Section 1. Section 15, chapter 264, Laws of 1945 as amended by section 1, chapter 157, Laws of 1965 and RCW 70.44.050 are each amended to read as follows:

A district may provide by resolution for the payment of compensation to each of its commissioners at a rate not exceeding twenty-five dollars for each day or major part thereof devoted to the business of the district, and days upon which he attends meetings of the commission of his own district, or meetings attended by one or more commissioners of two or more districts called to consider business common to them, except that the total compensation paid to such commissioner during any one year shall not exceed ((six)) one thousand two hundred dollars: PROVIDED, That commissioners may not be compensated for services performed of a ministerial or professional nature. Any district providing group insurance for its employees, covering them, their immediate family, and dependents, may provide insurance for its commissioners with the same coverage. Each commissioner shall be reimbursed for reasonable expenses actually incurred in connection with such business and meetings, including his subsistence and lodging and travel while away from his place of residence. No resolution shall be adopted without a majority vote of the whole commission. The commission shall organize by election of its own members of a president and secretary, shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings of the commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records.

Passed the House February 5, 1975.
Passed the Senate March 10, 1975.
Approved by the Governor March 24, 1975.
Filed in Office of Secretary of State March 25, 1975.

CHAPTER 43
[House Bill No. 138]
SCHOOL DISTRICTS—CLASSIFICATION
Be it enacted by the Legislature of the State of Washington:

Section 1. Section 28A.57.140, chapter 223, Laws of 1969 ex. sess. as amended by section 125, chapter 176, Laws of 1969 ex. sess. and RCW 28A.57.140 are each amended to read as follows:

Any school district in the state having a ((population in excess)) student enrollment within the public schools of such district of ((ten)) two thousand pupils or more, as shown by any regular ((or special)) census as required under RCW 28A.58.150(4), as now or hereafter amended, or by any other evidence acceptable to the intermediate school district superintendent and the superintendent of public instruction, shall be a school district of the first class. Any other school district ((maintaining a fully accredited high school or containing a city of the third class or of the fourth class or an area of one square mile having a population of at least three hundred)) shall be a school district of the second class. ((All other school districts shall be school districts of the third class:))

Whenever the intermediate school district superintendent finds that the classification of a school district should be changed, and upon the approval of the superintendent of public instruction, he shall make an order in conformity with his findings and alter the records of his office accordingly. Thereafter the board of directors of the district shall organize in the manner provided by law for the organization of the board of a district of the class to which said district then belongs.

Sec. 2. Section 28A.52.050, chapter 223, Laws of 1969 ex. sess. and RCW 28A.52.050 are each amended to read as follows:

If the indebtedness of such school district is validated and ratified, as provided in this chapter, by three-fifths of the voters voting at such election, the board of
directors of such school district, without any further vote, may borrow money and issue negotiable coupon bonds therefor in accordance with the provisions of chapter 39.44 RCW.

Except as provided in RCW 39.44.100 for facsimile signatures, in all school districts of the second ((or third)) class, said bonds, with the coupons, must be signed by the board of directors and countersigned by the school district superintendent and in school districts of the first class said bonds, with the coupons, must be signed in the corporate name of the district by the president of the board of directors thereof.

Sec. 3. Section 28A.57.032, chapter 223, Laws of 1969 ex. sess. as amended by section 116, chapter 176, Laws of 1969 ex. sess. and RCW 28A.57.032 are each amended to read as follows:

The members of the county committee shall be elected by the intermediate school district superintendent and the members of the board of directors of the school districts of the county at a meeting which the intermediate school district superintendent shall call for that and any additional purpose. At least one member of the county committee shall be elected from among the registered voters of each county commissioner's district in the county; and, as nearly as possible, an equal number of members shall be elected from among the registered voters of each class of school district ((first)) or second((, or third)) class in the county. No member of a county committee shall continue to serve thereon if he ceases to be a registered voter of the county or if he is absent from three consecutive meetings of the committee without an excuse acceptable to the committee.

If more than one intermediate school district superintendent has jurisdiction within a county all such superintendents shall participate in electing the committee, and the intermediate school district superintendent having jurisdiction over the most populous part of the county shall serve as secretary of the committee and call meetings where so provided.

Sec. 4. Section 28A.57.050, chapter 223, Laws of 1969 ex. sess. as amended by section 120, chapter 176, Laws of 1969 ex. sess. and RCW 28A.57.050 are each amended to read as follows:

The powers and duties of the county committee shall be:

(1) To initiate, on its own motion and whenever it deems such action advisable, proposals or alternate proposals for changes in the organization and extent of school districts in the county; to receive, consider, and revise, whenever in its judgment revision is advisable, proposals initiated by petition or presented to the committee by the intermediate school district superintendent as provided for in this chapter; to prepare and submit to the state board any of the aforesaid proposals that are found by the county committee to provide for satisfactory improvement in the school district system of the county and state; to prepare and submit with the aforesaid proposals, a map showing the boundaries of existing districts affected by any proposed change and the boundaries, including a description thereof, of each proposed new district or of each existing district as enlarged or diminished by any proposed change, or both, and a summary of the reasons for the proposed change; and such other reports, records, and materials as the state board may request. The committee may utilize as a basis of its proposals and changes that comprehensive plan for changes in the organization and extent
of the school districts of the county prepared and submitted to the state board prior to September 1, 1956, or, if the county committee found, after considering the factors listed in RCW 28A.57.055, that no changes in the school district organization of the county were needed, the report to this effect submitted to the state board.

(2) (a) To make an equitable adjustment of the property and other assets and of the liabilities, including bonded indebtedness, as to the old school districts and the new district or districts, if any, involved in or affected by a proposed change in the organization and extent of the school districts; and (b) to make an equitable adjustment of the bonded indebtedness outstanding against any of the aforesaid districts whenever in its judgment such adjustment is advisable, as to all of the school districts involved in or affected by any change heretofore or hereafter effected; and (c) to submit to the state board the proposed terms of adjustment and a statement of the reasons therefor in each case. In making the adjustments herein provided for, the county committee shall consider the number of children of school age resident in and the assessed valuation of the property located in each district and in each part of a district involved or affected; the purpose for which the bonded indebtedness of any district was incurred; the value, location, and disposition of all improvements located in the districts involved or affected; and any other matters which in the judgment of the committee are of importance or essential to the making of an equitable adjustment.

(3) To hold and keep a record of a public hearing or public hearings (a) on every proposal for the formation of a new district or for the transfer from one existing district to another of any territory in which children of school age reside or for annexation of territory when the conditions set forth in RCW 28A.57.190 prevail; and (b) on every proposal for adjustment of the assets and of the liabilities of school districts provided for in this chapter. Three members of the county committee or two members of the committee and the intermediate school district superintendent may be designated by the committee to hold any public hearing that the committee is required to hold. The county committee shall cause to be posted, at least ten days prior to the date appointed for any such hearing, a written or printed notice thereof (a) in at least three public places in the territory of each proposed new district or of each established district when such district is involved in a question of adjustment of bonded indebtedness, (b) in at least one public place in territory proposed to be transferred or annexed to an existing school district, (c) on a commonly-used schoolhouse door of each district involved in or affected by any proposed change or adjustment upon which a public hearing is required; and (d) at the place or places of holding the hearing. In addition notice may be given by newspaper, radio, and television, or either thereof, when in the committee’s judgment the public interest will be served thereby.

(4) To divide into five school directors’ districts all first and second class school districts now in existence and not heretofore so divided and all first and second class school districts hereafter established: PROVIDED, That no first or second class school district not heretofore so divided and no first or second class school district hereafter created containing a city with a population in excess of seven thousand according to the latest population certificate filed with the secretary of state by the planning and community affairs agency shall be divided into
directors' districts unless a majority of the registered voters voting thereon at an
election shall approve a proposition authorizing the division of the district into
directors' districts(AND PROVIDED FURTHER, That nothing in this chapter
shall authorize the division of any new or existing third class school district into
school-directors' districts). The boundaries of each directors' district shall be so
established that each such district shall comprise as nearly as practicable an equal
portion of the population of the school district.

(5) To rearrange at any time the committee deems such action advisable in
order to correct inequalities caused by changes in population and changes in
school district boundaries, the boundaries of any of the directors' districts of any
school district heretofore or hereafter so divided: PROVIDED, That a petition
therefor, shall be required for rearrangement in order to correct inequalities
caused by changes in population. Said petition shall be signed by at least ten reg-
istered voters residing in the aforesaid school district, and shall be presented to
the intermediate school district superintendent. A public hearing thereon shall be
held by the county committee, which hearing shall be called and conducted in the
manner prescribed in subsection (3) of this section, except that notice thereof shall
be posted in some public place in each directors' district of the school district and
on a commonly-used schoolhouse door of the district and at the place of holding
the hearing. In addition notice may be given by newspaper, radio, and television,
or either thereof, when in the committee's judgment the public interest will be
served thereby.

(6) To prepare and submit to the superintendent of public instruction from
time to time or, upon his request, reports and recommendations respecting the
urgency of need for school plant facilities, the kind and extent of the facilities re-
quired, and the development of improved local school administrative units and
attendance areas in the case of school districts that seek state assistance in pro-
viding school plant facilities.

Sec. 5. Section 28A.57.312, chapter 223, Laws of 1969 ex. sess. as last amended
by section 1, chapter 21, Laws of 1973 2nd ex. sess. and RCW 28A.57.312 are
each amended to read as follows:

The governing board of a school district shall be known as the board of direc-
tors of the district.

Unless otherwise specifically provided, as in RCW 29.13.060, members of a
board of directors shall be elected by ballot by the registered voters of the school
district and shall hold office for a term of four years and until their successors are
elected and qualified. Terms of school directors shall be staggered, and insofar as
possible, not more than a majority of one shall be elected to full terms at any
regular election. In case a member or members of a board of directors are to be
elected to fill an unexpired term or terms, the ballot shall specify the term for
which each such member is to be elected.

Except for a school district of the first class having an enrollment of fifty
thousand pupils or more in class AA counties which shall have a board of direc-
tors of seven members, the board of directors of every school district of the first
class or school district of the second class shall consist of five members. ((The
board of directors of a school district of the third class shall consist of three
members:))
Sec. 6. Section 28A.57.324, chapter 223, Laws of 1969 ex. sess. and RCW 28A.57.324 are each amended to read as follows:

Regular meetings of the board of directors of any school district shall be held monthly or oftener at such a time as the board of directors by resolution shall determine or by the bylaws of the board may prescribe. Special or deferred meetings may be held from time to time as circumstances may demand, at the call of the president, if a first class district, or the chairman of the board, if a second (or third) class district, or on petition of a majority of the members of the board. All meetings shall be open to the public unless the board shall otherwise order an executive session as provided in RCW 42.32.020.

Sec. 7. Section 28A.57.328, chapter 223, Laws of 1969 ex. sess. as last amended by section 1, chapter 67, Laws of 1971 and RCW 28A.57.328 are each amended to read as follows:

Upon the establishment of a new school district of the second (or third) class, the directors of the old school districts who reside within the limits of the new district shall meet at the call of the intermediate school district superintendent and shall constitute the board of directors of the new district. If fewer than (three such directors reside in any such new third class district or if fewer than) five such directors reside in any such new second class school district, they shall become directors of said district, and the intermediate school district board shall appoint the number of additional directors required to constitute a board of (three directors for the new third class district or) five directors for the new second class district ((as the case may be)). Vacancies once such a board has been reconstituted shall not be filled unless the number of remaining board members is less than ((three in a third class district or less than)) five in a second class district, and such vacancies shall be filled in the manner otherwise provided by law.

Each board of directors so constituted shall proceed at once to organize in the manner prescribed by law and thereafter shall have all the powers and authority conferred by law upon boards of directors of other districts of the same class and the directors thereof shall serve until the regular school election following the next regular school election in the district at which election their successors shall be elected and qualified. (At such election in third class districts, no more than three directors shall be elected at large by the electors of the school district, one for a term of two years and two for a term of four years.) At such election ((in second class districts)), no more than five directors shall be elected either at large or by director districts, as the case may be, two for a term of two years and three for a term of four years. Directors thereafter elected and qualified shall serve such terms as provided for in RCW 28A.57.312, as now or hereafter amended.

Sec. 8. Section 28A.57.342, chapter 223, Laws of 1969 ex. sess. as last amended by section 2, chapter 21, Laws of 1973 2nd ex. sess. and RCW 28A.57.342 are each amended to read as follows:

Whenever an election shall be held for the purpose of securing the approval of the voters for the formation of a new school district ((that, if formed, will be a district of the first or second class)) other than a school district of the first class having an enrollment of fifty thousand pupils or more in class AA counties, if requested by one of the boards of directors of the school districts affected, there
shall also be submitted to the voters at the same election a proposition to authorize the county committee to divide the school district, if formed, into directors' districts. Such director districts in second class districts, if approved, shall not become effective until the regular school election at which time a new board of directors shall be elected as provided in RCW 28A.57.328, as now or hereafter amended. Such director districts in first class districts, if approved, shall not become effective until the next regular school election at which time a new board of directors shall be elected as provided in RCW 28A.57.355, 28A.57.356, and 28A.57.357, as now or hereafter amended. Each of the five directors shall be elected from among the residents of the respective director district by the electors of the entire school district.

Sec. 9. Section 28A.57.344, chapter 223, Laws of 1969 ex. sess. as last amended by section 3, chapter 21, Laws of 1973 2nd ex. sess. and RCW 28A.57.344 are each amended to read as follows:

The board of directors of every (first and second class) school district other than a school district of the first class having an enrollment of fifty thousand pupils or more in class AA counties which is not divided into directors' districts may submit to the voters at any regular school district election a proposition to authorize the county committee to divide the district into directors' districts. If a majority of the votes cast on the proposition shall be affirmative, the county committee shall proceed to divide the district into directors' districts. Such director districts, if approved, shall not become effective until the next regular school election when a new five member board of directors shall be elected, one from each of five director districts from among the residents of the respective director district by the electors of the entire district, two for a term of two years and three for a term of four years, unless such district elects its directors for six years, in which case, one for a term of two years, two for a term of four years, and two for a term of six years.

Sec. 10. Section 4, chapter 67, Laws of 1971 and RCW 28A.57.356 are each amended to read as follows:

Upon the establishment of a new school district of the first class as provided for in RCW 28A.57.342, as now or hereafter amended, containing only one former first class district, the directors of the former first class district and two directors representative of former second class districts selected by a majority of the board members of former second class districts (and one director representative of former third class districts, selected by a majority of the board members of former third class districts) shall meet at the call of the intermediate school district superintendent and shall constitute the board of directors of the new district. Vacancies, once such a board has been reconstituted, shall not be filled unless the number of remaining board members is less than five, and such vacancies shall be filled in the manner otherwise provided by law.

Each board of directors so constituted shall proceed at once to organize in the manner prescribed by law and thereafter shall have all the powers and authority conferred by law upon boards of directors of first class school districts until the next regular school election in the district at which election their successors shall be elected and qualified. At such election no more than five directors shall be elected either at large or by director districts, as the case may be, two for a term
of two years and three for a term of four years: PROVIDED, That if such first
class district is in a class AA or class A county and contains a city of the first
class, two directors shall be elected for a term of three years and three directors
shall be elected for a term of six years.

Sec. 11. Section 5, chapter 67, Laws of 1971 as last amended by section 10,
chapter 21, Laws of 1973 2nd ex. sess. and RCW 28A.57.357 are each amended to
read as follows:

Upon the establishment of a new school district of the first class as provided
for in RCW 28A.57.342, as now or hereafter amended, containing more than one
former first class district, the directors of the largest former first class district and
three directors representative of the other former first class districts selected by a
majority of the board members of the former first class districts and two directors
representative of former second class districts selected by a majority of the board
members of former second class districts ((and one director representative of
former third class districts selected by a majority of the board members of former
third class districts)) shall meet at the call of the intermediate school district su-
perintendent and shall constitute the board of directors of the new district. Va-
cancies once such a board has been reconstituted shall not be filled unless the
number of remaining board members is less than seven, and such vacancies shall
be filled in the manner otherwise provided by law.

Each board of directors so constituted shall proceed at once to organize in the
manner prescribed by law and thereafter shall have all of the powers and author-
ity conferred by law upon boards of first class districts until the next regular
school election and until their successors are elected and qualified. At such elec-
tion other than districts electing directors for six-year terms as provided in RCW
29.13.060, five directors shall be elected either at large or by director districts, as
the case may be, two for a term of two years and three for a term of four years. At
such election for districts electing directors for six years other than districts having
an enrollment of fifty thousand pupils or more and electing directors for six year
terms, five directors shall be elected either at large or by director districts, as the
case may be, one for a term of two years, two for a term of four years, and two
for a term of six years.

Sec. 12. Section 6, chapter 67, Laws of 1971 as amended by section 4, chapter
21, Laws of 1973 2nd ex. sess. and RCW 28A.57.358 are each amended to read as
follows:

Upon the establishment of a new school district of the first class having an
enrollment of fifty thousand pupils or more in class AA counties, the directors of
the largest former first class district and three directors representative of the other
former first class districts selected by a majority of the board members of the
former first class districts and two directors representative of former second class
districts selected by a majority of the board members of former second class dis-
tricts ((and one director representative of former third class districts)) shall meet at the
call of the intermediate school district superintendent and shall constitute the
board of directors of the new district. Each board of directors so constituted shall
proceed at once to organize in the manner prescribed by law and thereafter shall
have all the powers and duties conferred by law upon boards of first class districts, until the next regular school election and until their successors are elected and qualified. Such duties shall include establishment of new director districts as provided for in RCW 28A.57.425. At the next regular school election seven directors shall be elected by director districts, two for a term of two years, two for a term of four years and three for a term of six years. Thereafter their terms shall be as provided in RCW 29.13.060.

Vacancies once such a board has been reconstituted shall not be filled unless the number of remaining board members is less than seven, and such vacancies shall be filled in the manner otherwise provided by law.

Sec. 13. Section 28A.57.415, chapter 223, Laws of 1969 ex. sess. as amended by section 27, chapter 48, Laws of 1971 and RCW 28A.57.415 are each amended to read as follows:

Upon receipt of a written petition by an intermediate school district superintendent signed by at least twenty percent of the registered voters of a ((first-or second-class)) school district theretofore divided into directors' districts after a majority vote thereon in accordance with RCW 28A.57.050(4), as now or hereafter amended, which petition shall request a return to the system of directors running at large within the district, the superintendent, after formation of the question to be submitted to the voters, shall give notice thereof to the county auditor who shall call and hold a special election of the voters of the entire school district to approve or reject such proposal, such election to be called, conducted and the returns canvassed as in regular school district elections.

If approval of a majority of those registered voters voting in said election is acquired, at the expiration of terms of the incumbent directors of such school district their successors shall be elected at large.

Sec. 14. Section 28A.60.010, chapter 223, Laws of 1969 ex. sess. and RCW 28A.60.010 are each amended to read as follows:

The term of office of directors of districts of the second ((and-third)) class shall begin, and the board shall organize, as provided in RCW 29.13.050. At the first meeting of the members of the board they shall elect a chairman from among their number who shall serve for a term of one year or until his successor is elected. The school district superintendent as defined in RCW 28A.01.100 shall serve as secretary to the board. Whenever a district shall be without the services of such a superintendent and the business of the district necessitates action thereby, ((or when any third class district board determines that no one of its teachers is qualified to act as district superintendent,)) the board shall appoint any member thereof to carry out the superintendent's powers and duties for the district.

Sec. 15. Section 28A.60.070, chapter 223, Laws of 1969 ex. sess. as amended by section 35, chapter 48, Laws of 1971 and RCW 28A.60.070 are each amended to read as follows:

Every school district superintendent in districts of the second ((and the third)) class shall within ten days after any change in the office of chairman or superintendent, notify the intermediate school district superintendent of such change.

Sec. 16. Section 28A.60.190, chapter 223, Laws of 1969 ex. sess. and RCW 28A.60.190 are each amended to read as follows:
School boards in each district of the second class (and third class) may provide for the free, comfortable and convenient use of the school property to promote and facilitate frequent meetings and association of the people in discussion, study, improvement, recreation and other community purposes, and may acquire, assemble and house material for the dissemination of information of use and interest to the farm, the home and the community, and facilities for experiment and study, especially in matters pertaining to the growing of crops, the improvement and handling of livestock, the marketing of farm products, the planning and construction of farm buildings, the subjects of household economies, home industries, good roads, and community vocations and industries; and may call meetings for the consideration and discussion of any such matters, employ a special supervisor, or leader, if need be, and provide suitable dwellings and accommodations for teachers, supervisors and necessary assistants.

Sec. 17. Section 28A.60.200, chapter 223, Laws of 1969 ex. sess. and RCW 28A.60.200 are each amended to read as follows:

Each school district of the second (or third) class, by itself or in combination with any other district or districts, shall have power, when in the judgment of the school board it shall be deemed expedient, to reconstruct, remodel, or build schoolhouses, and to erect, purchase, lease or otherwise acquire other improvements and real and personal property, and establish a communal assembly place and appurtenances, and supply the same with suitable and convenient furnishings and facilities for the uses mentioned in RCW 28A.60.190, as now or hereafter amended.

Sec. 18. Section 28A.60.210, chapter 223, Laws of 1969 ex. sess. as last amended by section 46, chapter 154, Laws of 1973 1st ex. sess. and RCW 28A.60.210 are each amended to read as follows:

Plans of any second (or third) class district or combination of districts for the carrying out of the powers granted by RCW 28A.60.190 through 28A.60.220, as now or hereafter amended, shall be submitted to and approved by a board of supervisors composed of members, as follows: The superintendent of public instruction; the head of the extension department of Washington State University; the head of the extension department of the University of Washington; and the intermediate school district superintendent; these to choose one member from such county in which the facilities are proposed to be located, and two members, from the district or districts concerned.

Sec. 19. Section 5, chapter 8, Laws of 1971 and RCW 28A.60.310 are each amended to read as follows:

The board of directors of every second (and third) class district in addition to their other powers are authorized to employ an attorney and to prescribe his duties and fix his compensation.

Sec. 20. Section 28A.60.320, chapter 223, Laws of 1969 ex. sess. and RCW 28A.60.320 are each amended to read as follows:

The board of directors of any school district of the second (or third) class may employ a regularly licensed physician or a licensed public health nurse for the purpose of protecting the health of the children in said district.
Sec. 21. Section 1, chapter 111, Laws of 1973 and RCW 28A.60.328 are each amended to read as follows:

Second ((and—third)) class school districts, subject to the approval of the superintendent of public instruction, may draw and issue warrants for the payment of moneys upon approval of a majority of the board of directors, such warrants to be signed by the chairman of the board and countersigned by the secretary: PROVIDED, That when, in the judgment of the board of directors, the orders for warrants issued by the district monthly shall have reached such numbers that the signing of each warrant by the chairman of the board personally imposes too great a task on the chairman, the board of directors, after auditing all payrolls and bills, may authorize the issuing of one general certificate to the county treasurer, to be signed by the chairman of the board, authorizing said treasurer to pay all the warrants specified by date, number, name and amount, and the funds on which said warrants shall be drawn; thereupon the secretary of said board shall be authorized to draw and sign said orders for warrants.

Accounts and the records of second ((and—third)) class school districts drawing and issuing warrants as provided in this section shall at all times be subject to the inspection and examination of the intermediate school district superintendent, whose duty it shall be, annually, to examine said records and check said accounts, and report in writing to the proper board of county commissioners the nature and state of said accounts, and any facts that may be required concerning said records.

Sec. 22. Section 28A.65.080, chapter 223, Laws of 1969 ex. sess. as last amended by section 2, chapter 26, Laws of 1972 ex. sess. 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 upon the prospective September enrollment or appropriations yet to be made by the legislature for the support of the common schools 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 intermediate school 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 school district superintendent ((of schools)), a member of the local board of directors, a member of the ((county—or)) intermediate school 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 intermediate school district superintendent, the state superintendent of public instruction, and the county auditor: The preliminary budget as adopted and approved shall constitute the appropriations for the district for the ensuing fiscal year commencing July 1, and be in effect until final adoption of the budget.

Sec. 23. Section 28A.65.090, chapter 223, Laws of 1969 ex. sess. as amended by section 26, chapter 119, Laws of 1969 ex. sess. and RCW 28A.65.090 are each amended to read as follows:

On or before the 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. 24. Section 28A.65.100, chapter 223, Laws of 1969 ex. sess. as last amended by section 39, chapter 48, Laws of 1971 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 intermediate school district superintendent for review and revision by the final budget review committee.

Sec. 25. Section 28A.65.120, chapter 223, Laws of 1969 ex. sess. as last amended by section 41, chapter 48, Laws of 1971 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 intermediate school 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 Monday of October.

Sec. 26. Section 28A.65.150, chapter 223, Laws of 1969 ex. sess. as last amended by section 42, chapter 48, Laws of 1971 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 intermediate school district superintendent and the final budget review committee, shall determine the best means of meeting such emergency. When the proposed plan and the
indebtedness therefore have received the approval of the state superintendent of public instruction, it shall be put into effect.

Sec. 27. Section 28A.66.010, chapter 223, Laws of 1969 ex. sess. as amended by section 2, chapter 111, Laws of 1973 and RCW 28A.66.010 are each amended to read as follows:

The county auditor shall register in his own office, and present to the treasurer for registration in the office of the county treasurer, all warrants of first class districts, and all warrants of second ((and third)) class districts electing to draw and issue their own warrants under RCW 28A.60.328, as now or hereafter amended, received from school district superintendents or district secretaries before delivery of the same to claimants.

Sec. 28. Section 28A.66.020, chapter 223, Laws of 1969 ex. sess. and RCW 28A.66.020 are each amended to read as follows:

The county auditor shall cause all school warrants of second ((and third)) class districts issued by him to be registered in the treasurer's office and shall retain the vouchers on file in his office.

Sec. 29. Section 28A.66.040, chapter 223, Laws of 1969 ex. sess. and RCW 28A.66.040 are each amended to read as follows:

The county auditor shall draw and issue warrants for the payment of all salaries, expenses and accounts against second ((and third)) class districts, except those who draw and issue their own warrants pursuant to RCW 28A.60.328, as now or hereafter amended, upon the written order of the majority of the members of the school board of each district.

Sec. 30. Section 28A.66.080, chapter 223, Laws of 1969 ex. sess. and RCW 28A.66.080 are each amended to read as follows:

An order for a warrant issued by any board of directors of second ((and third)) class school districts shall not be transferable, and the county auditor shall issue no warrant except to individuals or firms designated in original district orders.

Sec. 31. Section 36.22.090, chapter 4, Laws of 1963 as amended by section 4, chapter 111, Laws of 1973 and RCW 36.22.090 are each amended to read as follows:

All warrants for the payment of claims against diking, ditch, drainage and irrigation districts and school districts of the second ((and third)) class, who do not issue their own warrants, as well as political subdivisions within the county for which no other provision is made by law, shall be drawn and issued by the county auditor of the county wherein such subdivision is located upon vouchers properly approved by the governing body thereof.

Sec. 32. Section 42, chapter 80, Laws of 1947 as last amended by section 96, chapter 176, Laws of 1969 ex. sess. and RCW 41.32.420 are each amended to read as follows:

On or before a date specified by the board of trustees in each month every employer shall file a report with the board of trustees of the retirement system on a form provided, stating the name of the employer and with respect to each employee who is a member or who is required to become a member of the retirement system: (1) The full name, (2) the earnable compensation paid, (3) the employee's
contribution to the retirement system, and (4) such other information as the board shall require, and at the same time notify each new employee in writing with reference to the Washington state teachers' retirement system and that an application for prior service credit may be filed with the board of trustees thereof on a form furnished by the board. The intermediate school district superintendent shall perform the duties imposed by this section for the employers in second ((and third)) class school districts and the city superintendents for the employers in first class school districts. The chief executive officers of other institutions shall perform such duties.

Sec. 33. Section 84.52.020, chapter 15, Laws of 1961 and RCW 84.52.020 are each amended to read as follows:

It shall be the duty of the city council or other governing body of cities of the first class, except cities having a population of three hundred thousand or more, the city councils or other governing bodies of cities of the second or third class, the board of directors of school districts of the first class, commissioners of port districts, commissioners of metropolitan park districts, and of all officials or boards of taxing districts within or coextensive with any county, except school districts of the second ((or-third)) class, required by law to certify to boards of county commissioners, for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chairman and clerk, or secretary, to make and file such certified budget or estimates with the clerk of the board of county commissioners on or before the Wednesday next following the first Monday in October in each year.

NEW SECTION. Sec. 34. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.57 RCW a new section to read as follows:

With the implementation of this amendatory act, if upon a change of classification three directors of a former third class school district constitute the board of directors of a new second class school district for which a board of five directors is required by law, the three directors of such school district shall continue to serve for the terms for which they were elected; two additional directors shall be appointed for the district in the manner provided by law for filling a vacancy on the board of other districts of the same class; and the aforesaid five directors shall thereafter constitute the board of directors of the district. The additional directors so appointed shall serve until the next regular school election in the district and until their successors are elected and qualified, at which election their successors shall be elected, one for a term of two years and one for a term of four years. Directors thereafter elected and qualified shall serve such terms as provided for in RCW 28A.57.312, as now or hereafter amended.

NEW SECTION. Sec. 35. Notwithstanding any other provision of this amendatory act, the intermediate school district superintendent, with the concurrence of the superintendent of public instruction, may delay approval of a change in classification of any school district for a period not exceeding three years when, in fact, the student enrollment of the district within any such time period does not exceed ten percent, either in a decrease or increase thereof.
NEW SECTION. Sec. 36. The following acts or parts of acts are hereby repealed:


(2) Section 28A.57.332, chapter 223, Laws of 1969 ex. sess., section 7, chapter 67, Laws of 1971 and RCW 28A.57.332;

(3) Section 28A.60.185, chapter 223, Laws of 1969 ex. sess. and RCW 28A.60.185; and


NEW SECTION. Sec. 37. The effective date of this amendatory act shall be July 1, 1975.

NEW SECTION. Sec. 38. If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Passed the House February 6, 1975.
Passed the Senate March 10, 1975.
Approved by the Governor March 24, 1975.
Filed in Office of Secretary of State March 25, 1975.

CHAPTER 44
[House Bill No. 159]
WORK RELEASE EMPLOYMENT—COMPENSATION

AN ACT Relating to correctional institutions; and amending section 1, chapter 294, Laws of 1927 as last amended by section 1, chapter 73, Laws of 1970 ex. sess. and RCW 19.20.020.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 1, chapter 294, Laws of 1927 as last amended by section 1, chapter 73, Laws of 1970 ex. sess. and RCW 19.20.020 are each amended to read as follows:

The selling, offering, keeping, exposing or displaying for sale on the open market within this state of any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part, by convicts or prisoners, except convicts or prisoners on parole ((or)), probation, or work or training release is hereby prohibited except that, any fair, bazaar, or other public gathering of a temporary nature which displays and offers for sale hand crafted articles, may provide adequate space for the display and sale of hand crafted articles manufactured as result of occupational therapy by persons confined to any institution in this state. Such space shall be furnished without charge. The ((director of institutions)) secretary of social and health services shall credit the proceeds derived from the sale of such articles to the institutions where produced or manufactured to be deposited in a revolving fund to be expended for the purchase of supplies, materials, and equipment for the production of hand crafted articles, provided, that any resident of a state correctional institution who produces a hand crafted article with supplies or