CONSTRUCTION FINANCING

The board will attempt to add moneys to the capital projects fund regularly in such amounts as are available and appropriate to the district's needs. Moneys in that fund which are not immediately needed shall be invested in those securities permitted by law which shall provide maximum return to the fund. In addition to those moneys, the board may consider non-voter approved debt within statutory limits and the board will seek authority from district electors to issue bonds or levy a special capital improvements property tax assessment for school construction when specific projects are anticipated. The board will also seek matching funds from the Superintendent of Public Instruction to the maximum extent available as well as any federal funds that may be available.

State School Construction Funds

Immediately after the board has approved the initiation of a construction project, the superintendent or designee will notify the Superintendent of Public Instruction of the board's intent. All studies, notices and other requirements established by the Superintendent of Public Instruction as conditions for eligibility for state construction grants will be completed by the superintendent or designee.

Non-Voter Approved Debt

The district may contract indebtedness for any purpose specified in RCW 28A.530.010 (2) through (5) or for the purpose of purchasing any real or personal property, or property rights, in connection with the exercise of any power or duties which it is now or hereafter authorized to exercise, and issue bonds, notes, or other evidences of indebtedness therefor without a vote of the qualified electors of the district, subject to the limitations on indebtedness set forth in RCW 39.36.030(3) and in RCW 28A.530.080(1).

To exercise the authority described above for any purpose specified in RCW 28A.530.010(3), the district must (1) have received approval from the qualified electors of the district to collect a levy to support the construction, modernization, or remodeling of school facilities as authorized under RCW 84.52.053, which must be used to fully repay the indebtedness; (2) not have been on binding conditions pursuant to RCW 28A.505.110 in the three years preceding the date of the contract; and (3) agree to delay for two years the receipt of state financial assistance for the project that the district is eligible for under RCW 28A.525.162 through RCW 28A.525.180.

Before issuing non-voted bonds in excess of $250,000, the district shall publish notice of intent to issue such bonds and shall hold a public hearing on the proposal at any regular or special meeting of the board. The notice shall designate:

- The date, time and place of the public hearing;
- The purpose and amount of the bonds;
- The type, terms, and conditions of the bonds;
- The means identified for repayments, and
- A statement that any person may appear and be heard on the issue of issuing such bonds.

The notice shall be published at least once per week for two consecutive weeks in a newspaper of general circulation in the district, or if there is none, in a newspaper of general circulation in the county or counties in which such district is a part.

The last notice shall be published no later than seven days immediately before the hearing. At the conclusion of public comment, the board may proceed to determine, by resolution, whether to issue such bonds.

The public notice and hearing requirements shall not apply to any refinancing or refunding of outstanding non-voted or voted bonds.

Such bonds, notes, or other evidence of indebtedness shall be issued and sold in accordance with chapter 39.46 RCW, and the proceeds shall be deposited in the capital projects fund, the transportation vehicle fund, or the general fund as applicable.

Bonds

If the board determines that there are insufficient funds in the capital projects fund for a construction project, the board chooses not to authorize an election for a capital levy, and the district's limit on bonded indebtedness has not been reached, the board will authorize an election to seek the approval of voters to issue bonds in the amount needed for the project.

The legal requirements for bond elections and subsequent issuance and redemption of bonds will be met. The resolution adopted by the board calling for the bond election will specify the purposes of the bond including the specific buildings to be constructed or remodeled and any other purposes authorized in RCW 28A.530.010. The board resolution will also describe the specific purposes the board anticipates for using any state financing assistance, if any.

If the board subsequently determines that state or local circumstances should cause any alteration to the specific expenditures from the debt financing or of the state assistance, the board shall first conduct a public hearing to consider the circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interest of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.

Upon the sale of bonds duly authorized as prescribed by law, the proceeds shall be credited by the county treasurer to the appropriate fund of the district. Notice of intent to apply for state school construction funds shall be submitted to the Superintendent of Public Instruction prior to submitting a bond proposal to district voters.

Legal References:	RCW 28A.320.310	Investment of idle building funds — Restrictions
	RCW 28A.320	Investment of funds
	RCW 28A.525.020	Duties of state board of education
	RCW 28A.525.080	Federal grants — Rules and regulations

RCW 28A.530	District Bonds for Lands, Buildings and Equipment
RCW 28A.530.030	Sale of bonds — Delivery — Disposition of proceeds
RCW 28A.530.080	Additional authority to contract indebtedness
RCW 39.36.020	Limitation of indebtedness prescribed
WAC 392-123-180	Bond Proceeds