

SB 5403 School Depreciation Subfunds

Statutory and/or Budget Language

\$39,000 of the general fund—state appropriation for fiscal year 2024 is provided solely for implementation of Senate Bill No. 5403 (school depreciation subfunds).

Purpose

SB5403 establishes the school district depreciation sub-fund for facility maintenance in the school district's general fund. SB5403 limits the establishment of the depreciation sub-fund to second class school districts with fewer than 2000 students. The bill provides that school districts may take formal action to establish the sub-fund and commit resources in this account for future facility and equipment needs. Up to two percent of a school district's general fund may be deposited each fiscal year into the depreciation sub-fund for the purpose of preventative maintenance or emergency facility needs.

Description of Services Provided

OSPI was required to create accounting system programming changes and update multiple EDS fiscal systems. A new General Ledger (GL) Account Code 823 was added to the Chart of Accounts for the Depreciation Sub-Fund. This account is used by districts to set aside resources for future use. A new Activity Code 69 was added to the Chart of Accounts to account for allowable costs. This activity code is added to Program 97, Districtwide Support. Objects-of-expenditure codes were assigned to the activity code to segregate and detail costs. Accounting guidance was added to the School District Accounting Manual. The accounting system modifications and the instructional guidance were disseminated statewide through multiple presentation venues.

Criteria for Receiving Services and/or Grants

The bill was a mandate to modify the school district accounting structure to accommodate the Depreciation Sub-Fund for Facility Use.

Beneficiaries in the 2023-24 School Year

Number of School Districts	211
Number of Schools	Not Applicable
Number of Students	Not Applicable
Number of Educators	Not Applicable
Other	Not Applicable



Are Federal or Other Funds Contingent on State Funding?

No.

State Funding History

Fiscal Year	Amount Funded	Actual Expenditures
2024	\$39,000	\$0

Number of Beneficiaries Per Fiscal Year (e.g. School Districts, Schools, Students, Educators, Other)

Fiscal Year	Number of Beneficiaries
2024	211

Programmatic Changes Since Inception (If Any)

Not Applicable

Program Evaluation or Evaluation of Major Findings

Successful modification of the school district accounting structure provides school districts with the means to implement strategies to set aside resources for future facility needs.

Major Challenges Faced by the Program

Not Applicable

Future Opportunities

The current accounting system design will meet the needs of districts in the future.

Other Relevant Information

Not Applicable

Schools/Districts Receiving Assistance

Not Applicable

Program Contact Information

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