) Funds collected from levies for transportation vehicles,
14 construction, modernization, or remodeling of school facilities as
15 established in RCW 84.52.053 are not subject to the levy limitations
16 in (a) through (e) of this subsection.

17 **Sec. 3.** RCW 28A.320.330 and 2018 c 266 s 302 are each amended to
18 read as follows:

19 (1) If any of section 1, 2, 4, 5, or 6 of this act is not enacted
20 into law by August 1, 2019, then school districts shall establish the
21 following funds in addition to those provided elsewhere by law:

22 ~~((1))~~ (a) (i) A general fund for the school district to account
23 for all financial operations of the school district except those
24 required to be accounted for in another fund.

25 ~~((b))~~ (ii) By the 2018-19 school year, a local revenue subfund
26 of its general fund to account for the financial operations of a
27 school district that are paid from local revenues. The local revenues
28 that must be deposited in the local revenue subfund are enrichment
29 levies and transportation vehicle levies collected under RCW
30 84.52.053, local effort assistance funding received under chapter
31 28A.500 RCW, and other school district local revenues including, but
32 not limited to, grants, donations, and state and federal payments in
33 lieu of taxes, but do not include other federal revenues, or local
34 revenues that operate as an offset to the district's basic education
35 allocation under RCW 28A.150.250. School districts must track
36 expenditures from this subfund separately to account for the
37 expenditure of each of these streams of revenue by source, and must
38 provide any supplemental expenditure schedules required by the

1 superintendent of public instruction or state auditor for purposes of
2 RCW 43.09.2856.

3 ~~((2))~~ (b)(i) A capital projects fund shall be established for
4 major capital purposes. All statutory references to a "building fund"
5 shall mean the capital projects fund so established. Money to be
6 deposited into the capital projects fund shall include, but not be
7 limited to, bond proceeds, proceeds from excess levies authorized by
8 RCW 84.52.053, state apportionment proceeds as authorized by RCW
9 28A.150.270, earnings from capital projects fund investments as
10 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
11 revenues transferred pursuant to ~~((subsection(3)))~~ (c) of this
12 ~~((section))~~ subsection.

13 (ii) Money derived from the sale of bonds, including interest
14 earnings thereof, may only be used for those purposes described in
15 RCW 28A.530.010, except that accrued interest paid for bonds shall be
16 deposited in the debt service fund.

17 (iii) Money to be deposited into the capital projects fund shall
18 include but not be limited to rental and lease proceeds as authorized
19 by RCW 28A.335.060, and proceeds from the sale of real property as
20 authorized by RCW 28A.335.130.

21 (iv) Money legally deposited into the capital projects fund from
22 other sources may be used for the purposes described in RCW
23 28A.530.010, and for the purposes of:

24 ~~((a))~~ (A) Major renovation and replacement of facilities and
25 systems where periodical repairs are no longer economical or extend
26 the useful life of the facility or system beyond its original planned
27 useful life. Such renovation and replacement shall include, but shall
28 not be limited to, major repairs, exterior painting of facilities,
29 replacement and refurbishment of roofing, exterior walls, windows,
30 heating and ventilating systems, floor covering in classrooms and
31 public or common areas, and electrical and plumbing systems.

32 ~~((b))~~ (B) Renovation and rehabilitation of playfields, athletic
33 fields, and other district real property.

34 ~~((c))~~ (C) The conduct of preliminary energy audits and energy
35 audits of school district buildings. For the purpose of this
36 ~~((section))~~ subsection (1):

37 ~~((i))~~ (I) "Preliminary energy audits" means a determination of
38 the energy consumption characteristics of a building, including the
39 size, type, rate of energy consumption, and major energy using
40 systems of the building.

1 ~~((iii))~~ (II) "Energy audit" means a survey of a building or
2 complex which identifies the type, size, energy use level, and major
3 energy using systems; which determines appropriate energy
4 conservation maintenance or operating procedures and assesses any
5 need for the acquisition and installation of energy conservation
6 measures, including solar energy and renewable resource measures.

7 ~~((iii))~~ (III) "Energy capital improvement" means the
8 installation, or modification of the installation, of energy
9 conservation measures in a building which measures are primarily
10 intended to reduce energy consumption or allow the use of an
11 alternative energy source.

12 ~~((d))~~ (D) Those energy capital improvements which are
13 identified as being cost-effective in the audits authorized by this
14 ~~((section))~~ subsection (1).

15 ~~((e))~~ (E) Purchase or installation of additional major items of
16 equipment and furniture: PROVIDED, That vehicles shall not be
17 purchased with capital projects fund money.

18 ~~((f)(i))~~ (F)(I) Costs associated with implementing technology
19 systems, facilities, and projects, including acquiring hardware,
20 licensing software, and online applications and training related to
21 the installation of the foregoing. However, the software or
22 applications must be an integral part of the district's technology
23 systems, facilities, or projects.

24 ~~((ii))~~ (II) Costs associated with the application and
25 modernization of technology systems for operations and instruction
26 including, but not limited to, the ongoing fees for online
27 applications, subscriptions, or software licenses, including upgrades
28 and incidental services, and ongoing training related to the
29 installation and integration of these products and services. However,
30 to the extent the funds are used for the purpose under this
31 subsection ~~((2)(f)(ii))~~ (1)(b)(iv)(F)(I), the school district shall
32 transfer to the district's general fund the portion of the capital
33 projects fund used for this purpose. The office of the superintendent
34 of public instruction shall develop accounting guidelines for these
35 transfers in accordance with internal revenue service regulations.

36 ~~((g))~~ (G) Major equipment repair, painting of facilities, and
37 other major preventative maintenance purposes. However, to the extent
38 the funds are used for the purpose under this subsection ~~((2)(g))~~
39 (1)(b)(iv)(G), the school district shall transfer to the district's
40 general fund the portion of the capital projects fund used for this

1 purpose. The office of the superintendent of public instruction shall
2 develop accounting guidelines for these transfers in accordance with
3 internal revenue service regulations. Based on the district's most
4 recent two-year history of general fund maintenance expenditures,
5 funds used for this purpose may not replace routine annual preventive
6 maintenance expenditures made from the district's general fund.

7 ~~((3))~~ (c) A debt service fund to provide for tax proceeds,
8 other revenues, and disbursements as authorized in chapter 39.44 RCW.
9 State forestland revenues that are deposited in a school district's
10 debt service fund pursuant to RCW 79.64.110 and to the extent not
11 necessary for payment of debt service on school district bonds may be
12 transferred by the school district into the district's capital
13 projects fund.

14 ~~((4))~~ (d) An associated student body fund as authorized by RCW
15 28A.325.030.

16 ~~((5))~~ (e) Advance refunding bond funds and refunded bond funds
17 to provide for the proceeds and disbursements as authorized in
18 chapter 39.53 RCW.

19 (2) If each of sections 1, 2, 4, 5, and 6 of this act is enacted
20 into law by August 1, 2019, then school districts shall establish the
21 following funds in addition to those provided elsewhere by law:

22 (a) (i) A general fund for the school district to account for all
23 financial operations of the school district except those required to
24 be accounted for in another fund.

25 (ii) By the 2018-19 school year, a local revenue subfund of its
26 general fund to account for the financial operations of a school
27 district that are paid from local revenues. The local revenues that
28 must be deposited in the local revenue subfund are enrichment levies
29 and transportation vehicle levies collected under RCW 84.52.053,
30 local effort assistance funding received under chapter 28A.500 RCW,
31 and other school district local revenues including, but not limited
32 to, grants, donations, and state and federal payments in lieu of
33 taxes, but do not include other federal revenues, or local revenues
34 that operate as an offset to the district's basic education
35 allocation under RCW 28A.150.250. School districts must track
36 expenditures from this subfund separately to account for the
37 expenditure of each of these streams of revenue by source, and must
38 provide the supplemental expenditure schedule under (c) of this
39 subsection, and any other supplemental expenditure schedules required

1 by the superintendent of public instruction or state auditor, for
2 purposes of RCW 43.09.2856.

3 (iii) Beginning in the 2019-20 school year, the superintendent of
4 public instruction must require school districts to provide a
5 supplemental expenditure schedule by revenue source that identifies
6 the amount expended by object for each of the following supplementary
7 enrichment activities beyond the state funded amount:

8 (A) Minimum instructional offerings under RCW 28A.150.220 or
9 28A.150.260 not otherwise included on other lines;

10 (B) Staffing ratios or program components under RCW 28A.150.260,
11 including providing additional staff for class size reduction beyond
12 class sizes allocated in the prototypical school model and additional
13 staff beyond the staffing ratios allocated in the prototypical school
14 formula;

15 (C) Program components under RCW 28A.150.200, 28A.150.220, or
16 28A.150.260, not otherwise included on other lines;

17 (D) Program components to support students in the program of
18 special education;

19 (E) Program components of professional learning, as defined by
20 RCW 28A.415.430, beyond that allocated under RCW 28A.150.415;

21 (F) Extracurricular activities;

22 (G) Extended school days or an extended school year;

23 (H) Additional course offerings beyond the minimum instructional
24 program established in the state's statutory program of basic
25 education;

26 (I) Activities associated with early learning programs;

27 (J) Activities associated with providing the student
28 transportation program;

29 (K) Any additional salary costs attributable to the provision or
30 administration of the enrichment activities allowed under RCW
31 28A.150.276;

32 (L) Additional activities or enhancements that the office of the
33 superintendent of public instruction determines to be a documented
34 and demonstrated enrichment of the state's statutory program of basic
35 education under RCW 28A.150.276; and

36 (M) All other costs not otherwise identified in other line items.

37 (iv) For any salary and related benefit costs identified in
38 (a)(iii)(K), (L), and (M) of this subsection, the school district
39 shall maintain a record describing how these expenditures are
40 documented and demonstrated enrichment of the state's statutory

1 program of basic education. School districts shall maintain these
2 records until the state auditor has completed the audit under RCW
3 43.09.2856.

4 (b) (i) A capital projects fund shall be established for major
5 capital purposes. All statutory references to a "building fund" shall
6 mean the capital projects fund so established. Money to be deposited
7 into the capital projects fund shall include, but not be limited to,
8 bond proceeds, proceeds from excess levies authorized by RCW
9 84.52.053, state apportionment proceeds as authorized by RCW
10 28A.150.270, earnings from capital projects fund investments as
11 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
12 revenues transferred pursuant to (c) of this subsection.

13 (ii) Money derived from the sale of bonds, including interest
14 earnings thereof, may only be used for those purposes described in
15 RCW 28A.530.010, except that accrued interest paid for bonds shall be
16 deposited in the debt service fund.

17 (iii) Money to be deposited into the capital projects fund shall
18 include but not be limited to rental and lease proceeds as authorized
19 by RCW 28A.335.060, and proceeds from the sale of real property as
20 authorized by RCW 28A.335.130.

21 (iv) Money legally deposited into the capital projects fund from
22 other sources may be used for the purposes described in RCW
23 28A.530.010, and for the purposes of:

24 (A) Major renovation and replacement of facilities and systems
25 where periodical repairs are no longer economical or extend the
26 useful life of the facility or system beyond its original planned
27 useful life. Such renovation and replacement shall include, but shall
28 not be limited to, major repairs, exterior painting of facilities,
29 replacement and refurbishment of roofing, exterior walls, windows,
30 heating and ventilating systems, floor covering in classrooms and
31 public or common areas, and electrical and plumbing systems.

32 (B) Renovation and rehabilitation of playfields, athletic fields,
33 and other district real property.

34 (C) The conduct of preliminary energy audits and energy audits of
35 school district buildings. For the purpose of this subsection (2):

36 (I) "Preliminary energy audits" means a determination of the
37 energy consumption characteristics of a building, including the size,
38 type, rate of energy consumption, and major energy using systems of
39 the building.

1 (II) "Energy audit" means a survey of a building or complex which
2 identifies the type, size, energy use level, and major energy using
3 systems; which determines appropriate energy conservation maintenance
4 or operating procedures and assesses any need for the acquisition and
5 installation of energy conservation measures, including solar energy
6 and renewable resource measures.

7 (III) "Energy capital improvement" means the installation, or
8 modification of the installation, of energy conservation measures in
9 a building which measures are primarily intended to reduce energy
10 consumption or allow the use of an alternative energy source.

11 (D) Those energy capital improvements which are identified as
12 being cost-effective in the audits authorized by this subsection (2).

13 (E) Purchase or installation of additional major items of
14 equipment and furniture: PROVIDED, That vehicles shall not be
15 purchased with capital projects fund money.

16 (F)(I) Costs associated with implementing technology systems,
17 facilities, and projects, including acquiring hardware, licensing
18 software, and online applications and training related to the
19 installation of the foregoing. However, the software or applications
20 must be an integral part of the district's technology systems,
21 facilities, or projects.

22 (II) Costs associated with the application and modernization of
23 technology systems for operations and instruction including, but not
24 limited to, the ongoing fees for online applications, subscriptions,
25 or software licenses, including upgrades and incidental services, and
26 ongoing training related to the installation and integration of these
27 products and services. However, to the extent the funds are used for
28 the purpose under this subsection (2)(b)(iv)(F)(II), the school
29 district shall transfer to the district's general fund the portion of
30 the capital projects fund used for this purpose. The office of the
31 superintendent of public instruction shall develop accounting
32 guidelines for these transfers in accordance with internal revenue
33 service regulations.

34 (G) Major equipment repair, painting of facilities, and other
35 major preventative maintenance purposes. However, to the extent the
36 funds are used for the purpose under this subsection (2)(b)(iv)(G),
37 the school district shall transfer to the district's general fund the
38 portion of the capital projects fund used for this purpose. The
39 office of the superintendent of public instruction shall develop
40 accounting guidelines for these transfers in accordance with internal

1 revenue service regulations. Based on the district's most recent two-
2 year history of general fund maintenance expenditures, funds used for
3 this purpose may not replace routine annual preventive maintenance
4 expenditures made from the district's general fund.

5 (c) A debt service fund to provide for tax proceeds, other
6 revenues, and disbursements as authorized in chapter 39.44 RCW. State
7 forestland revenues that are deposited in a school district's debt
8 service fund pursuant to RCW 79.64.110 and to the extent not
9 necessary for payment of debt service on school district bonds may be
10 transferred by the school district into the district's capital
11 projects fund.

12 (d) An associated student body fund as authorized by RCW
13 28A.325.030.

14 (e) Advance refunding bond funds and refunded bond funds to
15 provide for the proceeds and disbursements as authorized in chapter
16 39.53 RCW.

17 **Sec. 4.** RCW 43.09.2856 and 2018 c 266 s 406 are each amended to
18 read as follows:

19 (1)(a) If any of section 1, 2, 3, 5, or 6 of this act is not
20 enacted into law by August 1, 2019, then beginning with the 2019-20
21 school year, to ensure that school district local revenues are used
22 solely for purposes of enriching the state's statutory program of
23 basic education, the state auditor's regular financial audits of
24 school districts must include a review of the expenditure of school
25 district local revenues for compliance with RCW 28A.150.276,
26 including the spending plan approved by the superintendent of public
27 instruction under RCW 28A.505.240 and its implementation, and any
28 supplemental contracts entered into under RCW 28A.400.200.

29 ~~((2))~~ (b) If an audit under (a) of this subsection (1) (of
30 ~~this section))~~ results in findings that a school district has failed
31 to comply with these requirements, then within ninety days of
32 completing the audit the auditor must report the findings to the
33 superintendent of public instruction, the office of financial
34 management, and the education and operating budget committees of the
35 legislature.

36 ~~((3))~~ (c) The use of the state allocation provided for
37 professional learning under RCW 28A.150.415 must be audited as part
38 of the regular financial audits of school districts by the state

1 auditor's office to ensure compliance with the limitations and
2 conditions of RCW 28A.150.415.

3 (2) (a) If each of sections 1, 2, 3, 5, and 6 of this act is
4 enacted into law by August 1, 2019, then beginning with the 2019-20
5 school year, to ensure that school district local revenues are used
6 solely for purposes of enriching the state's statutory program of
7 basic education, the state auditor's regular financial audits of
8 school districts must include a review of the expenditure of school
9 district local revenues for compliance with RCW 28A.150.276,
10 including the spending plan approved by the superintendent of public
11 instruction under RCW 28A.505.240 and its implementation, and any
12 supplemental contracts entered into under RCW 28A.400.200. The audit
13 must also include a review of the expenditure schedule and supporting
14 documentation required by RCW 28A.320.330(2) (a) (iii).

15 (b) If an audit under this subsection (2) results in findings
16 that a school district has failed to comply with these requirements,
17 then within ninety days of completing the audit the auditor must
18 report the findings to the superintendent of public instruction, the
19 office of financial management, and the education and operating
20 budget committees of the legislature. If the superintendent of public
21 instruction receives a report of findings from the state auditor that
22 an expenditure of a school district is out of compliance with the
23 requirements of RCW 28A.150.276, and the finding is not resolved in
24 the subsequent audit, the maximum taxes levied for collection by the
25 school district under RCW 84.52.0531 in the following calendar year
26 shall be reduced by the expenditure amount identified by the state
27 auditor.

28 (c) The use of the state allocation provided for professional
29 learning under RCW 28A.150.415 must be audited as part of the regular
30 financial audits of school districts by the state auditor's office to
31 ensure compliance with the limitations and conditions of RCW
32 28A.150.415.

33 **Sec. 5.** RCW 28A.710.270 and 2016 c 241 s 127 are each amended to
34 read as follows:

35 (1) If any of section 1, 2, 3, 4, or 6 of this act is not enacted
36 into law by August 1, 2019, then the state legislature shall, at each
37 regular session in an odd-numbered year, appropriate from the
38 Washington opportunity pathways account for the current use of
39 charter public schools amounts as determined in accordance with RCW

1 28A.710.280, and amounts authorized under RCW 28A.710.230(1), for
2 state support to charter schools during the ensuing biennium.

3 (2) If each of sections 1, 2, 3, 4, and 6 of this act is enacted
4 into law by August 1, 2019, then the state legislature shall, at each
5 regular session in an odd-numbered year, appropriate from the
6 Washington opportunity pathways account for the current use of
7 charter public schools amounts as determined in accordance with RCW
8 28A.710.280, and amounts authorized under RCW 28A.710.230(1) and
9 28A.500.015, for state support to charter schools during the ensuing
10 biennium.

11 **Sec. 6.** RCW 28A.710.150 and 2016 c 241 s 115 are each amended to
12 read as follows:

13 (1)(a) If any of section 1, 2, 3, 4, or 5 of this act is not
14 enacted into law by August 1, 2019, then a maximum of forty charter
15 public schools may be established under this chapter over the five-
16 year period commencing with April 3, 2016. No more than eight charter
17 schools may be established in any year during the five-year period,
18 except that if in any year fewer than eight charter schools are
19 established, additional charter schools, equal in number to the
20 difference between the number established in that year and eight, may
21 be established in subsequent years during the five-year period.

22 ~~((2)(a))~~ (b)(i) To ensure compliance with the limits for
23 establishing new charter schools, certification from the state board
24 of education must be obtained before final authorization of a charter
25 school.

26 ~~((b))~~ (ii) Within ten days of taking action to approve or deny
27 an application under RCW 28A.710.140, an authorizer must submit a
28 report of the action to the applicant and the state board of
29 education. The report must include a copy of the authorizer's
30 resolution setting forth the action taken, the reasons for the
31 decision, and assurances of compliance with the procedural
32 requirements and application elements under RCW 28A.710.130 and
33 28A.710.140. The authorizer must also indicate whether the charter
34 school is designed to enroll and serve at-risk student populations.
35 The state board of education must establish, for each year in which
36 charter schools may be authorized as part of the timeline to be
37 established pursuant to RCW 28A.710.140, the latest annual date by
38 which the authorizer may submit the report. The state board of
39 education must send to each authorizer notice of the date by which a

1 report must be submitted at least six months before the date
2 established by the board.

3 ~~((3))~~ (c) Upon the receipt of notice from an authorizer that a
4 charter school has been approved, the state board of education shall
5 certify whether the approval is in compliance with the limits on the
6 maximum number of charters allowed under ~~((subsection(1))~~ (a) of
7 this ~~((section))~~ subsection. If the board receives simultaneous
8 notification of approved charters that exceed the annual allowable
9 limits in ~~((subsection(1))~~ (a) of this ~~((section))~~ subsection, the
10 board must select approved charters for implementation through a
11 lottery process, and must assign implementation dates accordingly.

12 ~~((4))~~ (d) The state board of education must notify authorizers
13 when the maximum allowable number of charter schools has been
14 reached.

15 (2)(a) If each of sections 1, 2, 3, 4, and 5 of this act is
16 enacted into law by August 1, 2019, then a maximum of forty charter
17 public schools may be established under this chapter. No more than
18 eight charter schools may be established in any year, except that if
19 in any year fewer than eight charter schools are established,
20 additional charter schools, equal in number to the difference between
21 the number established in that year and eight, may be established in
22 subsequent years.

23 (b)(i) To ensure compliance with the limits for establishing new
24 charter schools, certification from the state board of education must
25 be obtained before final authorization of a charter school.

26 (ii) Within ten days of taking action to approve or deny an
27 application under RCW 28A.710.140, an authorizer must submit a report
28 of the action to the applicant and the state board of education. The
29 report must include a copy of the authorizer's resolution setting
30 forth the action taken, the reasons for the decision, and assurances
31 of compliance with the procedural requirements and application
32 elements under RCW 28A.710.130 and 28A.710.140. The authorizer must
33 also indicate whether the charter school is designed to enroll and
34 serve at-risk student populations. The state board of education must
35 establish, for each year in which charter schools may be authorized
36 as part of the timeline to be established pursuant to RCW
37 28A.710.140, the latest annual date by which the authorizer may
38 submit the report. The state board of education must send to each
39 authorizer notice of the date by which a report must be submitted at
40 least six months before the date established by the board.

1 (c) Upon the receipt of notice from an authorizer that a charter
2 school has been approved, the state board of education shall certify
3 whether the approval is in compliance with the limits on the maximum
4 number of charters allowed under (a) of this subsection. If the board
5 receives simultaneous notification of approved charters that exceed
6 the annual allowable limits in (a) of this subsection, the board must
7 select approved charters for implementation through a lottery
8 process, and must assign implementation dates accordingly.
9 (d) The state board of education must notify authorizers when the
10 maximum allowable number of charter schools has been reached."

SB 5313 - S AMD TO S AMD (S-4205.1/19) **759**
By Senator Palumbo

OUT OF ORDER 04/26/2019

11 On page 9, line 21, after "28A.320.330," strike "and 43.09.2856"
12 and insert "43.09.2856, 28A.710.270, and 28A.710.150"

EFFECT: (1) Provides local effort assistance (LEA) to charter schools and state-tribal compact schools. LEA is equal to the actual enrichment levy per student in the prior school year for the school district in which the school is located, multiplied by the school's prior year enrollment. The maximum per-student amount of \$1,500 is eliminated.
(2) Eliminates the five-year period during which charter schools may be established.

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