



AIA Washington Council

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Concerns with 2SHB 1280 and ESSB 5267 Diverting Capital Project Funds for Technology

2SHB 1280 and ESSB 5267 seek to expand the use of capital project funds to be used for “...the ongoing fees for online applications and licensing of software, including upgrades and incidental services, and ongoing training related to the installation and integration of these products and services.”

The American Institute of Architects Washington Council is concerned that this is an inconsistent use of capital project funds. Ongoing software fees and training should be funded through operating budgets.

Background

Capital project funds are composed of monies from bonds, capital levies, state apportionment proceeds and earnings from fund investments. Prior to 2002, capital projects funds were limited to real property improvement projects including: renovation and replacement of facilities and systems, athletic fields, playfields, energy audits, and energy capital improvements.

In 2002, the legislature added a provision to allow capital projects fund monies to be used for “...implementing technology systems, facilities, and projects, including acquiring hardware, licensing software, and on-line applications and training related to the installation of the foregoing. However, the software or applications must be an integral part of the district's technology systems, facilities, or projects.” RCW 28A.320.330(2)(f).

It does appear that the statute prevents bond monies from being used for technology purposes by restricting their use to purposes delineated in RCW 28A.335.130. But, capital levy funds are not similarly restricted. While some school districts have run a separate “technology levy” there is no statutory requirement for them to do so and often such levies are a mix of real property and technology projects.

Concerns

The inclusion of technology expenses in the capital projects fund pits expensive technology purchases and subsequent expensive training against needed physical plant maintenance, repairs and renovations in a fight for limited capital project funds.

While the AIA/WA understands the importance of technology in education, the inclusion of technology fees and training expenses are inappropriately placed with capital projects. Software licenses, online subscriptions and ongoing training are clearly operating needs and not capital needs.

The AIA/WA believes the link created in 2002 between software licenses and training and capital needs is tenuous. One might be able to argue that the initial purchase of technology systems as part of an overall capital renovation can be linked. That logic cannot be extended to ongoing fees and training expenses. These are clearly operating expenses and should be funded as such. In fact, the bill requires that when funds are used for ongoing technology purposes the school district must transfer the money from the capital projects fund into the district's general fund.

Neither the bill reports nor the fiscal notes on these bills indicate how much money has been diverted from capital needs in the past or how much is expected to be diverted in the future.