
SENATE BILL 6354

State of Washington

53rd Legislature

1994 Regular Session

By Senators L. Smith and Hochstatter

Read first time 01/20/94. Referred to Committee on Government Operations.

1 AN ACT Relating to the department of education; amending RCW
2 28A.300.040, 28A.300.060, 28A.300.070, 28A.505.020, 28A.505.090,
3 28A.505.100, 28A.505.110, 28A.505.120, 28A.505.130, 28A.505.140,
4 28A.505.170, 28A.505.180, 28A.505.200, 28A.510.250, 28A.510.260, and
5 84.52.0531; reenacting and amending RCW 43.17.010 and 43.17.020; adding
6 a new section to chapter 41.06 RCW; adding a new section to chapter
7 28A.150 RCW; adding a new chapter to Title 43 RCW; creating new
8 sections; repealing RCW 28A.300.010, 28A.300.020, and 28A.300.030;
9 making an appropriation; and providing contingent effective dates.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 NEW SECTION. **Sec. 1.** Unless the context clearly requires
12 otherwise, the definitions in this section apply throughout this
13 chapter.

14 (1) "Department" means the department of education.

15 (2) "Secretary" means the secretary of education.

16 NEW SECTION. **Sec. 2.** There is hereby created a department of
17 state government to be known as the department of education. The
18 department shall be vested with all powers and duties transferred to it

1 under this chapter and such other powers and duties as may be
2 authorized by law.

3 NEW SECTION. **Sec. 3.** The executive head and appointing authority
4 of the department shall be the secretary. The secretary shall be
5 appointed by the governor, with the consent of the senate, and shall
6 serve at the pleasure of the governor. The secretary shall be paid a
7 salary to be fixed by the governor in accordance with RCW 43.03.040.
8 If a vacancy occurs in the position while the senate is not in session,
9 the governor shall make a temporary appointment until the next meeting
10 of the senate.

11 NEW SECTION. **Sec. 4.** It is the intent of the legislature wherever
12 possible to place the internal affairs of the department under the
13 control of the secretary in order that the secretary may institute
14 therein the flexible, alert, and intelligent management of its business
15 that changing contemporary circumstances require. Therefore, whenever
16 the secretary's authority is not specifically limited by law, the
17 secretary shall have complete charge and supervisory powers over the
18 department. The secretary may create such administrative structures as
19 the secretary considers appropriate, except as otherwise specified by
20 law. The secretary may employ such assistants and personnel as may be
21 necessary for the general administration of the department. This
22 employment shall be in accordance with the state civil service law,
23 chapter 41.06 RCW, except as otherwise provided.

24 NEW SECTION. **Sec. 5.** The department of education may be
25 subdivided into divisions. Except as otherwise specified or as federal
26 requirements may differently require, these divisions shall be
27 established and organized in accordance with plans to be prepared by
28 the secretary and approved by the governor. In preparing such plans,
29 the secretary shall endeavor to promote efficient public management, to
30 improve programs, and to take full advantage of the economies, both
31 fiscal and administrative, to be gained from the consolidation of
32 functions and agencies under this chapter.

33 NEW SECTION. **Sec. 6.** The secretary shall appoint a deputy
34 secretary, a department personnel director, and such assistant
35 secretaries as may be needed to administer the department. The deputy

1 secretary shall have charge and general supervision of the department
2 in the absence or disability of the secretary and, in case of a vacancy
3 in the office of secretary, shall continue in charge of the department
4 until a successor is appointed and qualified, or until the governor
5 appoints an acting secretary.

6 NEW SECTION. **Sec. 7.** Any power or duty vested in or transferred
7 to the secretary by law, or executive order, may be delegated by the
8 secretary to the deputy secretary or to any other assistant or
9 subordinate; but the secretary shall be responsible for the official
10 acts of the officers and employees of the department.

11 NEW SECTION. **Sec. 8.** In furtherance of the policy of the state to
12 cooperate with the federal government in all of the programs under the
13 jurisdiction of the department, such rules as may become necessary to
14 entitle the state to participate in federal funds may be adopted,
15 unless expressly prohibited by law. Any internal reorganization
16 carried out under the terms of this chapter shall meet federal
17 requirements that are a necessary condition to state receipt of federal
18 funds. Any section or provision of law dealing with the department
19 that may be susceptible to more than one construction shall be
20 interpreted in favor of the construction most likely to comply with
21 federal laws entitling this state to receive federal funds for the
22 various programs of the department. If any law dealing with the
23 department is ruled to be in conflict with federal requirements which
24 are a prescribed condition of the allocation of federal funds to the
25 state, or to any departments or agencies thereof, the conflicting part
26 is declared to be inoperative solely to the extent of the conflict.

27 NEW SECTION. **Sec. 9.** A new section is added to chapter 41.06 RCW
28 to read as follows:

29 In addition to the exemptions under RCW 41.06.070, the provisions
30 of this chapter shall not apply in the department of education to the
31 secretary, the secretary's personal secretary, the deputy secretary,
32 all division secretaries and assistant secretaries, and one
33 confidential secretary for each of these officers.

34 NEW SECTION. **Sec. 10.** Except as provided in section 16 of this
35 act, the powers, duties, and functions of the office of the

1 superintendent of public instruction are hereby transferred to the
2 department of education. All references to the office of the
3 superintendent of public instruction or the superintendent of public
4 instruction shall mean the department of education or secretary of
5 education.

6 NEW SECTION. **Sec. 11.** All reports, documents, surveys, books,
7 records, files, papers, or written material in the possession of the
8 office of the superintendent of public instruction pertaining to the
9 functions transferred in section 10 of this act shall be delivered to
10 the custody of the department of education. All cabinets, furniture,
11 office equipment, motor vehicles, and other tangible property employed
12 in connection with the powers, duties, and functions transferred shall
13 be made available to the department of education. All funds, credits,
14 or other assets held in connection with the powers, duties, and
15 functions transferred shall be assigned to the department of education.

16 Any appropriations made in connection with the powers, duties, and
17 functions transferred in section 10 of this act shall, on the effective
18 date of this section, be transferred and credited to the department of
19 education.

20 Whenever any question arises as to the transfer of any funds,
21 books, documents, records, papers, files, equipment, or other tangible
22 property used or held in the exercise of the powers and the performance
23 of the duties and functions transferred in section 10 of this act, or
24 as to the powers, duties, and functions transferred in section 10 of
25 this act, the director of financial management shall make a
26 determination as to the proper allocation and certify the same to the
27 state agencies concerned.

28 NEW SECTION. **Sec. 12.** All rules and all pending business before
29 any agency of state government pertaining to the powers, duties, and
30 functions transferred in section 10 of this act shall be continued and
31 acted upon by the department of education. All existing contracts and
32 obligations shall remain in full force and shall be performed by the
33 department of education.

34 NEW SECTION. **Sec. 13.** The transfer of the powers, duties, and
35 functions in section 10 of this act shall not affect the validity of

1 any act performed by an employee before the effective date of this
2 section.

3 NEW SECTION. **Sec. 14.** If apportionments of budgeted funds are
4 required because of the transfers directed by sections 11 through 13 of
5 this act, the director of financial management shall certify the
6 apportionments to the agencies affected, the state auditor, and the
7 state treasurer. Each of these shall make the appropriate transfer and
8 adjustments in funds and appropriation accounts and equipment records
9 in accordance with the certification.

10 NEW SECTION. **Sec. 15.** Nothing contained in sections 11 through 14
11 of this act may be construed to alter any existing collective
12 bargaining unit or the provisions of any existing collective bargaining
13 agreement until the agreement has expired or until the bargaining unit
14 has been modified by action of the personnel board as provided by law.

15 NEW SECTION. **Sec. 16.** The powers, duties, and functions of the
16 office of the superintendent of public instruction pertaining to
17 budgeting and apportionment of funds are hereby transferred to the
18 office of financial management.

19 NEW SECTION. **Sec. 17.** All reports, documents, surveys, books,
20 records, files, papers, or written material in the possession of the
21 office of the superintendent of public instruction pertaining to the
22 functions transferred in section 16 of this act shall be delivered to
23 the custody of the office of financial management. All cabinets,
24 furniture, office equipment, motor vehicles, and other tangible
25 property employed in connection with the powers, duties, and functions
26 transferred in section 16 of this act shall be made available to the
27 office of financial management. All funds, credits, or other assets
28 held in connection with the powers, duties, and functions transferred
29 in section 16 of this act shall be assigned to the office of financial
30 management.

31 Any appropriations made in connection with the powers, duties, and
32 functions transferred in section 16 of this act shall, on the effective
33 date of this section, be transferred and credited to the office of
34 financial management.

1 Whenever any question arises as to the transfer of any funds,
2 books, documents, records, papers, files, equipment, or other tangible
3 property used or held in the exercise of the powers and the performance
4 of the duties and functions transferred in section 16 of this act, or
5 as to the powers, duties, and functions transferred in section 16 of
6 this act, the director of financial management shall make a
7 determination as to the proper allocation and certify the same to the
8 state agencies concerned.

9 NEW SECTION. **Sec. 18.** All rules and all pending business before
10 any agency of state government pertaining to the powers, duties, and
11 functions transferred in section 16 of this act shall be continued and
12 acted upon by the office of financial management. All existing
13 contracts and obligations shall remain in full force and shall be
14 performed by the office of financial management.

15 NEW SECTION. **Sec. 19.** The transfer of the powers, duties, and
16 functions in section 16 of this act shall not affect the validity of
17 any act performed by an employee before the effective date of this
18 section.

19 NEW SECTION. **Sec. 20.** If apportionments of budgeted funds are
20 required because of the transfers directed by sections 17 through 19 of
21 this act, the director of financial management shall certify the
22 apportionments to the agencies affected, the state auditor, and the
23 state treasurer. Each of these shall make the appropriate transfer and
24 adjustments in funds and appropriation accounts and equipment records
25 in accordance with the certification.

26 NEW SECTION. **Sec. 21.** Nothing contained in sections 17 through 20
27 of this act may be construed to alter any existing collective
28 bargaining unit or the provisions of any existing collective bargaining
29 agreement until the agreement has expired or until the bargaining unit
30 has been modified by action of the personnel board as provided by law.

31 **Sec. 22.** RCW 43.17.010 and 1993 sp.s. c 2 s 16, 1993 c 472 s 17,
32 and 1993 c 280 s 18 are each reenacted and amended to read as follows:
33 There shall be departments of the state government which shall be
34 known as (1) the department of social and health services, (2) the

1 department of ecology, (3) the department of labor and industries, (4)
2 the department of agriculture, (5) the department of fish and wildlife,
3 (6) the department of transportation, (7) the department of licensing,
4 (8) the department of general administration, (9) the department of
5 community, trade, and economic development, (10) the department of
6 veterans affairs, (11) the department of revenue, (12) the department
7 of retirement systems, (13) the department of corrections, ((and)) (14)
8 the department of health, ((and)) (15) the department of financial
9 institutions, and (16) the department of education, which shall be
10 charged with the execution, enforcement, and administration of such
11 laws, and invested with such powers and required to perform such
12 duties, as the legislature may provide.

13 **Sec. 23.** RCW 43.17.020 and 1993 sp.s. c 2 s 17, 1993 c 472 s 18,
14 and 1993 c 280 s 19 are each reenacted and amended to read as follows:

15 There shall be a chief executive officer of each department to be
16 known as: (1) The secretary of social and health services, (2) the
17 director of ecology, (3) the director of labor and industries, (4) the
18 director of agriculture, (5) the director of fish and wildlife, (6) the
19 secretary of transportation, (7) the director of licensing, (8) the
20 director of general administration, (9) the director of community,
21 trade, and economic development, (10) the director of veterans affairs,
22 (11) the director of revenue, (12) the director of retirement systems,
23 (13) the secretary of corrections, ((and)) (14) the secretary of
24 health, ((and)) (15) the director of financial institutions, and (16)
25 the secretary of education.

26 Such officers, except the secretary of transportation, shall be
27 appointed by the governor, with the consent of the senate, and hold
28 office at the pleasure of the governor. The secretary of
29 transportation shall be appointed by the transportation commission as
30 prescribed by RCW 47.01.041.

31 **Sec. 24.** RCW 28A.300.040 and 1992 c 198 s 6 are each amended to
32 read as follows:

33 In addition to any other powers and duties as provided by law, the
34 powers and duties of the ((~~superintendent of public instruction~~))
35 secretary shall be:

1 (1) ~~((To have supervision over all matters pertaining to the public~~
2 ~~schools of the state.~~

3 ~~(2))~~ To report to the governor and the legislature such
4 information and data as may be required for the management and
5 improvement of the schools.

6 ~~((3))~~ (2) To prepare and have printed such forms, registers,
7 courses of study, and rules ~~((and regulations))~~ for the government of
8 the common schools, ~~((questions prepared for the examination of persons~~
9 ~~as provided for in RCW 28A.305.130(9),))~~ and such other material and
10 books as may be necessary for the discharge of the duties of teachers
11 and officials charged with the administration of the laws relating to
12 the common schools, and to distribute the same to educational service
13 district superintendents.

14 ~~((4))~~ (3) To travel, without neglecting his or her other official
15 duties as ~~((superintendent of public instruction))~~ secretary, for the
16 purpose of attending educational meetings or conventions, of visiting
17 schools, of consulting educational service district superintendents or
18 other school officials.

19 ~~((5))~~ (4) To prepare and from time to time to revise a manual of
20 the Washington state common school code, copies of which shall be
21 provided in such numbers as determined by the ~~((superintendent of~~
22 ~~public instruction))~~ secretary at no cost to those public agencies
23 within the common school system and which shall be sold at approximate
24 actual cost of publication and distribution per volume to all other
25 public and nonpublic agencies or individuals, said manual to contain
26 Titles 28A and 28C RCW, rules ~~((and regulations))~~ related to the common
27 schools, and such other matter as the ~~((state superintendent))~~
28 secretary or the state board of education shall determine. Proceeds of
29 the sale of such code shall be transmitted to the public printer who
30 shall credit the ~~((state superintendent's))~~ secretary's account within
31 the state printing plant revolving fund by a like amount.

32 ~~((6))~~ (5) To act as ex officio member and the chief executive
33 officer of the state board of education.

34 ~~((7))~~ (6) To file all papers, reports and public documents
35 transmitted to the ~~((superintendent))~~ secretary by the school officials
36 of the several counties or districts of the state, each year
37 separately. Copies of all papers filed in the ~~((superintendent's))~~
38 secretary's office, and the ~~((superintendent's))~~ secretary's official
39 acts, may, or upon request, shall be certified by the

1 ((superintendent)) secretary and attested by the ((superintendent's))
2 secretary's official seal, and when so certified shall be evidence of
3 the papers or acts so certified to.

4 ~~((8)) To require annually, on or before the 15th day of August, of~~
5 ~~the president, manager, or principal of every educational institution~~
6 ~~in this state, a report as required by the superintendent of public~~
7 ~~instruction; and it is the duty of every president, manager or~~
8 ~~principal, to complete and return such forms within such time as the~~
9 ~~superintendent of public instruction shall direct.~~

10 (9)) (7) To keep in the ((superintendent's)) secretary's office a
11 record of all teachers receiving certificates to teach in the common
12 schools of this state.

13 ((10)) (8) To issue certificates as provided by law.

14 ((11)) (9) To keep in the ((superintendent's)) secretary's office
15 at the capital of the state, all books and papers pertaining to the
16 business of the ((superintendent's)) secretary's office, and to keep
17 and preserve in the ((superintendent's)) secretary's office a complete
18 record of statistics(~~, as well as a record of the meetings of the~~
19 ~~state board of education)).~~

20 ((12)) (10) With the assistance of the office of the attorney
21 general, to decide all points of law which may be submitted to the
22 ((superintendent)) secretary in writing by any educational service
23 district superintendent, or that may be submitted to the
24 ((superintendent)) secretary by any other person, upon appeal from the
25 decision of any educational service district superintendent; and the
26 ((superintendent)) secretary shall publish his or her rulings and
27 decisions from time to time for the information of school officials and
28 teachers; and the ((superintendent's)) secretary's decision shall be
29 final unless set aside by a court of competent jurisdiction.

30 ((13)) (11) To administer oaths and affirmations in the discharge
31 of the ((superintendent's)) secretary's official duties.

32 ~~((14) To deliver to his or her successor, at the expiration of the~~
33 ~~superintendent's term of office, all records, books, maps, documents~~
34 ~~and papers of whatever kind belonging to the superintendent's office or~~
35 ~~which may have been received by the superintendent's for the use of the~~
36 ~~superintendent's office.~~

37 (15)) (12) To administer family services and programs to promote
38 the state's policy as provided in RCW 74.14A.025.

1 (~~(16)~~) (13) To perform such other duties as may be required by
2 law.

3 **Sec. 25.** RCW 28A.300.060 and 1991 c 116 s 3 are each amended to
4 read as follows:

5 The (~~superintendent of public instruction~~) director of financial
6 management and the state auditor jointly, and in cooperation with the
7 senate and house committees on education, shall conduct appropriate
8 studies and adopt classifications or revised classifications under RCW
9 28A.505.100, defining what expenditures shall be charged to each budget
10 class including administration. The studies and classifications shall
11 be published in the form of a manual or revised manual, suitable for
12 use by the governing bodies of school districts, by the
13 (~~superintendent of public instruction~~) office of financial
14 management, and by the legislature.

15 **Sec. 26.** RCW 28A.300.070 and 1969 ex.s. c 223 s 28A.02.100 are
16 each amended to read as follows:

17 The state of Washington and/or any school district is hereby
18 authorized to receive federal funds made or hereafter made available by
19 acts of congress for the assistance of school districts in providing
20 physical facilities and/or maintenance and operation of schools, or for
21 any other educational purpose, according to provisions of such acts,
22 and the (~~state superintendent of public instruction~~) director of
23 financial management shall represent the state in the receipt and
24 administration of such funds.

25 **Sec. 27.** RCW 28A.505.020 and 1990 c 33 s 416 are each amended to
26 read as follows:

27 All school districts must utilize the following methods of revenue
28 and expenditure recognition in budgeting, accounting and financial
29 reporting:

30 (1) Recognize revenue as defined in RCW 28A.505.010(1) for all
31 funds: PROVIDED, That school districts that elect the cash basis of
32 expenditure recognition under subsection (2) of this section shall
33 recognize revenue on the cash basis.

34 (2) Recognition of expenditures for all funds shall be on the
35 accrual basis: PROVIDED, That school districts with under one thousand
36 full time equivalent students for the preceding fiscal year may make a

1 uniform election for all funds, except debt service funds, to be on the
2 cash basis of expenditure recognition. Notification of such election
3 shall be given to the (~~state superintendent of public instruction~~)
4 director of financial management in the budget of the school district
5 and shall remain in effect for one full fiscal year.

6 **Sec. 28.** RCW 28A.505.090 and 1983 c 59 s 6 are each amended to
7 read as follows:

8 Every school district budget shall be prepared, submitted and
9 adopted in the format prescribed by the office of (~~the superintendent~~
10 ~~of public instruction~~) financial management. The budget
11 classifications contained in said format shall be in accordance with
12 the accounting manual for public school districts, published by the
13 office of (~~the superintendent of public instruction~~) financial
14 management and the office of the state auditor. Budgets prepared and
15 adopted in a format other than that prescribed by the office of (~~the~~
16 ~~superintendent of public instruction~~) financial management shall not
17 be official and will have no legal effect.

18 **Sec. 29.** RCW 28A.505.100 and 1990 c 33 s 420 are each amended to
19 read as follows:

20 The budget shall set forth the estimated revenues for the ensuing
21 fiscal year, the estimated revenues for the fiscal year current at the
22 time of budget preparation, the actual revenues for the last completed
23 fiscal year, and the reserved and unreserved fund balances for each
24 year. The estimated revenues from all sources for the ensuing fiscal
25 year shall not include any revenue not anticipated to be available
26 during that fiscal year: PROVIDED, That school districts, pursuant to
27 RCW 28A.505.110 can be granted permission by the (~~superintendent of~~
28 ~~public instruction~~) office of financial management to include as
29 revenues in their budgets, receivables collectible in future fiscal
30 years.

31 The budget shall set forth by detailed items or classes the
32 estimated expenditures for the ensuing fiscal year, the estimated
33 expenditures for the fiscal year current at the time of budget
34 preparation, and the actual expenditures for the last completed fiscal
35 year. Total salary amounts, full-time equivalents, and the high, low,
36 and average annual salaries, shall be displayed by job classification
37 within each budget classification. If individual salaries within each

1 job classification are not displayed, districts shall provide the
2 individual salaries together with the title or position of the
3 recipient and the total amounts of salary under each budget class upon
4 request. Salary schedules shall be displayed. In districts where
5 negotiations have not been completed, the district may budget the
6 salaries at the current year's rate and restrict fund balance for the
7 amount of anticipated increase in salaries, so long as an explanation
8 shall be attached to the budget on such restriction of fund balance.

9 **Sec. 30.** RCW 28A.505.110 and 1990 c 33 s 421 are each amended to
10 read as follows:

11 When a school district board is unable to prepare a budget or
12 budget extension pursuant to RCW 28A.505.170 or 28A.505.180 in which
13 the estimated revenues for the budgeted fiscal year plus the estimated
14 fund balance at the beginning of the budgeted fiscal year less the
15 ending reserved fund balance for the budgeted fiscal year do not at
16 least equal the estimated expenditures for the budgeted fiscal year,
17 the school district board may deliver a petition in writing, at least
18 twenty days before the budget or budget extension is scheduled for
19 adoption, to the (~~superintendent of public instruction~~) office of
20 financial management requesting permission to include receivables
21 collectible in future years, in order to balance the budget. If such
22 permission is granted, it shall be in writing, and it shall contain
23 conditions, binding on the district, designed to improve the district's
24 financial condition. Any budget or appropriation adopted by the board
25 of directors without written permission from the (~~superintendent of~~
26 ~~public instruction~~) office of financial management that contains
27 estimated expenditures in excess of the total of estimated revenue for
28 the budgeted fiscal year plus estimated fund balance at the beginning
29 of the budgeted fiscal year less ending reserve fund balance for the
30 budgeted fiscal year shall be null and void and shall not be considered
31 an appropriation.

32 **Sec. 31.** RCW 28A.505.120 and 1975-'76 2nd ex.s. c 118 s 12 are
33 each amended to read as follows:

34 If a local school district fails to comply with any binding
35 restrictions issued by the (~~superintendent of public instruction~~)
36 secretary or by the director of financial management, the allocation of
37 state funds for support of the local school district may be withheld,

1 pending an investigation of the reason for such noncompliance by the
2 office of (~~the superintendent of public instruction~~) financial
3 management. Written notice of the intent to withhold state funds, with
4 reasons stated for this action, shall be made to the school district by
5 the office of (~~the superintendent of public instruction~~) financial
6 management before any portion of the state allocation is withheld.

7 **Sec. 32.** RCW 28A.505.130 and 1983 c 59 s 9 are each amended to
8 read as follows:

9 For each fund contained in the school district budget the estimated
10 expenditures for the budgeted fiscal year must not be greater than the
11 total of the estimated revenues for the budgeted fiscal year, the
12 estimated fund balance at the beginning of the budgeted fiscal year
13 less the estimated reserve fund balance at the end of the budgeted
14 fiscal year, and the projected revenue from receivables collectible on
15 future years as approved by the (~~superintendent of public~~
16 ~~instruction~~) office of financial management for inclusion in the
17 budget.

18 The proceeds of any interfund loan must not be used to balance the
19 budget of the borrowing fund.

20 **Sec. 33.** RCW 28A.505.140 and 1990 c 33 s 422 are each amended to
21 read as follows:

22 (1) Notwithstanding any other provision of law, the
23 (~~superintendent of public instruction is hereby directed to promulgate~~
24 ~~such rules and regulations as will insure~~) office of financial
25 management shall adopt rules to ensure proper budgetary procedures and
26 practices, including monthly financial statements consistent with the
27 provisions of RCW 43.09.200(~~(7)~~) and this chapter.

28 (2) If the (~~superintendent of public instruction~~) office of
29 financial management determines upon a review of the budget of any
30 district that said budget does not comply with the budget procedures
31 established by this chapter or by rules (~~and regulations promulgated~~
32 ~~by the superintendent of public instruction~~) adopted by the office of
33 financial management, or the provisions of RCW 43.09.200, the
34 (~~superintendent~~) office of financial management shall give written
35 notice of this determination to the board of directors of the local
36 school district.

1 (3) The local school district, notwithstanding any other provision
2 of law, shall, within thirty days from the date the (~~superintendent of~~
3 ~~public instruction~~) office of financial management issues a notice
4 pursuant to subsection (2) of this section, submit a revised budget
5 which meets the requirements of RCW 43.09.200, this chapter, and the
6 rules (~~and regulations of the superintendent of public instruction~~)
7 of the office of financial management: PROVIDED, That if the district
8 fails or refuses to submit a revised budget which in the determination
9 of the (~~superintendent of public instruction~~) office of financial
10 management meets the requirements of RCW 43.09.200, this chapter, and
11 the rules (~~and regulations of the superintendent of public~~
12 ~~instruction~~) of the office of financial management, the matter shall
13 be submitted to the state board of education, which board shall meet
14 and adopt a financial plan which shall be in effect until a budget can
15 be adopted and submitted by the district in compliance with this
16 section.

17 **Sec. 34.** RCW 28A.505.170 and 1990 c 33 s 424 are each amended to
18 read as follows:

19 (1) Notwithstanding any other provision of this chapter, upon the
20 happening of any emergency in first class school districts caused by
21 fire, flood, explosion, storm, earthquake, epidemic, riot,
22 insurrection, or for the restoration to a condition of usefulness of
23 any school district property, the usefulness of which has been
24 destroyed by accident, and no provision has been made for such
25 expenditures in the adopted appropriation, the board of directors, upon
26 the adoption by the vote of the majority of all board members of a
27 resolution stating the facts constituting the emergency, may make an
28 appropriation therefor without notice or hearing.

29 (2) Notwithstanding any other provision of this chapter, if in
30 first class districts it becomes necessary to increase the amount of
31 the appropriation, and if the reason is not one of the emergencies
32 specifically enumerated in subsection (1) of this section, the school
33 district board of directors, before incurring expenditures in excess of
34 the appropriation, shall adopt a resolution stating the facts and the
35 estimated amount of appropriation to meet it.

36 Such resolution shall be voted on at a public meeting, notice to be
37 given in the manner provided in RCW 28A.505.050. Its introduction and

1 passage shall require the vote of a majority of all members of the
2 school district board of directors.

3 Any person may appear at the meeting at which the appropriation
4 resolution is to be voted on and be heard for or against the adoption
5 thereof.

6 Copies of all adopted appropriation resolutions shall be filed with
7 the educational service district who shall forward one copy each to the
8 office of (~~the superintendent of public instruction~~) financial
9 management. One copy shall be retained by the educational service
10 district.

11 **Sec. 35.** RCW 28A.505.180 and 1990 c 33 s 425 are each amended to
12 read as follows:

13 Notwithstanding any other provision of this chapter, if a second
14 class school district needs to increase the amount of the appropriation
15 from any fund for any reason, the school district board of directors,
16 before incurring expenditures in excess of appropriation, shall adopt
17 a resolution stating the facts and estimating the amount of additional
18 appropriation needed.

19 Such resolution shall be voted on at a public meeting, notice to be
20 given in the manner provided by RCW 28A.505.050. Its introduction and
21 passage shall require the vote of a majority of all members of the
22 school district board of directors.

23 Any person may appear at the meeting at which the appropriation
24 resolution is to be voted on and be heard for or against the adoption
25 thereof.

26 Upon passage of the appropriation resolution the school district
27 shall petition the (~~superintendent of public instruction~~) office of
28 financial management for approval to increase the amount of its
29 appropriations in the manner prescribed in rules (~~and regulations~~)
30 for such approval by the (~~superintendent~~) office of financial
31 management.

32 Copies of all appropriation resolutions approved by the
33 (~~superintendent of public instruction~~) office of financial management
34 shall be filed by the office of (~~the superintendent of public~~
35 ~~instruction~~) financial management with the educational service
36 district.

1 **Sec. 36.** RCW 28A.505.200 and 1990 c 103 s 1 are each amended to
2 read as follows:

3 Each school district that receives federal moneys from or through
4 the (~~superintendent of public instruction~~) office of financial
5 management shall comply with applicable federal requirements and shall
6 repay expenditures subsequently disallowed by the federal government
7 together with such interest as may be assessed by the federal
8 government. Once a federal disallowance determination, decision, or
9 order becomes final respecting federal moneys expended by a school
10 district, the (~~superintendent of public instruction~~) office of
11 financial management may withhold all or a portion of the annual basic
12 education allocation amounts otherwise due and apportionable to the
13 school district as necessary to facilitate payment of the principal and
14 interest to the federal government. The (~~superintendent of public~~
15 ~~instruction~~) office of financial management may pay withheld basic
16 education allocation moneys:

17 (1) To the school district before the close of the biennium and
18 following the school district's repayment of moneys due the federal
19 government, or the school district's commitment to an acceptable
20 repayment plan, or both; or

21 (2) To the federal government, subject to the reappropriation of
22 the withheld basic education allocation, moneys for the purpose of
23 payment to the federal government.

24 No withholding of basic education allocation moneys may occur under
25 this subsection until the (~~superintendent of public instruction~~)
26 office of financial management has first determined that the
27 withholding should not substantially impair the school district's
28 financial ability to provide the basic education program offerings
29 required by statute.

30 **Sec. 37.** RCW 28A.510.250 and 1990 c 33 s 426 are each amended to
31 read as follows:

32 On or before the last business day of September (~~1969~~) 1995 and
33 each month thereafter, the (~~superintendent of public instruction~~)
34 office of financial management shall apportion from the state general
35 fund to the several educational service districts of the state the
36 proportional share of the total annual amount due and apportionable to
37 such educational service districts for the school districts thereof as
38 follows:

1	September	9%
2	October	9%
3	November	5.5%
4	December	9%
5	January	9%
6	February	9%
7	March	9%
8	April	9%
9	May	5.5%
10	June	6.0%
11	July	10.0%
12	August	10.0%

13 The annual amount due and apportionable shall be the amount
14 apportionable for all apportionment credits estimated to accrue to the
15 schools during the apportionment year beginning September first and
16 continuing through August thirty-first. Appropriations made for school
17 districts for each year of a biennium shall be apportioned according to
18 the schedule set forth in this section for the fiscal year starting
19 September 1st of the then calendar year and ending August 31st of the
20 next calendar year. The apportionment from the state general fund for
21 each month shall be an amount which will equal the amount due and
22 apportionable to the several educational service districts during such
23 month: PROVIDED, That any school district may petition the
24 (~~superintendent of public instruction~~) office of financial management
25 for an emergency advance of funds which may become apportionable to it
26 but not to exceed ten percent of the total amount to become due and
27 apportionable during the school districts apportionment year. The
28 (~~superintendent of public instruction~~) office of financial management
29 shall determine if the emergency warrants such advance and if the funds
30 are available therefor. If the (~~superintendent~~) office of financial
31 management determines in the affirmative, (~~he or she~~) the office of
32 financial management may approve such advance and, at the same time,
33 add such an amount to the apportionment for the educational service
34 district in which the school district is located: PROVIDED, That the
35 emergency advance of funds and the interest earned by school districts
36 on the investment of temporary cash surpluses resulting from obtaining
37 such advance of state funds shall be deducted by the (~~superintendent~~
38 ~~of public instruction~~) office of financial management from the

1 remaining amount apportionable to said districts during that
2 apportionment year in which the funds are advanced.

3 **Sec. 38.** RCW 28A.510.260 and 1990 c 33 s 427 are each amended to
4 read as follows:

5 Upon receiving the certificate of apportionment from the
6 (~~superintendent of public instruction~~) office of financial management
7 the educational service district superintendent shall promptly
8 apportion to the school districts of his or her educational service
9 district the amounts then due and apportionable to such districts as
10 certified by the (~~superintendent of public instruction~~) office of
11 financial management.

12 **Sec. 39.** RCW 84.52.0531 and 1993 c 465 s 1 are each amended to
13 read as follows:

14 The maximum dollar amount which may be levied by or for any school
15 district for maintenance and operation support under the provisions of
16 RCW 84.52.053 shall be determined as follows:

17 (1) For excess levies for collection in calendar year 1992, the
18 maximum dollar amount shall be calculated pursuant to the laws and
19 rules in effect in November 1991.

20 (2) For the purpose of this section, the basic education allocation
21 shall be determined pursuant to RCW 28A.150.250, 28A.150.260, and
22 28A.150.350: PROVIDED, That when determining the basic education
23 allocation under subsection (4) of this section, nonresident full time
24 equivalent pupils who are participating in a program provided for in
25 chapter 28A.545 RCW or in any other program pursuant to an
26 interdistrict agreement shall be included in the enrollment of the
27 resident district and excluded from the enrollment of the serving
28 district.

29 (3) For excess levies for collection in calendar year 1993 and
30 thereafter, the maximum dollar amount shall be the sum of (a) and (b)
31 of this subsection minus (c) of this subsection:

32 (a) The district's levy base as defined in subsection (4) of this
33 section multiplied by the district's maximum levy percentage as defined
34 in subsection (5) of this section;

35 (b) In the case of nonhigh school districts only, an amount equal
36 to the total estimated amount due by the nonhigh school district to
37 high school districts pursuant to chapter 28A.545 RCW for the school

1 year during which collection of the levy is to commence, less the
2 increase in the nonhigh school district's basic education allocation as
3 computed pursuant to subsection (1) of this section due to the
4 inclusion of pupils participating in a program provided for in chapter
5 28A.545 RCW in such computation;

6 (c) The maximum amount of state matching funds under RCW
7 28A.500.010 for which the district is eligible in that tax collection
8 year.

9 (4) For excess levies for collection in calendar year 1993 and
10 thereafter, a district's levy base shall be the sum of allocations in
11 (a) through (c) of this subsection received by the district for the
12 prior school year, including allocations for compensation increases,
13 plus the sum of such allocations multiplied by the percent increase per
14 full time equivalent student as stated in the state basic education
15 appropriation section of the biennial budget between the prior school
16 year and the current school year and divided by fifty-five percent. A
17 district's levy base shall not include local school district property
18 tax levies or other local revenues, or state and federal allocations
19 not identified in (a) through (c) of this subsection.

20 (a) The district's basic education allocation as determined
21 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

22 (b) State and federal categorical allocations for the following
23 programs:

24 (i) Pupil transportation;

25 (ii) Handicapped education;

26 (iii) Education of highly capable students;

27 (iv) Compensatory education, including but not limited to learning
28 assistance, migrant education, Indian education, refugee programs, and
29 bilingual education;

30 (v) Food services; and

31 (vi) State-wide block grant programs; and

32 (c) Any other federal allocations for elementary and secondary
33 school programs, including direct grants, other than federal impact aid
34 funds and allocations in lieu of taxes.

35 (5) For excess levies for collection in calendar year 1993 and
36 thereafter, a district's maximum levy percentage shall be determined as
37 follows:

1 (a) Multiply the district's maximum levy percentage for the prior
2 year by the district's levy base as determined in subsection (4) of
3 this section;

4 (b) Reduce the amount in (a) of this subsection by the total
5 estimated amount of any levy reduction funds as defined in subsection
6 (6) of this section which are to be allocated to the district for the
7 current school year;

8 (c) Divide the amount in (b) of this subsection by the district's
9 levy base to compute a new percentage;

10 (d) The percentage in (c) of this subsection or twenty percent,
11 whichever is greater, shall be the district's maximum levy percentage
12 for levies collected in that calendar year; and

13 (e) For levies to be collected in calendar years 1994 and 1995 the
14 maximum levy rate shall be the district's maximum levy percentage for
15 1993 plus four percent reduced by any levy reduction funds. For levies
16 collected in 1996, the prior year shall mean 1993.

17 (6) "Levy reduction funds" shall mean increases in state funds from
18 the prior school year for programs included under subsection (4) of
19 this section: (a) That are not attributable to enrollment changes,
20 compensation increases, or inflationary adjustments; and (b) that are
21 or were specifically identified as levy reduction funds in the
22 appropriations act. If levy reduction funds are dependent on formula
23 factors which would not be finalized until after the start of the
24 current school year, the (~~superintendent of public instruction~~)
25 office of financial management shall estimate the total amount of levy
26 reduction funds by using prior school year data in place of current
27 school year data. Levy reduction funds shall not include moneys
28 received by school districts from cities or counties.

29 (7) For the purposes of this section, "prior school year" shall
30 mean the most recent school year completed prior to the year in which
31 the levies are to be collected.

32 (8) For the purposes of this section, "current school year" shall
33 mean the year immediately following the prior school year.

34 (9) The (~~superintendent of public instruction~~) office of
35 financial management shall develop rules (~~and regulations~~) and inform
36 school districts of the pertinent data necessary to carry out the
37 provisions of this section.

1 NEW SECTION. **Sec. 40.** A new section is added to chapter 28A.150
2 RCW to read as follows:

3 Unless the context clearly requires otherwise, as used in this
4 title, "secretary" means the secretary of education.

5 NEW SECTION. **Sec. 41.** The following acts or parts of acts are
6 each repealed:

7 (1) RCW 28A.300.010 and 1990 c 33 s 250 & 1969 ex.s. c 223 s
8 28A.03.010;

9 (2) RCW 28A.300.020 and 1969 ex.s. c 223 s 28A.03.020; and

10 (3) RCW 28A.300.030 and 1975 1st ex.s. c 275 s 46 & 1971 ex.s. c
11 282 s 29.

12 NEW SECTION. **Sec. 42.** It is the intent of this act that the
13 secretary of education be confirmed by March 15, 1995, and that such
14 deputy and assistant secretaries of education as necessary be appointed
15 thereafter to facilitate the orderly establishment of the department of
16 education.

17 NEW SECTION. **Sec. 43.** Sections 1 through 8 and 10 of this act
18 shall constitute a new chapter in Title 43 RCW.

19 NEW SECTION. **Sec. 44.** Sections 9, 42, and 46 of this act shall
20 take effect January 1, 1995, if the proposed amendment to Article III
21 of the state Constitution abolishing the office of the superintendent
22 of public instruction is validly submitted to and is approved and
23 ratified by the voters at the next general election. If the proposed
24 amendment is not so approved and ratified, this act is void in its
25 entirety.

26 NEW SECTION. **Sec. 45.** Sections 1 through 8, 10 through 41, and 43
27 through 45 of this act shall take effect July 1, 1995, if the proposed
28 amendment to Article III of the state Constitution abolishing the
29 office of the superintendent of public instruction is validly submitted
30 to and is approved and ratified by the voters at the next general
31 election. If the proposed amendment is not so approved and ratified,
32 this act is void in its entirety.

1 NEW SECTION. **Sec. 46.** The sum of one hundred thousand dollars, or
2 as much thereof as may be necessary, is appropriated for the biennium
3 ending June 30, 1995, from the general fund to the office of financial
4 management for costs incidental to the secretary of education as
5 provided for in this act.

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