
Education Committee

ESB 5202

Brief Description: Establishing school district depreciation subfunds for the purposes of preventative maintenance.

Sponsors: Senators Schoesler, Dozier, Honeyford, Keiser, King and Warnick.

Brief Summary of Engrossed Bill

- Requires school districts to establish depreciation subfunds (subfunds) to reserve moneys for future facility and equipment needs, including preventative maintenance and emergency facility needs.
- Establishes limits on the annual amounts that can be deposited in the subfunds and prohibits moneys in the subfunds from being used for employee compensation.

Hearing Date: 2/17/22

Staff: Ethan Moreno (786-7386).

Background:

Requirements governing school district financial operations require districts to establish and maintain various funds for the receipt, deposit, and authorized use of district moneys. Examples include:

- a general fund to account for all financial operations of the school district except those required to be accounted for in a different fund;
- a local revenue subfund of its general fund to account for the financial operations of a school district that are paid from local revenues, including revenues from enrichment and transportation vehicle levies;
- a capital projects fund for major capital purposes, including major renovations and

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- replacements of district facilities and systems; and
- a debt service fund to provide for tax proceeds, other revenues, and disbursements related to bonds.

Summary of Bill:

School districts must establish a depreciation subfund (subfund) to reserve moneys for future facility and equipment needs, including preventative maintenance and emergency facility needs. No moneys from the subfund may be used for employee compensation.

No minimum balance or deposit is required, but school districts may deposit up to 2 percent of their general fund each fiscal year into the subfund for preventative maintenance or emergency facility needs. The preventative maintenance must be necessary to realize the originally anticipated useful life of a building or facility and includes:

- exterior painting of facilities;
- replacement or renovation of roofing, exterior walls, windows, heating, air conditioning and ventilation systems, floor coverings in classrooms and common areas, and electrical and plumbing systems; and
- renovation of playfields, athletic facilities, and other district real property.

Appropriation: None.

Fiscal Note: Available.

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