
SECOND SUBSTITUTE SENATE BILL 5095

State of Washington

69th Legislature

2025 Regular Session

By Senate Ways & Means (originally sponsored by Senators Dhingra, Wellman, Riccelli, Cleveland, Pedersen, Cortes, Krishnadasan, Nobles, Salomon, Shewmake, Slatter, and Stanford)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to school districts' authority to contract
2 indebtedness for school construction; and amending RCW 28A.530.080
3 and 28A.525.162.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 28A.530.080 and 2010 c 241 s 1 are each amended to
6 read as follows:

7 (1) (a) In addition to the authority granted under RCW
8 28A.530.010, a school district may contract indebtedness for any
9 purpose specified in RCW 28A.530.010 (2) (~~(, (4), and)~~) through (5) or
10 for the purpose of purchasing any real or personal property, or
11 property rights, in connection with the exercise of any powers or
12 duties which it is now or hereafter authorized to exercise, and issue
13 bonds, notes, or other evidences of indebtedness therefor without a
14 vote of the qualified electors of the district, subject to the
15 limitations on indebtedness set forth in RCW 39.36.020(3) and this
16 subsection.

17 (b) To exercise the authority in (a) of this subsection for any
18 purpose specified in RCW 28A.530.010(3) a school district must:

19 (i) Have received approval from the qualified electors of the
20 district to collect a levy to support the construction,

1 modernization, or remodeling of school facilities as authorized under
2 RCW 84.52.053;

3 (ii) Not have been on binding conditions pursuant to RCW
4 28A.505.110 in the two years preceding the date of the contract; and

5 (iii) Forgo state funding assistance for the project that the
6 school district may otherwise be eligible for under RCW 28A.525.162
7 through 28A.525.180.

8 (2) Before issuing nonvoted bonds in excess of (~~two hundred~~
9 ~~fifty thousand dollars~~) \$250,000, a school district shall publish
10 notice of intent to issue such bonds and shall hold a public hearing
11 on the proposal at any regular or special meeting of the school
12 board. The notice shall designate: The date, time, and place of the
13 hearing; the purpose and amount of the bonds; the type, terms, and
14 conditions of bonds; and the means identified for repayment. The
15 notice shall also state that any person may appear and be heard on
16 the issue of issuing such bonds. The notice shall be published at
17 least once each week for two consecutive weeks in a newspaper of
18 general circulation in the district, or if there is none, in a
19 newspaper of general circulation in the county or counties in which
20 such district is a part. The last notice shall be published no later
21 than seven days immediately before the hearing. At the conclusion of
22 public comment, the board of directors may proceed to determine, by
23 resolution, whether to issue such bonds.

24 (3) The public notice and hearing requirements in subsection (2)
25 of this section shall not apply to any refinancing or refunding of
26 outstanding nonvoted or voted bonds.

27 (4) Such bonds, notes, or other evidences of indebtedness shall
28 be issued and sold in accordance with chapter 39.46 RCW, and the
29 proceeds thereof shall be deposited in the capital projects fund, the
30 transportation vehicle fund, or the general fund, as applicable.

31 **Sec. 2.** RCW 28A.525.162 and 2013 2nd sp.s. c 18 s 513 are each
32 amended to read as follows:

33 (1) Funds appropriated to the superintendent of public
34 instruction from the common school construction fund shall be
35 allotted by the superintendent of public instruction in accordance
36 with this chapter.

37 (2) No allotment shall be made to a school district until such
38 district has provided local funds equal to or greater than the
39 difference between the total approved project cost and the amount of

1 state funding assistance to the district for financing the project
2 computed pursuant to RCW 28A.525.166, with the following exceptions:

3 (a) The superintendent of public instruction may waive the local
4 requirement for state funding assistance for districts which have
5 provided funds for school building construction purposes through the
6 authorization of bonds or through the authorization of excess tax
7 levies or both in an amount equivalent to two and one-half percent of
8 the value of its taxable property, as defined in RCW 39.36.015.

9 (b) No such local funds shall be required as a condition to the
10 allotment of funds from the state for the purpose of making major or
11 minor structural changes to existing school facilities in order to
12 bring such facilities into compliance with the barrier free access
13 requirements of section 504 of the federal rehabilitation act of 1973
14 (29 U.S.C. Sec. 706) and rules implementing the act.

15 (3) For the purpose of computing the state funding assistance
16 percentage under RCW 28A.525.166 when a school district is granted
17 authority to enter into contracts, adjusted valuation per pupil shall
18 be calculated using head count student enrollments from the most
19 recent October enrollment reports submitted by districts to the
20 superintendent of public instruction, adjusted as follows:

21 (a) In the case of projects for which local bonds were approved
22 after May 11, 1989:

23 (i) For districts which have been designated as serving high
24 school districts under RCW 28A.540.110, students residing in the
25 nonhigh district so designating shall be excluded from the enrollment
26 count if the student is enrolled in any grade level not offered by
27 the nonhigh district;

28 (ii) The enrollment of nonhigh school districts shall be
29 increased by the number of students residing within the district who
30 are enrolled in a serving high school district so designated by the
31 nonhigh school district under RCW 28A.540.110, including only
32 students who are enrolled in grade levels not offered by the nonhigh
33 school district; and

34 (iii) The number of preschool students with disabilities included
35 in the enrollment count shall be multiplied by one-half;

36 (b) In the case of construction or modernization of high school
37 facilities in districts serving students from nonhigh school
38 districts, the adjusted valuation per pupil shall be computed using
39 the combined adjusted valuations and enrollments of each district,

1 each weighted by the percentage of the district's resident high
2 school students served by the high school district;

3 (c) The number of kindergarten students included in the
4 enrollment count shall be counted as one head count student; and

5 (d) The number of students residing outside the school district
6 who are enrolled in alternative learning experience courses under RCW
7 28A.232.010 shall be excluded from the total.

8 (4) In lieu of the exclusion in subsection (3)(d) of this
9 section, a district may submit an alternative calculation for
10 excluding students enrolled in alternative learning experience
11 courses. The alternative calculation must show the student head count
12 use of district classroom facilities on a regular basis for a regular
13 duration by out-of-district alternative learning experience students
14 subtracted by the head count of in-district alternative learning
15 experience students not using district classroom facilities on a
16 regular basis for a reasonable duration. The alternative calculation
17 must be submitted in a form approved by the office of the
18 superintendent of public instruction. The office of the
19 superintendent of public instruction must develop rules to define
20 "regular basis" and "reasonable duration."

21 (5) No state funding assistance may be provided to a school
22 district for any purpose specified in RCW 28A.530.010(3) if the
23 project is funded from the proceeds of nonvoted bonds authorized
24 under RCW 28A.530.080.

25 (6) The superintendent of public instruction, considering policy
26 recommendations from the school facilities citizen advisory panel,
27 shall prescribe such rules as are necessary to equate insofar as
28 possible the efforts made by school districts to provide capital
29 funds by the means aforesaid.

30 ~~((+6))~~ (7) For the purposes of this section, "preschool students
31 with disabilities" means children of preschool age who have
32 developmental disabilities who are entitled to services under RCW
33 28A.155.010 through 28A.155.100 and are not included in the
34 kindergarten enrollment count of the district.

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