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## Education Committee

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### SB 5403

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

**Sponsors:** Senators Schoesler, Wellman, Torres, Boehnke, Muzzall, Dozier, Kuderer, Randall, Wilson, C. and Wilson, L..

Brief Summary of Bill
<ul style="list-style-type: none"><li>Requires districts to establish a depreciation subfund to reserve funds for future facility and equipment needs, and establishes limits on the amount of money that may be deposited into the subfund.</li></ul>



**Hearing Date:** 3/13/23

**Staff:** Megan Wargacki (786-7194).

**Background:**

School districts are required to establish specified funds, for example:

- a general fund for most financial operations of the schools district, including a subfund for local revenues;
- a capital projects fund for major capital purposes;
- a debt service fund;
- a refunded bond fund; and
- an associated student body fund.

**Summary of Bill:**

School districts must establish a depreciation subfund to reserve funds for future facility and

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equipment needs. Up to 2 percent of a school district's general fund may be deposited each fiscal year into the depreciation subfund for the purpose of 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.

School districts, subject to applicable public works bid limits, may use school district employees to perform preventative maintenance with moneys from the depreciation subfund, but moneys from the depreciation subfund may not be used for employee compensation that is unrelated authorized subfund uses.

**Appropriation:** None.

**Fiscal Note:** Available.

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