
Capital Budget Committee

HB 2023

Brief Description: Concerning bond authorization training for school district boards of directors.

Sponsors: Representatives Sells, Tarleton and Santos.

Brief Summary of Bill

- Requires school district boards of directors to receive training on basic legal requirements and opportunities of public sector capital projects before approving a bond authorization for voter consideration.
- Specifies that training would include information on apprenticeship requirements, prevailing wage law, and other labor agreements.
- Requires drafting of model policies and frameworks that satisfy the training requirements.

Hearing Date: 2/20/20

Staff: John Wilson-Tepeli (786-7115).

Background:

School District General Obligation Bond Authorizations.

The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the Washington Constitution (Constitution) and state statutes. The Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but the Constitution permits districts to exceed this limit for construction, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5 percent for capital outlays with the approval of at least 60 percent of the voters voting. In order

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to bring a bond authorization that would exceed these debt limits for voter consideration, a school district board of directors must first approve a bond authorizing resolution.

Apprenticeship Utilization.

For school districts' public works contracts that are estimated to cost \$1 million dollars or more, all bid specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

Prevailing Wage.

State law requires that prevailing wages be paid to laborers, workers, and mechanics employed upon all public works and under all public building service maintenance contracts. "Public works" means all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality. "Public works" includes school construction, highways, certain housing projects, and other work. The prevailing wage is established by adopting the hourly wage, usual benefits, and overtime pay established in collective bargaining agreements. For trades and occupations with more than one collective bargaining agreement, the higher rate controls. For those trades that do not have collective bargaining agreements, the prevailing rate of wage is established by wage and hour surveys and if surveys are not feasible, the Department of Labor and Industries' industrial statistician may use other appropriate methods.

Project Labor and Community Workforce Agreements.

"Project labor agreement" and "community workforce agreement" are terms that typically refer to prehire collective bargaining agreements that establish the terms and conditions of employment for a specific construction project.

Summary of Bill:

Before approving bond elections for voter consideration, each school district board of directors is required to receive training on the basic legal requirements and opportunities of public sector capital projects. This training must include, but is not limited to: (a) apprenticeship utilization requirements; (b) prevailing wage requirements; and (c) the opportunity for school districts, general contractors, and labor organizations to engage in project labor agreements and community workforce agreements.

In partnership with the Department of Labor and Industries, labor organizations, associations representing general contractors, and the Washington State School Directors' Association are required to draft model policies and frameworks to satisfy the training requirements. School districts and education service districts are encouraged to provide the required training using assistance from, and material developed by, this stakeholder group.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2021.