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## 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 will be invested in those securities permitted by law which will 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), (4), and (5) or for the purpose of purchasing any real or personal property, or property rights, in connection with the exercise of any powers 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 [39.36.020](#)(3).

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 repayment; 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.

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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 project fund, the transportation vehicle fund, or the general fund, as applicable.

**Bonds**

If the board determines that there are insufficient moneys 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 additional specific 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 those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests 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 will be credited by the county treasurer to the appropriate fund of the district.

Notice of intent to apply for state school construction funds will be submitted to the Superintendent of Public Instruction prior to submitting a bond proposal to district voters.

Legal References:

RCW 28A.320.300 Investment of funds, including funds received by ESD—Authority—Procedure  
RCW 28A.320.310 Investment of building funds—Restrictions  
RCW 28A.320.320 Investment of funds of district—Service fee  
RCW 28A.320.330 School district funds  
RCW 28A.320.340 Temporary interfund loans  
RCW 28A.525.020 Duties of superintendent of public instruction

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RCW 28A.525.080 Federal funds for school plant facilities—  
Rules

RCW 28A.530.010 Directors may borrow money, issue bonds

RCW 28A.530.020 Bond issuance—Election—Resolution to  
specify purposes

RCW 28A.530.030 Disposition of bond proceeds—Capital  
projects fund

RCW 28A.530.080 Additional authority to contract  
indebtedness— Notice

RCW 39.36.020 Limitation of indebtedness prescribed

WAC 392-123-180 Bond Proceeds

Classification: **Important**

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Revised: February 19, 2026