of such costs. The state treasurer shall forthwith transfer from the motor vehicle fund to the treasurer of each county and each city and town receiving such a loan, the amount approved by the assistant director of highways for state aid.

NEW SECTION. Sec. 3. Each loan made to a county, city or town as authorized in section 2 of this act shall be repaid without interest to the motor vehicle fund in the following manner: commencing July 1, 1969, the state treasurer shall each month in distributing to counties, cities and towns their share of excise taxes on motor vehicle fuels, retain one twenty-fourth of the amount of each such loan from the sum to be credited to the county, city, or town which received the loan, to the end that all such loans shall be fully repaid to the motor vehicle fund in twenty-four months. Moneys so retained shall be available for state highway purposes.

NEW SECTION. Sec. 4. There is hereby appropriated from the motor vehicle fund to the Washington state highway commission from the effective date of this act through June 30, 1969 the sum of one million dollars, or so much thereof as may be necessary to carry out the provisions of sections 2 and 3 of this act.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 21, 1969
Passed the House April 10, 1969
Approved by the Governor April 18, 1969
Filed in office of Secretary of State April 18, 1969

CHAPTER 119
[Engrossed House Bill No. 499]
SCHOOL BUDGETS

AN ACT Relating to education; amending section 2, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.010; amending section 3, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.020; amending section 5, chapter 124, Laws of 1965 ex. sess. and RCW 28.65-.040; amending section 7, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.060; amending section 9, chapter 124, Laws of

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

Part I. Sections affecting current law.

Section 1. Section 2, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.010 are each amended to read as follows:

On or before the ((thirtieth-day-of-April)) tenth day of May in each year, the board of directors of all school districts shall prepare the preliminary budget for the ensuing fiscal year. The budget shall set forth the complete financial program of the district for the ensuing fiscal year, showing in detail in two sections the expenditure program and the sources of revenue from which it is to
be financed.

Sec. 2. Section 3, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.020, are each amended to read as follows:

The revenue section of the preliminary budget shall set forth the estimated receipts from (the various sources other than taxation for the ensuing fiscal year, the actual receipts for the last completed fiscal year, the probable surplus that will be on hand at the close of the current fiscal year, and the amount to be raised by taxation) all sources for the ensuing fiscal year, the estimated receipts for the fiscal year current at the time of preliminary budget preparation, the actual receipts for the last completed fiscal year, and the probable cash on hand available for ensuing fiscal year disbursements at the close of the said current fiscal year. The estimated receipts from all sources for the ensuing fiscal year shall not include any revenue not anticipated to be received in cash during that fiscal year.

The expenditure section of the preliminary budget shall set forth by detailed items or classes the estimated expenditures for the ensuing fiscal year, the appropriations for the fiscal year current at the time of preliminary budget preparation, and the expenditures for the last completed fiscal year. Each salary shall be set forth separately together with the title or position of the recipient: PROVIDED, That salaries may be set out in total amounts under each budget class if a detailed schedule of such salaries and positions be attached to the budget and made a part thereof.

The estimated disbursements consistent with the provisions of RCW 28.65.170 for the ensuing fiscal year must not be greater than the total of the estimated cash receipts for the ensuing fiscal year plus the probable net cash balance and investments at the close of the current fiscal year.

NEW SECTION. Sec. 3. There is added to chapter 124, Laws of 1965 ex. sess. and to chapter 28.65 RCW a new section to read as fol-
The revenue section of the final budget shall set forth the estimated receipts from all sources for the current fiscal year, the actual receipts for the last completed fiscal year, the actual receipts for the year prior to the last completed fiscal year, and the cash on hand available for current fiscal year disbursements at the close of the last completed fiscal year. The estimated receipts from all sources for the current fiscal year shall not include any revenue not anticipated to be received in cash during that fiscal year.

The expenditure section of the final budget shall set forth by detailed items or classes the estimated expenditures for the current fiscal year, the actual expenditures for the last completed fiscal year, and the expenditures for the year prior to the last completed fiscal year. Each salary shall be set forth separately, together with the title or position of the recipient: PROVIDED, That salaries may be set out in total amounts under each budget class if a detailed schedule of such salaries and positions be attached to the budget and made a part thereof.

The estimated disbursements consistent with the provisions of RCW 28.65.170 for the current fiscal year must not be greater than the total of the net cash balance and the investments at the close of the last completed fiscal year plus the estimated cash receipts for the current fiscal year: PROVIDED, When a school district board is unable to prepare a budget in which the estimated cash receipts for the current fiscal year plus the cash and investments on hand at the close of the preceding fiscal year do not at least equal the estimated disbursements for the current fiscal year, the school district board will petition in writing on or before the fifteenth day of September the state superintendent of public instruction for permission to include receivables collectible in future years, in order to balance the current fiscal year's budget. If such permission is granted it shall be in writing and it shall contain conditions, binding on
the district, designed to improve the district's financial condition. Any budget adopted by the board of directors without written permission from the state superintendent of public instruction that contains estimated disbursements in excess of the total of estimated cash receipts for the current fiscal year plus net cash balance and investments at the close of the last completed fiscal year shall be null and void and shall not be considered an appropriation.

Sec. 4. Section 5, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.040 are each amended to read as follows:

Estimates of the number of teachers required, equipment, instruction, supplies, textbooks, and such other items as depend in amount directly upon the prospective enrollment shall be submitted on the basis of the requirements for the ensuing fiscal year and be subject to revision in September

Sec. 5. Section 7, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.060 are each amended to read as follows:

The board of directors of any school district at the time of preparing the annual budget for the ensuing year may include therein a sum not exceeding one-fifth of the income from taxation provided by the general fund regular levy of the district for any or all of the following purposes: (1) The establishment and support of a building fund, (2) the establishment and support of a reserve for the purchase of transportation equipment, (3) the purchase of a schoolhouse site or sites for buildings or playgrounds, (4) the erection of one or more buildings authorized by law and providing the same with furniture, (5) the payment of the principal or interest on outstanding bonds or the refunding of outstanding indebtedness.

Sec. 6. Section 9, chapter 124, Laws of 1965 ex. sess. and
RCW 28.65.080 are each amended to read as follows:

On the date given in said notice the board of directors shall meet at the time and place designated. Any taxpayer may appear thereat and be heard for or against any part of such budget. Such hearing may be continued not to exceed a total of two days.

Upon the conclusion of the hearing, the board of directors shall fix and determine each item or class of the budget separately and shall by resolution adopt the preliminary budget as so finally determined and enter the same in detail in the official minutes: PROVIDED, That the estimates for the expenditures depending directly upon the prospective September enrollment shall be adopted tentatively subject to revision; PROVIDED FURTHER, That in all second and third class districts five copies of said preliminary budget shall be forwarded to the county or intermediate district superintendent within five days after the adoption of said preliminary budget for review, alteration, and approval by the preliminary budget review committee. Members of the preliminary budget review committee shall consist of the county or intermediate district superintendent of schools, a member of the local board of directors, a member of the county or intermediate district board of education, and a representative of the state superintendent of public instruction. The preliminary budget review committee shall fix and approve the amount of the preliminary budget on or before the thirtieth day of June. A copy of said preliminary budget shall within ten days after adoption by first class districts or approval by the preliminary budget review committee in second and third class districts be filed with the county or intermediate district superintendent of schools, the state superintendent of public instruction, and the county auditor.

Sec. 7. Section 10, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.090 are each amended to read as follows:

On or before the ((twentieth)) twenty-fifth day of September following, the board of directors of districts of the second and
third class, and on or before the first Monday in October following, the board of directors of districts of the first class shall meet for the purpose of revising those items of the budget adopted pursuant to RCW 28.65.080 to meet the requirements of the enrollment as finally determined. Said meeting shall be a public meeting, notice thereof to be given in the manner provided in RCW 28.65.070. Any taxpayer may appear thereat and be heard for or against any proposed revision.

Sec. 8. Section 11, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.100 are each amended to read as follows:

Upon the conclusion of the revision hearing the board of directors shall fix and determine the budget and by resolution adopt the same: PROVIDED, That in the case of second and third class districts the board of directors shall immediately forward the budget to the county superintendent or intermediate district superintendent for review and revision by the final budget review committee.

Sec. 9. Section 12, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.110 are each amended to read as follows:

The final budget review committee shall consist of the county or intermediate district superintendent of schools, a member of the local board of directors, and the members of the county or intermediate district board of education.

Upon receipt of the district budget the final budget review committee shall meet on or before the thirtieth day of September and finally fix and determine the total amount of the budget. Said meeting shall be open to the public, and copies of the original and revised budgets shall be available for examination by any resident taxpayer in attendance. Revenues, including income from taxation, shall be budgeted and
approved by the final budget review committee on the basis of the expected cash receipts during the current fiscal year.

Sec. 10. Section 13, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.120 are each amended to read as follows:

Upon the conclusion of the revision hearing in districts of the first class and upon the conclusion of the final budget review committee's action in districts of the second and third class, the board or final budget review committee as the case may be shall certify the final budget and the amount to be raised by taxation to the county commissioners for the levying of the district taxes in the manner now provided by law. A copy of said final budget shall, when certified, be filed with the county or intermediate district superintendent of schools, state superintendent of public instruction, county auditor for the board of county commissioners, and the division of municipal corporations, office of the state auditor. The certification and filing of the budgets as aforesaid shall occur on or before the first Monday of October.

NEW SECTION. Sec. 11. There is added to chapter 124, Laws of 1965 ex. sess. and to chapter 28.65 RCW a new section to read as follows:

Notwithstanding any other provision of law, the state superintendent of public instruction is hereby directed to promulgate such rules and regulations as will insure proper budgetary procedures and practices including monthly financial statements consistent with the provisions of RCW 43.09.200 and 28.65.050. If the superintendent of public instruction determines upon his review of the preliminary or final budget of any district that said budget does not comply with the budget procedures established by the state superintendent of public instruction or the provisions of this 1969 amendatory act, he shall give notice of this determination to the board of directors of the local school district. The state superintendent of public instruction shall then call a meeting with the county or intermediate district superintendent of schools, the local
board of directors, and the chief administrative officer of the dis-

trict to review said budget. Upon the conclusion of said meeting the

state superintendent shall issue findings and direct that a financially

sound budget be developed by the district for operation.

In the event the budget under consideration by the state

superintendent is the preliminary budget, the local district shall be

obligated to submit a final budget which meets the requirements of

this 1969 amendatory act and the rules of the state superintendent

adopted pursuant hereto. In the event the budget under consideration

by the state superintendent is the final budget, the local school dis-

trict, notwithstanding any other provision of law, shall within thirty
days from the date the state superintendent issues a directive, submit

a revised budget which meets the requirements of this 1969 amendatory

act and the rules of the state superintendent adopted pursuant hereto:

PROVIDED, That if the district fails or refuses to submit a revised

budget which in the determination of the state superintendent meets

the requirements of this 1969 amendatory act or the state superinten-
dent's rules the matter shall be submitted to the state board of edu-
cation which shall meet and adopt a financial plan which shall be in
effect until a budget can be adopted and submitted by the district in
compliance with this statute.

NEW SECTION. Sec. 12. There is added to chapter 124, Laws

of 1965 ex. sess. and to chapter 28.65 RCW a new section to read as
follows:

Upon the happening of any emergency in districts of the first
class caused by fire, flood, explosion, storm, earthquake, epidemic,
riot, insurrection, or for the restoration to a condition of usefulness
of any school district property, the usefulness of which has been
destroyed by accident, or to meet mandatory expenditures required by
laws enacted since the last annual budget was adopted, the board of
directors upon the adoption by the vote of the majority of all members
of a resolution stating the facts constituting the emergency and the
NEW SECTION. Sec. 13. There is added to chapter 124, Laws of 1965 ex. sess. and to chapter 28.65 RCW a new section to read as follows:

If in districts of the first class an emergency arises because of unforeseen conditions, and if it is not one of the emergencies specifically enumerated in section 12 of this 1969 amendatory act, the school district board of directors before making any expenditure therefor shall adopt a resolution stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

Such resolution shall be voted on at a public meeting, notice to be given in the manner provided by RCW 28.65.070. Its introduction and passage shall require the vote of a majority of all members of the board of directors.

Any taxpayer may appear at the meeting at which the emergency resolution is to be voted on and be heard for or against the adoption thereof.

Sec. 14. Section 16, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.150 are each amended to read as follows:

If an emergency arises in a second or third class school district because of unforeseen conditions, the board of directors shall declare by resolution that an emergency exists. The board of directors, in consultation with the county or intermediate district superintendent and the (appointed citizen members of the county review committee), final budget review committee, shall determine the best means of meeting such emergency. When the proposed plan and the indebtedness therefor have received the approval of the state superintendent of public instruction, it shall be put into effect.

NEW SECTION. Sec. 15. There is added to chapter 124, Laws of 1965 ex. sess and to chapter 28.65 RCW a new section to read as
follows:

All adopted emergency expenditure resolutions shall be filed with the county auditor, county treasurer, county or intermediate district superintendent of schools, state auditor, and the state superintendent of public instruction.

**NEW SECTION.** Sec. 16. There is added to chapter 124, Laws of 1965 ex. sess. and to chapter 28.65 RCW a new section to read as follows:

The board of directors shall include in their annual budget for the ensuing fiscal year an excess of cash revenues over cash disbursements by an amount equal to the difference between the emergency liabilities and the emergency revenue accruing to the school district plus any unrestricted cash on the date of passage of the emergency resolution. The board of directors shall cause sufficient taxes to be levied to achieve the said excess of budget cash receipts over budgeted cash disbursements.

Sec. 17. Section 18, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.170 are each amended to read as follows:

The budget as finally adopted shall constitute the appropriations of the district for the ensuing fiscal year and the board of directors shall be limited in the making of expenditures and the incurring of liabilities to the grand total of such appropriations. The board of directors shall make no expenditures nor incur any liability for any purpose not provided for in said budget, except for emergencies as hereinbefore provided. Expenditures made, liabilities incurred, or warrants issued in excess of said appropriations shall not be a liability of the district, but shall subject the members of any board of directors violating any provision of this section to personal liability in the full amount thus expended or contracted for, and each director shall immediately forfeit his office: PROVIDED, That no board of directors shall be prohibited from making expenditures for the payment of regular employees and for the necessary repairs,
and upkeep of the school plant during the interim while the budget is being settled: PROVIDED FURTHER, That transfers between budget classes may be made by the school district's chief administrative officer or finance officer, subject to such regulations as may be imposed by the school district board of directors.

NEW SECTION. Sec. 18. Section 14, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.130 and section 15, chapter 124, Laws of 1965 ex. sess. and RCW 28.65.140 are each hereby repealed.

NEW SECTION. Sec. 19. Part I of this 1969 amendatory act is necessary for the immediate preservation of the public peace, health and safety and the support of the state government and its existing public institutions and shall take effect immediately.

Part II. Sections affecting proposed 1969 education code.

Sec. 20. Section 28A.65.010, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.010 are each amended to read as follows:

On or before the ((thirtieth-day-of-April)) tenth day of May in each year, the board of directors of all school districts shall prepare the preliminary budget for the ensuing fiscal year. The budget shall set forth the complete financial program of the district for the ensuing fiscal year, showing in detail in two sections the expenditure program and the sources of revenue from which it is to be financed.

Sec. 21. Section 28A.65.020, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.020 are each amended to read as follows:

The revenue section of the preliminary budget shall set forth the estimated receipts from ((the-various-sources-other-than-taxation for-the-ensuing-fiscal-year, the-actual-receipts-for-the-last-completed-fiscal-year, the-probable-surplus-that-will-be-on-hand-at-the close-of-the-current-fiscal-year, and-the-amount-to-be-raised-by-taxation)) all sources for the ensuing fiscal year, the estimated receipts for the fiscal year current at the time of preliminary budget preparation, the actual receipts for the last completed fiscal year, and
the probable cash on hand available for ensuing fiscal year disbursements at the close of the said current fiscal year. The estimated receipts from all sources for the ensuing fiscal year shall not include any revenue not anticipated to be received in cash during that fiscal year.

The expenditure section of the preliminary budget shall set forth by detailed items or classes the estimated expenditures for the ensuing fiscal year, the appropriations for the (current) fiscal year current at the time of preliminary budget preparation, and the expenditures for the last completed fiscal year. Each salary shall be set forth separately together with the title or position of the recipient: PROVIDED, That salaries may be set out in total amounts under each budget class if a detailed schedule of such salaries and positions be attached to the budget and made a part thereof.

The estimated disbursements consistent with the provisions of RCW 28A.65.170 for the ensuing fiscal year must not be greater than the total of the estimated cash receipts for the ensuing fiscal year plus the probable net cash balance and investments at the close of the current fiscal year.

NEW SECTION. Sec. 22. There is added to chapter ..., Laws of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as follows:

The revenue section of the final budget shall set forth the estimated receipts from all sources for the current fiscal year, the actual receipts for the last completed fiscal year, the actual receipts for the year prior to the last completed fiscal year, and the cash on hand available for current fiscal year disbursements at the close of the last completed fiscal year. The estimated receipts from all sources for the current fiscal year shall not include any revenue not anticipated to be received in cash during that fiscal year.

The expenditure section of the final budget shall set forth
by detailed items or classes the estimated expenditures for the current fiscal year, the actual expenditures for the last completed fiscal year, and the expenditures for the year prior to the last completed fiscal year. Each salary shall be set forth separately, together with the title or position of the recipient; PROVIDED, That salaries may be set out in total amounts under each budget class if a detailed schedule of such salaries and positions be attached to the budget and made a part thereof.

The estimated disbursements consistent with the provisions of RCW 28A.65.170 for the current fiscal year must not be greater than the total of the net cash balance and the investments at the close of the last completed fiscal year plus the estimated cash receipts for the current fiscal year: PROVIDED, When a school district board is unable to prepare a budget in which the estimated cash receipts for the current fiscal year plus the cash and investments on hand at the close of the preceding fiscal year do not at least equal the estimated disbursements for the current fiscal year, the school district board will petition in writing on or before the fifteenth day of September the state superintendent of public instruction for permission to include receivablescollectible in future years, in order to balance the current fiscal year's budget. If such permission is granted it shall be in writing and it shall contain conditions, binding on the district, designed to improve the district's financial condition. Any budget adopted by the board of directors without written permission from the state superintendent of public instruction that contains estimated disbursements in excess of the total of estimated cash receipts for the current fiscal year plus net cash balance and investments at the close of the last completed fiscal year shall be null and void and shall not be considered an appropriation.

Sec. 23. Section 28A.65.040, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.040 are each amended to read as follows:
Estimates of number of teachers required, equipment, instruction, supplies, textbooks, and such other items as depend in amount directly upon the prospective enrollment shall be submitted on the basis of the requirements for the current ensuing fiscal year and be subject to revision in September (as hereafter in this chapter provided, provided that no new subject not specifically provided for in the preliminary budget shall be taught, nor shall any expenditure be made therefor).

Sec. 24. Section 28A.65.060, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.060 are each amended to read as follows:

The board of directors of any school district at the time of preparing the annual budget for the ensuing year may include therein a sum not exceeding one-fifth of the taxable income from taxation provided by the general fund regular levy of the district for any or all of the following purposes: (1) The establishment and support of a building fund, (2) the establishment and support of a reserve for the purchase of transportation equipment, (3) the purchase of a schoolhouse site or sites for buildings or playgrounds, (4) the erection of one or more buildings authorized by law and providing the same with furniture, and (5) the payment of the principal or interest on outstanding bonds or the refunding of outstanding indebtedness.

Sec. 25. Section 28A.65.080, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.080 are each amended to read as follows:

On the date given in said notice the board of directors shall meet at the time and place designated. Any taxpayer may appear thereat and be heard for or against any part of such budget. Such hearing may be continued not to exceed a total of two days.

Upon the conclusion of the hearing, the board of directors shall fix and determine each item or class of the budget separately and shall by resolution adopt the preliminary budget as so finally determined and enter the same in detail in the official minutes: PROVIDED, That the estimates for the expenditures depending directly up-
on the prospective September enrollment shall be adopted tentatively subject to revision; PROVIDED FURTHER, That in all second and third class districts five copies of said preliminary budget shall be forwarded to the county or intermediate district superintendent within five days after the adoption of said preliminary budget for review, alteration, and approval by the preliminary budget review committee. Members of the preliminary budget review committee shall consist of the county or intermediate district superintendent of schools, a member of the local board of directors, a member of the county or intermediate district board of education, and a representative of the state superintendent of public instruction. The preliminary budget review committee shall fix and approve the amount of the preliminary budget on or before the thirtieth day of June. A copy of said preliminary budget shall within ten days after adoption by first class districts or approval by the preliminary budget review committee in second and third class districts be filed with the county or intermediate district superintendent of schools, the state superintendent of public instruction, and the county auditor.

Sec. 26. Section 28A.65.090, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.090 are each amended to read as follows:

On or before the ((twentieth-day)) twenty-fifth of September following, the board of directors of districts of the second and third class, and on or before the first Monday in October following, the board of directors of districts of the first class shall meet for the purpose of revising those items of the budget adopted pursuant to RCW 28A.65.080 to meet the requirements of the enrollment as finally determined. Said meeting shall be a public meeting, notice thereof to be given in the manner provided in RCW 28A.65.070. Any taxpayer may appear thereat and be heard for or against any proposed revision.

Sec. 27. Section 28A.65.100, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.100 are each amended to read as follows:
Upon the conclusion of the revision hearing the board of directors shall fix and determine the budget and by resolution adopt the same: PROVIDED, That in the case of second and third class districts the board of directors shall immediately forward the budget to the county superintendent or intermediate district superintendent for review and revision by the final budget review committee.

Sec. 28. Section 28A.65.110, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.110 are each amended to read as follows:

The final budget review committee shall consist of the county or intermediate district superintendent, a member of the local board of directors, and the members of the county or intermediate district board of education.

Upon receipt of the district budget the final budget review committee shall meet on or before the thirtieth day of September and finally fix and determine the total amount of the budget. Said meeting shall be open to the public, and copies of the original and revised budgets shall be available for examination by any resident taxpayer in attendance. Revenues, including income from taxation, shall be budgeted and approved by the final budget review committee on the basis of the expected cash receipts during the current fiscal year.

Sec. 29. Section 28A.65.120, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.120 are each amended to read as follows:

Upon the conclusion of the revision hearing in districts of the first class and upon the conclusion of the final budget review committee's action in districts of the second and third class, the board or final budget review committee as the case may be shall certify the final budget and the
amount to be raised by taxation to the county commissioners for the
levying of the district taxes in the manner now provided by law. A
copy of said final budget, when certified, shall be filed with the
county or intermediate district superintendent, state superintendent
of public instruction, the appropriate county auditor for the board
of county commissioners, and the division of municipal corporations,
office of the state auditor. The certification and filing of the
budgets as aforesaid shall occur on or before the first ((day)) Mon-
day of October.

NEW SECTION. Sec. 30. There is added to chapter ..., Laws
of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as
follows:

Notwithstanding any other provision of law, the state superin-
tendent of public instruction is hereby directed to promulgate such
rules and regulations as will insure proper budgetary procedures and
practices including monthly financial statements consistent with the
provisions of RCW 43.09.200 and 28A.65.050. If the superintendent
of public instruction determines upon his review of the preliminary
or final budget of any district that said budget does not comply with
the budget procedures established by the state superintendent of pub-
lic instruction or the provisions of this 1969 amendatory act, he
shall give notice of this determination to the board of directors of
the local school district. The state superintendent of public in-
struction shall then call a meeting with the county or intermediate
district superintendent of schools, the local board of directors, and
the chief administrative officer of the district to review said bud-
get. Upon the conclusion of said meeting the state superintendent
shall issue findings and direct that a financially sound budget be
developed by the district for operation.

In the event the budget under consideration by the state
superintendent is the preliminary budget, the local district shall
be obligated to submit a final budget which meets the requirements
of this 1969 amendatory act and the rules of the state superintendent adopted pursuant hereto. In the event the budget under consideration by the state superintendent is the final budget, the local school district, notwithstanding any other provision of law, shall within thirty days from the date the state superintendent issues a directive, submit a revised budget which meets the requirements of this 1969 amendatory act and the rules of the state superintendent adopted pursuant hereto: PROVIDED, That if the district fails or refuses to submit a revised budget which in the determination of the state superintendent meets the requirements of this 1969 amendatory act or the state superintendent's rules the matter shall be submitted to the state board of education which shall meet and adopt a financial plan which shall be in effect until a budget can be adopted and submitted by the district in compliance with this statute.

NEW SECTION. Sec. 31. There is added to chapter ..., Laws of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as follows:

Upon the happening of any emergency in districts of the first class caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, or for the restoration to a condition of usefulness of any school district property, the usefulness of which has been destroyed by accident, or to meet mandatory expenditures required by laws enacted since the last annual budget was adopted, the board of directors upon the adoption by the vote of the majority of all members of a resolution stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing.

NEW SECTION. Sec. 32. There is added to chapter ..., Laws of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as follows:

If in districts of the first class an emergency arises because of unforeseen conditions, and if it is not one of the emergencies
specifically enumerated in section 31 of this 1969 amendatory act, the school district board of directors before making any expenditure therefor shall adopt a resolution stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

Such resolution shall be voted on at a public meeting, notice to be given in the manner provided by RCW 28A.65.070. Its introduction and passage shall require the vote of a majority of all members of the board of directors.

Any taxpayer may appear at the meeting at which the emergency resolution is to be voted on and be heard for or against the adoption thereof.

Sec. 33. Section 28A.65.150, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.150 are each amended to read as follows:

If an emergency arises in a second or third class school district because of unforeseen conditions, the board of directors shall declare by resolution that an emergency exists. The board of directors, in consultation with the county or intermediate district superintendent and the ((appointed-citizen-members-of-the-county-reviewing)) final budget review committee, shall determine the best means of meeting such emergency. When the proposed plan and the indebtedness therefor have received the approval of the state superintendent of public instruction, it shall be put into effect.

NEW SECTION. Sec. 34. There is added to chapter ..., Laws of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as follows:

All adopted emergency expenditure resolutions shall be filed with the county auditor, county treasurer, county or intermediate district superintendent of schools, state auditor, and the state superintendent of public instruction.

NEW SECTION. Sec. 35. There is added to chapter ..., Laws of 1969 (HB 58) and to chapter 28A.65 RCW a new section to read as fol-
The board of directors shall include in their annual budget for the ensuing fiscal year an excess of cash revenues over cash disbursements by an amount equal to the difference between the emergency liabilities and the emergency revenue accruing to the school district plus any unrestricted cash on the date of passage of the emergency resolution. The board of directors shall cause sufficient taxes to be levied to achieve the said excess of budgeted cash receipts over budgeted cash disbursements.

Sec. 36. Section 28A.65.170, chapter ..., Laws of 1969 and RCW 28A.65.170 are each amended to read as follows:

The budget as finally adopted shall constitute the appropriations of the district for the ensuing fiscal year and the board of directors shall be limited in the making of expenditures and the incurring of liabilities to the grand total of such appropriations. The board of directors shall make no expenditures nor incur any liability for any purpose not provided for in said budget, except for emergencies as hereinabove provided. Expenditures made, liabilities incurred, or warrants issued in excess of said appropriations shall not be a liability of the district, but shall subject the members of any board of directors violating any provision of this section to personal liability in the full amount thus expended or contracted for, and each director shall immediately forfeit his office: PROVIDED, That no board of directors shall be prohibited from making expenditures for the payment of regular employees and for the necessary repairs, and upkeep of the school plant during the interim while the budget is being settled: PROVIDED FURTHER, That transfers between budget classes may be made by the school district's chief administrative officer or finance officer, subject to such regulations as may be imposed by the school district board of directors.

NEW SECTION. Sec. 37. Section 28A.65.130, chapter ..., Laws of 1969 (HB 58) and RCW 28A.65.130, 28A.65.140, chapter ...,
Laws of 1969 (HB 58) and RCW 28A.65.140 are each hereby repealed.

Part III. Construction.

NEW SECTION. Sec. 38. The forty-first legislature has before it a bill proposing a complete revision of the education laws of this state (1969 HB 58). The provisions of Part I of the instant bill seek to change existing laws. The provisions of Part II seek to change correlative provisions of the proposed 1969 education code if such code becomes law. It is the intent of the legislature that the provisions of Part I shall be effective only until the date upon which the 1969 education code shall take effect, upon which date the provisions of Part I shall expire and the provisions of Part II shall concomitantly become effective. It is the further intent of the legislature that Part II of the instant bill shall not take effect unless the proposed 1969 education code is adopted at this legislature, but if such event occurs then any amendatory provisions of Part II of this bill shall be construed as amending the correlative sections of the 1969 education code, any repealing provisions of Part II shall be construed as repealing the correlative section of the 1969 education code, and any new or additional provisions of Part II shall be construed as being in pari materia with the 1969 education code.

NEW SECTION. Sec. 39. Part II of this 1969 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect on the date upon which the 1969 education code becomes effective.

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