FILED

2015 APR -2 P 12: 35

OFFICE WEST VIRGINIA SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

B2160 (Veto

FIRST REGULAR SESSION, 2015

# ENROLLED

## COMMITTEE SUBSTITUTE FOR

# House Bill No. 2160

(By Delegate(s) Rowan, Cowles, Perry, Williams, Hamilton, Anderson, Pasdon, Duke, Espinosa, Miley and E. Nelson)



Passed March 14, 2015

In effect from passage.

FILED

### ENROLLED

COMMITTEE SUBSTITUTE

OFFICE WEST VIRGINIA SECRETARY OF STATE

7015 APR -2 P 12: 35

for

## H. B. 2160

(BY DELEGATE(S) ROWAN, COWLES, PERRY, WILLIAMS, HAMILTON, ANDERSON, PASDON, DUKE, ESPINOSA, MILEY AND E. NELSON)

> [Passed March 14, 2015; in effect from passage.]

AN ACT to amend and reenact §18-9D-2, §18-9D-3, §18-9D-4c and §18-9D-16 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto a new section, designated §18-9D-22, all relating to making the West Virginia Schools for the Deaf and Blind eligible to participate in any and all funding administered or distributed by the West Virginia School Building Authority.

Be it enacted by the Legislature of West Virginia:

That §18-9D-2, §18-9D-3, §18-9D-4c and §18-9D-16 of the Code of West Virginia, 1931, as amended, be amended and reenacted; and that said code be amended by adding thereto a new section, designated §18-9D-22, all to read as follows:

#### ARTICLE 9D. SCHOOL BUILDING AUTHORITY.

#### §18-9D-2. Definitions.

For the purposes of this article, unless a different meaning
 clearly appears from the context:

3 (1) "Authority" means the School Building Authority of4 West Virginia;

5 (2) "Bonds" means bonds issued by the authority pursuant 6 to this article;

7 (3) "Construction project" means a project in the furtherance
8 of a facilities plan with a cost greater than \$1 million for the new
9 construction, expansion or major renovation of facilities,
10 buildings and structures for school purposes, including:

(A) The acquisition of land for current or future use inconnection with the construction project;

(B) New or substantial upgrading of existing equipment,machinery and furnishings;

15 (C) Installation of utilities and other similar items related to16 making the construction project operational.

(D) Construction project does not include such items as
books, computers or equipment used for instructional purposes;
fuel; supplies; routine utility services fees; routine maintenance
costs; ordinary course of business improvements; other items
which are customarily considered to result in a current or
ordinary course of business operating charge or a major
improvement project;

(4) "Cost of project" means the cost of construction,
expansion, renovation, repair and safety upgrading of facilities,
buildings and structures for school purposes; the cost of land,

equipment, machinery, furnishings, installation of utilities and
other similar items related to making the project operational; and
the cost of financing, interest during construction, professional
service fees and all other charges or expenses necessary,
appurtenant or incidental to the foregoing, including the cost of
administration of this article;

(5) "County board" or "county" means a county board of
education as provided in article five of this chapter and includes
the West Virginia Schools for the Deaf and the Blind as provided
in article seventeen of this chapter when acting with the approval
of the West Virginia Board of Education to submit, request and
receive an award of funds or services for projects under the
provisions of this article.

40 (6) "Facilities plan" means the ten-year countywide 41 comprehensive educational facilities plan established by a 42 county board in accordance with guidelines adopted by the 43 authority to meet the goals and objectives of this article, or a 44 facilities plan established by the administration of the West 45 Virginia Schools for the Deaf and Blind that:

46 (A) Addresses the existing school facilities and facility needs
47 of the county, or the Schools for the Deaf and Blind, to provide
48 a thorough and efficient education in accordance with the
49 provisions of this code and policies of the state board;

50 (B) Best serves the needs of individual students, the general 51 school population and the communities served by the facilities, 52 including, but not limited to, providing for a facility 53 infrastructure that avoids excessive school bus transportation 54 times for students consistent with sound educational policy and 55 within the budgetary constraints for staffing and operating the 56 schools of the county;

57 (C) Includes the school major improvement plan;

58 (D) Includes the county board's school access safety plan59 required by section three, article nine-f of this chapter;

60 (E) Is updated annually to reflect projects completed, current61 enrollment projections and new or continuing needs; and

62 (F) Is approved by the state board and the authority prior to 63 the distribution of state funds pursuant to this article to any 64 county board or other entity applying for funds;

65 (7) "Project" means a construction project or a major 66 improvement project;

67 (8) "Region" means the area encompassed within and
68 serviced by a regional educational service agency established
69 pursuant to section twenty-six, article two of this chapter;

70 (9) "Revenue" or "revenues" means moneys:

71 (A) Deposited in the School Building Capital Improvements
72 Fund pursuant to section ten, article nine-a of this chapter;

(B) Deposited in the School Construction Fund pursuant to
section thirty, article fifteen, chapter eleven of this code and
section eighteen, article twenty-two, chapter twenty-nine of this
code;

(C) Deposited in the School Building Debt Service Fund
pursuant to section eighteen, article twenty-two, chapter
twenty-nine of this code;

80 (D) Deposited in the School Major Improvement Fund
81 pursuant to section thirty, article fifteen, chapter eleven of this
82 code;

83 (E) Received, directly or indirectly, from any source for use84 in any project completed pursuant to this article;

85 (F) Received by the authority for the purposes of this article;86 and

87 (G) Deposited in the Excess Lottery School Building Debt
88 Services Fund pursuant to section eighteen-a, article twenty-two,
89 chapter twenty-nine of this code;

90 (10) "School major improvement plan" means a ten-year91 school maintenance plan that:

92 (A) Is prepared by a county board in accordance with the 93 guidelines established by the authority and incorporated in its 94 Countywide Comprehensive Educational Facilities Plan, or is 95 prepared by the state board or the administrative council of an 96 area vocational educational center in accordance with the 97 guidelines if the entities seek funding from the authority for a 98 major improvement project, or is prepared by the administration 99 of the West Virginia Schools for the Deaf and Blind;

(B) Addresses the regularly scheduled maintenance for all
school facilities of the county or under the jurisdiction of the
entity seeking funding;

103 (C) Includes a projected repair and replacement schedule for
104 all school facilities of the county or of the entity seeking
105 funding;

106 (D) Addresses the major improvement needs of each school
107 within the county or under the jurisdiction of the entity seeking
108 funding; and

(E) Is required prior to the distribution of state funds for a
major improvement project pursuant to this article to the county
board, state board or administrative council; and

(11) "School major improvement project" means a projectwith a cost greater than \$50 thousand and less than \$1 million

114 for the renovation, expansion, repair and safety upgrading of 115 existing school facilities, buildings and structures, including the 116 substantial repair or upgrading of equipment, machinery, 117 building systems, utilities and other similar items related to the 118 renovation, repair or upgrading in the furtherance of a school 119 major improvement plan. A major improvement project does not 120 include such items as books, computers or equipment used for 121 instructional purposes; fuel; supplies; routine utility services 122 fees; routine maintenance costs; ordinary course of business 123 improvements; or other items which are customarily considered 124 to result in a current or ordinary course of business operating 125 charge;

(12) "Schools for the Deaf and Blind" or "West Virginia
Schools for the Deaf and Blind" means the Schools for the Deaf
and Blind established or continued under article seventeen of this
chapter.

#### §18-9D-3. Powers of authority.

1 The School Building Authority has the power:

2 (1) To sue and be sued, plead and be impleaded;

3 (2) To have a seal and alter the same at pleasure;

4 (3) To contract to acquire and to acquire, in the name of the 5 authority, by purchase, lease-purchase not to exceed a term of 6 twenty-five years, or otherwise, real property or rights or 7 easements necessary or convenient for its corporate purposes and 8 to exercise the power of eminent domain to accomplish those 9 purposes;

10 (4) To acquire, hold and dispose of real and personal11 property for its corporate purposes;

12 (5) To make bylaws for the management and rule of its13 affairs;

14 (6) To appoint, contract with and employ attorneys, bond 15 counsel, accountants, construction and financial experts, 16 underwriters, financial advisers, trustees, managers, officers and 17 such other employees and agents as may be necessary in the 18 judgment of the authority and to fix their compensation: 19 Provided, That contracts entered into by the School Building 20 Authority in connection with the issuance of bonds under this article to provide professional and technical services, including, 21 22 without limitation, accounting, actuarial, underwriting, 23 consulting, trustee, bond counsel, legal services and contracts 24 relating to the purchase or sale of bonds are subject to the 25 provisions of article three, chapter five-a of this code: Provided, 26 however, That notwithstanding any other provisions of this code, 27 any authority of the Attorney General of this state relating to the 28 review of contracts and other documents to effectuate the 29 issuance of bonds under this article shall be exclusively limited 30 to the form of the contract and document: Provided further, That 31 the Attorney General of this state shall complete all reviews of 32 contracts and documents relating to the issuance of bonds under 33 this article within ten calendar days of receipt of the contract and document for review: 34

35 (7) To make contracts and to execute all instruments
36 necessary or convenient to effectuate the intent of and to
37 exercise the powers granted to it by this article;

38 (8) To renegotiate all contracts entered into by it whenever,
39 due to a change in situation, it appears to the authority that its
40 interests will be best served;

41 (9) To acquire by purchase, eminent domain or otherwise all
42 real property or interests in the property necessary or convenient
43 to accomplish the purposes of this article;

44 (10) To require proper maintenance and insurance of any45 project authorized under this section, including flood insurance

46 for any facility within the one hundred year flood plain, at which47 authority funds are expended;

48 (11) To charge rent for the use of all or any part of a project
49 or buildings at any time financed, constructed, acquired or
50 improved, in whole or in part, with the revenues of the authority;

51 (12) To assist the West Virginia Schools for the Deaf and 52 Blind or any county board of education that chooses to acquire 53 land, buildings and capital improvements to existing school 54 buildings and property for use as public school facilities, by 55 lease from a private or public lessor for a term not to exceed 56 twenty-five years with an option to purchase pursuant to an 57 investment contract with the lessor on such terms and conditions 58 as may be determined to be in the best interests of the authority, 59 the State Board of Education and, if applicable, the county board 60 of education, consistent with the purposes of this article, by 61 transferring funds to the State Board of Education as provided in 62 subsection (d), section fifteen of this article for the use of the 63 county board of education;

(13) To accept and expend any gift, grant, contribution,
bequest or endowment of money and equipment to, or for the
benefit of, the authority or any project under this article, from
the State of West Virginia or any other source for any or all of
the purposes specified in this article or for any one or more of
such purposes as may be specified in connection with the gift,
grant, contribution, bequest or endowment;

(14) To enter on any lands and premises for the purpose ofmaking surveys, soundings and examinations;

(15) To contract for architectural, engineering or other
 professional services considered necessary or economical by the
 authority to provide consultative or other services to the

76 authority or to any regional educational service agency, the West Virginia Schools for the Deaf and Blind or any county board 77 78 requesting professional services offered by the authority, to 79 evaluate any facilities plan or any project encompassed in the plan, to inspect existing facilities or any project that has received 80 81 or may receive funding from the authority or to perform any 82 other service considered by the authority to be necessary or 83 economical. Assistance to the region, school or district may 84 include the development of preapproved systems, plans, designs, 85 models or documents; advice or oversight on any plan or project; 86 or any other service that may be efficiently provided by the 87 authority to regional educational service agencies, the state 88 board, county boards or the West Virginia Schools for the Deaf 89 or Blind:

90 (16) To provide funds on an emergency basis to repair or
91 replace property damaged by fire, flood, wind, storm, earthquake
92 or other natural occurrence, the funds to be made available in
93 accordance with guidelines of the School Building Authority;

94 (17) To transfer moneys to custodial accounts maintained by 95 the School Building Authority with a state financial institution 96 from the school construction fund and the school improvement 97 fund created in the State Treasury pursuant to the provisions of 98 section six of this article, as necessary to the performance of any 99 contracts executed by the School Building Authority in 100 accordance with the provisions of this article;

101 (18) To enter into agreements with county boards and 102 persons, firms or corporations to facilitate the development of 103 projects and facilities plans. The county board participating in 104 an agreement shall pay at least twenty-five percent of the cost of 105 the agreement. Nothing in this section may be construed to 106 supersede, limit or impair the authority of county boards to 107 develop and prepare their projects or plans;

108 (19) To encourage any project or part thereof to provide 109 opportunities for students to participate in supervised, unpaid 110 work-based learning experiences related to the student's program 111 of study approved by the county board or the administration of 112 the West Virginia Schools for the Deaf and Blind. The 113 work-based learning experience shall be conducted in 114 accordance with a formal training plan approved by the 115 instructor, the employer and the student. The experience shall set 116 forth at a minimum the specific skills to be learned, the required 117 documentation of work-based learning experiences, the 118 conditions of the placement, including duration and safety 119 provisions, and provisions for supervision and liability insurance 120 coverage as applicable. Projects involving the new construction 121 and renovation of vocational-technical and adult education 122 facilities should provide opportunities for students to participate 123 in supervised work-based learning experiences, to the extent 124 practical, which meet the requirements of this subdivision. 125 Nothing in this subdivision may be construed to affect registered 126 youth apprenticeship programs or the provisions governing those 127 programs; and

(20) To do all things necessary or convenient to carry out thepowers given in this article.

#### §18-9D-4c. School Building Authority authorized to temporarily finance projects through the issuance of loans, notes or other evidences of indebtedness.

1 The School Building Authority may by resolution, in 2 accordance with the provisions of this article, temporarily 3 finance the cost of projects and other expenditures permitted 4 under this article for public schools in this state, including, but 5 not limited to, comprehensive high schools, comprehensive 6 middle schools and the West Virginia Schools for the Deaf and 7 Blind. The financing may be issued through loans, notes or other 8 evidences of indebtedness: the outstanding principal amount of

9 which may not exceed \$16 million at any one time. The principal
10 of, interest and premium on, and fees associated with any
11 temporary financing shall be payable solely from the proceeds
12 of bonds or the sources from which any bonds are payable under
13 this article.

#### §18-9D-16. Authority to establish guidelines and procedures for facilities and major improvement plans; guidelines for modifications and updates, etc.; guidelines for project evaluation; submission of certified list of projects to be funded; department on-site inspection of facilities; enforcement of required changes or additions to project plans.

(a) The authority shall establish guidelines and procedures
 to promote the intent and purposes of this article and assure the
 prudent and resourceful expenditure of state funds for projects
 under this article including, but not limited to, the following:

5 (1) Guidelines and procedures for the facilities plans. school 6 major improvement plans and projects submitted in the 7 furtherance of the plans that address, but are not limited to, the 8 following:

9 (A) All of the elements of the respective plans as defined in 10 section two of this article;

11 (B) The procedures for a county or the administration of the 12 West Virginia Schools for the Deaf and Blind to submit a preliminary plan, a plan outline or a proposal for a plan to the 13 authority prior to the submission of the facilities plan. The 14 15 preliminary plan, plan outline or proposal for a plan shall be the 16 basis for a consultation meeting between representatives of the county or the administration of the West Virginia Schools for the 17 Deaf and Blind and members of the authority, including at least 18 19 one citizen member. The meeting shall be held promptly

following submission of the preliminary plan, plan outline or proposal for a plan to assure understanding of the general goals of this article and the objective criteria by which projects will be evaluated, to discuss ways the plan may be structured to meet those goals, and to assure efficiency and productivity in the project approval process;

26 (C) The manner, time line and process for the submission of27 each plan and annual plan updates to the authority;

28 (D) The requirements for public hearings, comments or other 29 means of providing broad-based input on plans and projects 30 under this article within a reasonable time period as the authority 31 may consider appropriate. The submission of each plan must be 32 accompanied by a synopsis of all comments received and a 33 formal comment by the county board, the state board or the 34 administrative council of an area vocational educational center 35 submitting the plan;

36 (E) Any project specifications and maintenance
37 specifications considered appropriate by the authority including,
38 but not limited to, such matters as energy efficiency, preferred
39 siting, construction materials, maintenance plan and any other
40 matter related to how the project is to proceed;

(F) A prioritization by the county board, the state board or
the administrative council submitting the plan of each project
contained in the plan. The prioritization shall be determined in
accordance with the objective criteria formulated by the School
Building Authority in accordance with this section. The priority
list is one of the criteria that shall be considered by the authority
in deciding how the available funds should be expended;

48 (G) The objective means to be set forth in the plan and used
49 in evaluating implementation of the overall plan and each project
50 included in the plan. The evaluation shall measure how the plan

addresses the goals of this article and any guidelines adopted under this article, how each project is in furtherance of the facilities plan and school major improvement plan, as applicable, the importance of the project to the overall success of the facilities plan or school major improvement plan, and the overall goals of the authority; and

57 (H) Any other matters considered by the authority to be 58 important reflections of how a construction project or a major 59 improvement project will further the overall goals of this article.

60 (2) Guidelines and procedures which may be adopted by the 61 authority for requiring that a county board modify, update, 62 supplement or otherwise submit changes or additions to an 63 approved facilities plan or for requiring that a county board, the 64 state board or the administrative council of an area vocational educational center modify, update, supplement or otherwise 65 66 submit changes or additions to an approved school major 67 improvement plan. The authority shall provide reasonable 68 notification and sufficient time for the change or addition as 69 delineated in its guidelines. The guidelines shall require an 70 update of the estimated duration of school bus transportation 71 times for students associated with any construction project under 72 consideration by the authority that includes the closure, 73 consolidation or construction of a school or schools.

74 (3) Guidelines and procedures for evaluating project
75 proposals that are submitted to the authority that address, but are
76 not limited to, the following:

(A) Any project funded by the authority shall be in
furtherance of the facilities plan or school major improvement
plan and in compliance with the guidelines established by the
authority;

81 (B) If a project is to benefit more than one county in the 82 region, the facilities plan shall state the manner in which the cost

83 and funding of the project will be apportioned among the84 counties;

85 (C) If a county board proposes to finance a construction 86 project through a lease with an option to purchase pursuant to an 87 investment contract as described in subsection (f), section fifteen 88 of this article, the specifications for the project must include the 89 term of the lease, the amount of each lease payment, including 90 the payment due upon exercise of the option to purchase, and the 91 terms and conditions of the proposed investment contract; and

92 (D) The objective criteria for the evaluation of projects93 which shall include, but is not limited to, the following:

94 (i) How the current facilities do not meet and how the plan95 and any project under the plan meet the following:

96 (I) Student health and safety including, but not limited to,97 critical health and safety needs;

98 (II) Economies of scale, including compatibility with similar
99 schools that have achieved the most economical organization,
100 facility use and pupil-teacher ratios;

101 (III) Reasonable travel time and practical means of 102 addressing other demographic considerations. The authority may 103 not approve a project that includes a school closure, consolidation or new construction for which a new bus route will 104 105 be created for transporting any prekindergarten through fifth 106 grade students to and from any school included in the project, if 107 the route exceeds by more than fifteen minutes the recommended 108 one-way school bus transportation duration time for elementary 109 students adopted by the state board pursuant to section five-d, 110 article two-e of this chapter, unless the county has received the 111 written permission of the state board to create the route in 112 accordance with said section five-d;

(IV) Multicounty and regional planning to achieve the mosteffective and efficient instructional delivery system;

(V) Curriculum improvement and diversification, including
the use of instructional technology, distance learning and access
to advanced courses in science, mathematics, language arts and
social studies;

119 (VI) Innovations in education;

120 (VII) Adequate space for projected student enrollments;

(VIII) The history of efforts taken by the county board to
 propose or adopt local school bond issues or special levies to the
 extent Constitutionally permissible; and

124 (IX) Regularly scheduled preventive maintenance; and

(ii) How the project will assure the prudent and resourceful
expenditure of state funds and achieve the purposes of this
article for constructing, expanding, renovating or otherwise
improving and maintaining school facilities for a thorough and
efficient education.

(4) Guidelines and procedures for evaluating projects forfunding that address, but are not limited to, the following:

132 (A) Requiring each county board's facilities plan and school major improvement plan to prioritize all the construction 133 134 projects or major improvement projects, respectively, within the county. A school major improvement plan submitted by the state 135 136 board or the administrative council of an area vocational educational center shall prioritize all the school improvement 137 138 projects contained in the plan. The priority list shall be one of the criteria to be considered by the authority in determining how 139 available funds shall be expended. In prioritizing the projects, 140 the county board, the state board or the administrative council 141

submitting a plan shall make determinations in accordance withthe objective criteria formulated by the School BuildingAuthority;

(B) The return to each county submitting a project proposal
an explanation of the evaluative factors underlying the decision
of the authority to fund or not to fund the project; and

(C) The allocation and expenditure of funds in accordancewith this article, subject to the availability of funds.

(b) Prior to final action on approving projects for fundingunder this article, the authority shall submit a certified list of the

152 projects to the Joint Committee on Government and Finance.

153 (c) The State Department of Education shall conduct on-site 154 inspections, at least annually, of all facilities which have been 155 funded wholly or in part by moneys from the authority or state 156 board to ensure compliance with the county board's facilities 157 plan and school major improvement plan as related to the 158 facilities: to preserve the physical integrity of the facilities to the 159 extent possible; and to otherwise extend the useful life of the 160 facilities. The state board shall submit reports regarding the 161 inspections to the authority within thirty days of completion. The 162 state board shall promulgate rules regarding the on-site 163 inspections and matters relating thereto, in consultation with the 164 authority, and shall submit proposed rules for legislative review.

165 (d) Based on its on-site inspection or notification by the 166 authority to the state board that the changes or additions to a 167 county board's facilities plan or school major improvement plan 168 have not been implemented within the time period prescribed by 169 the authority, the state board shall restrict the use of the 170 necessary funds or otherwise allocate funds from moneys 171 appropriated by the Legislature for those purposes set forth in 172 section nine, article nine-a of this chapter.

#### §18-9D-22. Eligibility of the West Virginia Schools for the Deaf and Blind to participate in all types of funding administered or distributed by the authority.

1 (a) The Legislature finds that:

2 (1) The Legislature's constitutional obligation to provide a
3 thorough and efficient public education for the children of West
4 Virginia includes providing a thorough and efficient education
5 for the children of West Virginia who are deaf and blind;

6 (2) The Legislature has endeavored to fulfill this obligation
7 with the creation, maintenance and operation of the West
8 Virginia Schools for the Deaf and Blind, established and
9 continued under article seventeen of this chapter;

(3) The West Virginia Schools for the Deaf and Blind have
for generations provided educational services to children from
each of West Virginia's fifty-five counties;

13 (4) The facilities of the West Virginia Schools for the Deafand Blind are in need of substantial improvements;

(5) The West Virginia Schools for the Deaf and Blind have
no local levy which supports their operations, and depend
completely upon the appropriations from the state;

18 (6) The West Virginia Schools for the Deaf and Blind have19 no borrowing authority nor revenue stream that can serve as a20 source of servicing debt;

(7) Questions have arisen as to whether or not it is
permissible for the School Building Authority to distribute to the
West Virginia Schools for the Deaf and Blind financial
assistance for the construction and improvement of their
facilities; and

(8) The West Virginia Schools for the Deaf and Blind should
have access to and be eligible to receive all types of funding
provided to county boards by the authority.

(b) Notwithstanding any provision of this code to thecontrary:

31 (1) The West Virginia Schools for the Deaf and Blind are
32 eligible to participate in all funding distributed by the authority;
33 and

34 (2) The authority may distribute to the West Virginia
35 Schools for the Deaf and Blind funds as it determines to be
36 appropriate.

37 (c) The authority may not require the contribution of local
38 funds for a project of the West Virginia Schools for the Deaf and
39 Blind, nor penalize the consideration or priority ranking of a
40 project of the schools for lack of local project funds. The state
41 board may apply for funds for education programs under its
42 jurisdiction for projects at the West Virginia Schools for the
43 Deaf and Blind.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee Chairman, Sendle Committee

Originating in the House.

In effect from passage. Clerk of the House of Delegates Clerk of The Senate Speaker of the House, of Delegates

President of the Senate

The within <u>u</u> <u>Mappine</u> this the <u>18</u> of <u>pul</u>, 2015. day of Jonellen Kay

#### PRESENTED TO THE GOVERNOR

MAR 1 8 2015

Time 4:55 PM

\*

.