

commission. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, equity or otherwise.

(2) If the commission determines that any person has engaged in or is engaging in any such unfair labor practices as defined in RCW 41.59.140, then the commission shall issue and cause to be served upon such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and/or the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or wherein the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Passed the House February 24, 1983.

Passed the Senate April 11, 1983.

Approved by the Governor April 21, 1983.

Filed in Office of Secretary of State April 21, 1983.

CHAPTER 59

[Substitute House Bill No. 148]

SCHOOL DISTRICTS—BUDGET AND ACCOUNTING METHODS

AN ACT Relating to school district budgets and funds; amending section 1, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.400; amending section 2, chapter 118, Laws of 1975-'76 2nd ex. sess. as amended by section 1, chapter 18, Laws of 1980 and RCW 28A.65.405; amending section 5, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.420; amending section 6, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.425; amending section 8, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.435; amending section 9, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.440; amending section 10, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.445; amending section 11, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.450; amending section 13, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.460; amending section 14, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.465; amending section 17, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.480; amending section 18, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.485; amending section 2, chapter 250, Laws of 1981 as amended by section 6, chapter 191, Laws of 1982 and RCW 28A.58.441; amending section 2, chapter 243, Laws of 1975 1st ex. sess. as last amended by section 3, chapter 250, Laws of 1981 and RCW 28A.58.0461; amending section 4, chapter 115, Laws of 1980 as last amended by section 4, chapter 191, Laws of 1982 and RCW 28A.58.035; amending section 28A.59.185, chapter 223, Laws of 1969 ex. sess. as amended by section 12, chapter 191, Laws of 1982 and RCW 28A.59.185; amending section 3, chapter 256, Laws of 1979 ex. sess. and RCW 48.62.030; creating a new section; repealing section 20, chapter 118, Laws of 1975-'76 2nd ex. sess., section 1, chapter 124, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.495; and providing an effective date.

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

Sec. 1. Section 1, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.400 are each amended to read as follows:

The following terms when used in this chapter shall have the following meanings, unless where used the context thereof shall clearly indicate to the contrary:

(1) ~~"Revenue" means ((additions of assets during a given fiscal period to a fund of a school district in the form of cash which does not accompany the incurrence of liabilities or represent refunds of previous disbursements))~~ an addition to assets of a fund of a school district during a fiscal period that is available to finance the fund's expenditures during the fiscal period. Revenue does not accompany the increase of liabilities or represent refunds of previous disbursements. Revenue may be in the form of cash or in the form of noncash assets such as donated commodities. Revenue for accrual basis expenditure funds is limited to amounts received in cash or noncash donations plus or minus adjustments for revenue accruals.

(2) ~~"Accrual basis expenditures" mean ((costs))~~ expenditures incurred during a given fiscal period ((for liabilities incurred)), whether paid or unpaid.

(3) ~~"Cash basis expenditures" mean actual disbursements during a given fiscal period ((for operating costs, capital outlay, and))~~ except for debt service, regardless of when liabilities are incurred, or the period of incurrence of ((cost)) expenditures.

(4) "Cash basis revenue" means actual receipt of revenue not adjusted for revenue accruals.

(5) "Revenue accruals" means those revenues anticipated to be received in cash after the close of the fiscal period that represent reimbursement for expenditures incurred by the end of the fiscal period.

(6) "Appropriation" means the maximum authorization during a given fiscal period to incur expenditures.

~~((5))~~ (7) "Disbursements" mean payments in cash, including but not limited to ((payments by)) issuance of warrants.

Sec. 2. Section 2, chapter 118, Laws of 1975-'76 2nd ex. sess. as amended by section 1, chapter 18, Laws of 1980 and RCW 28A.65.405 are each amended to read as follows:

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

(1) Recognize revenue as defined in RCW 28A.65.400(1) for all funds; PROVIDED, That school districts that elect the cash basis of expenditure recognition under subsection (2) of this section shall recognize revenue on the cash basis.

(2) ~~((Utilize the accrual basis for the recognition of expenditures in determining operating costs from the general fund. PROVIDED, That school districts with less than one thousand full time equivalent students for the previous year may utilize the cash basis for the recognition of expenditures~~

~~in determining operating costs from the general fund: PROVIDED FURTHER, That in school districts with less than one thousand full time equivalent students a list of accounts payable shall be prepared, as at the end of the fiscal year, subject to the penalties of perjury, a copy of which will accompany the districts' annual report and a copy of which will be filed with the districts' board of directors:~~

~~(3) Utilize the accrual basis for the recognition of expenditures in determining the costs of site acquisitions and the construction of buildings from the building fund: PROVIDED, That school districts with less than one thousand full time equivalent students for the previous year may utilize the cash basis for recognition of expenditures in determining the costs of site acquisitions and the construction of buildings from the building fund:~~

~~(4) Utilize the accrual basis for the recognition of expenditures in determining costs for bond interest and redemption funds, refunding bond funds and refunded bond funds based upon when bond interest and bond redemptions become due: PROVIDED, That school districts with an average of less than one thousand full time equivalent students during the previous school year may utilize the cash basis for recognition of expenditures in determining the costs of bond fund interest and redemptions, refunding bonds and refunded bonds from the bond interest and redemption funds, refunding bond funds and refunded bond funds:~~

~~(5) Utilize the accrual basis for the recognition of expenditures in determining costs for permanent insurance funds:~~

~~(6) Utilize the accrual basis of expenditure recognition for the associated student body program fund: PROVIDED, That school districts with less than one thousand full time equivalent students for the previous fiscal year may utilize the cash basis for recognition of expenditures in determining operating costs of the associated student body program fund)) Recognition of expenditures for all funds shall be on the accrual basis: PROVIDED, That school districts with under one thousand full time equivalent students for the preceding fiscal year may make a uniform election for all funds, except debt service funds, to be on the cash basis of expenditure recognition. Notification of such election shall be given to the state superintendent of public instruction in the budget of the school district and shall remain in effect for one full fiscal year.~~

Sec. 3. Section 5, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.420 are each amended to read as follows:

Upon completion of their budgets as provided in RCW 28A.65.415, every school district shall publish a notice stating that the district has completed the budget and placed the same on file in the school district administration office, that a copy thereof will be furnished any person who will call upon the district for it, and that the board of directors will meet for the purpose of fixing and adopting the budget of the district for the ensuing fiscal year. Such notice shall designate the date, time, and place of said

meeting which shall occur no later than the thirty-first day of August for first class school districts, and the first day of August for second class school districts. The notice shall also state that any person may appear thereat and be heard for or against any part of such budget. Said notice shall be published at least once each week for two consecutive weeks in a newspaper of general circulation in the district, or, if there be none, in a newspaper of general circulation in the county or counties in which such district is a part. The last notice shall be published no later than seven days immediately prior to the hearing.

The district shall provide a sufficient number of copies of the budget to meet the reasonable demands of the public not later than July 20th in the first class school districts, and not later than July 15th in second class school districts. ~~((Second class))~~ School districts shall submit one copy of their budget to their educational service districts for review and comment ~~((no later than July 15th))~~ by these dates.

Sec. 4. Section 6, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.425 are each amended to read as follows:

On the date given in said notice as provided in RCW 28A.65.420 the school district board of directors shall meet at the time and place designated. Any person 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: PROVIDED, That the budget must be adopted no later than August 31st in first class school districts, and not later than August 1st in second class school districts.

Upon conclusion of the hearing, the board of directors shall fix and determine the appropriation from each fund contained in the budget separately, and shall by resolution adopt the budget and the appropriations as so finally determined, and enter the same in the official minutes of the board: PROVIDED, That first class school districts shall file ~~((four))~~ copies of their adopted budget with their educational service district no later than September 3rd, and second class school districts shall forward ~~((five))~~ copies of their adopted budget to their educational service district no later than August 3rd for review, alteration and approval as provided for in RCW 28A.65.430 by the budget review committee.

Sec. 5. Section 8, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.435 are each amended to read as follows:

Copies of the budgets for all local school districts shall be filed with the superintendent of public instruction ~~((;))~~ and the appropriate county auditor(s) ~~((, and the office of the state auditor;))~~ no later than September 10th. One copy will be retained by the educational service district.

Sec. 6. Section 9, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.440 are each amended to read as follows:

Every school district budget shall be prepared, submitted and adopted ~~((on forms provided))~~ in the format prescribed by the office of the superintendent of public instruction. The budget classifications contained in said format shall be in accordance with the accounting manual for public school districts, published by the office of the superintendent of public instruction and the office of the state auditor. Budgets ~~((on forms))~~ prepared and adopted in a format other than ~~((those provided))~~ that prescribed by the office of the superintendent of public instruction shall not be official and will have no legal effect.

Sec. 7. Section 10, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.445 are each amended to read as follows:

The ~~((revenue section of every school district))~~ budget shall set forth the estimated revenues for the ensuing fiscal year, the estimated revenues for the fiscal year current at the time of budget preparation, the actual revenues for the last completed fiscal year, and the ~~((probable net cash balance and investments available for ensuing fiscal year disbursements at the close of the said current fiscal year))~~ reserved and unreserved fund balances for each year. The estimated revenues from all sources for the ~~((ensuring))~~ ensuing fiscal year shall not include any revenue not anticipated to be ~~((received in cash))~~ available during that fiscal year: PROVIDED, That school districts, pursuant to RCW 28A.65.450 can be granted permission by the superintendent of public instruction to include as revenues in their budgets, receivables collectible in future fiscal years.

~~((The expenditure section of))~~ The budget shall set forth by detailed items or classes the estimated expenditures for the ensuing fiscal year, the estimated expenditures for the fiscal year current at the time of budget preparation, and the actual 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(s) of such salaries and positions be attached to the budget and made a part thereof.))~~ Total salary amounts, full-time equivalents, and the high, low, and average annual salaries, shall be displayed by job classification within each budget classification. If individual salaries within each job classification are not displayed, districts shall provide the individual salaries together with the title or position of the recipient and the total amounts of salary under each budget class upon request. Salary schedules shall be displayed. In districts where negotiations have not been completed, the district may budget the salaries at the current year's rate and restrict ~~((ending net cash))~~ fund balance for the amount of anticipated increase in salaries, so long as an explanation shall be attached to the budget on such restriction of ~~((ending cash))~~ fund balance.

Sec. 8. Section 11, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.450 are each amended to read as follows:

When a school district board is unable to prepare a budget or budget extension pursuant to RCW 28A.65.480 or 28A.65.485 in which the estimated revenues for the ~~((ensuing))~~ budgeted fiscal year plus the estimated ~~((cash and investments on hand))~~ fund balance at the ~~((close))~~ beginning of the ~~((current))~~ budgeted fiscal year less the ending reserved fund balance for the budgeted fiscal year do not at least equal the estimated ~~((disbursements))~~ expenditures for the ~~((ensuing))~~ budgeted fiscal year, the school district board ~~((shall))~~ may deliver a petition in writing, ~~((on or before the tenth day of July,))~~ at least twenty days before the budget or budget extension is scheduled for adoption, to the superintendent of public instruction ~~((for))~~ requesting permission to include receivables collectible in future years, in order to balance the ~~((ensuing 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 or appropriation adopted by the board of directors without written permission from the superintendent of public instruction that contains estimated ~~((disbursements))~~ expenditures in excess of the total of estimated revenue for the ~~((current))~~ budgeted fiscal year plus ~~((net cash balance and investments))~~ estimated fund balance at the ~~((close))~~ beginning of the ~~((last completed))~~ budgeted fiscal year less ending reserve fund balance for the budgeted fiscal year shall be null and void and shall not be considered an appropriation.

Sec. 9. Section 13, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.460 are each amended to read as follows:

For each fund contained in the school district budget the estimated ~~((disbursements))~~ expenditures for the ~~((ensuing))~~ budgeted fiscal year must not be greater than the total of the estimated revenues for the ~~((ensuing))~~ budgeted fiscal year, the ~~((probable net cash balance and investments))~~ estimated fund balance at the ~~((close))~~ beginning of the ~~((current))~~ budgeted fiscal year less the estimated reserve fund balance at the end of the budgeted fiscal year, and the projected revenue from receivables collectible on future years as approved by the superintendent of public instruction for inclusion in the budget.

~~((The budget shall be considered a balanced budget if the above requirement is met. PROVIDED, That in the general fund, revenue, plus beginning net cash and investments, must exceed cash disbursements by an amount equal to or greater than the mandated cash reserved for transportation equipment as required by RCW 28A.41.160.))~~

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

Sec. 10. Section 14, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.465 are each amended to read as follows:

(1) Notwithstanding any other provision of law, the 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 this chapter.

(2) If the superintendent of public instruction determines upon a review of the budget of any district that said budget does not comply with the budget procedures established by this chapter or by rules and regulations promulgated by the superintendent of public instruction, or the provisions of RCW 43.09.200, he shall give written notice of this determination to the board of directors of the local school district. (~~The superintendent of public instruction shall then call a meeting with the educational service district, the local board of directors, and the chief administrative officer of the district to review said budget. Upon the conclusion of said meeting the superintendent of public instruction shall issue findings and direct that a financially sound budget be developed by the district for operation.~~)

(3) The local school district, notwithstanding any other provision of law, shall, within thirty days from the date the superintendent of public instruction issues a (~~directive~~) notice pursuant to subsection (2) of this section, submit a revised budget which meets the requirements of RCW 43.09.200, this chapter, and the rules and regulations of the superintendent of public instruction: PROVIDED, That if the district fails or refuses to submit a revised budget which in the determination of the superintendent of public instruction meets the requirements of RCW 43.09.200, this chapter, and the rules and regulations of the superintendent of public instruction, the matter shall be submitted to the state board of education, which board 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 section.

Sec. 11. Section 17, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.480 are each amended to read as follows:

(1) Notwithstanding any other provision of this chapter, upon the happening of any emergency in first class school districts 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, and no provision has been made for such expenditures in the adopted appropriation, the board of directors, upon the adoption by the vote of the majority of all board members of a resolution stating the facts constituting the emergency, may make an appropriation therefor without notice or hearing.

(2) Notwithstanding any other provision of this chapter, if in first class districts it becomes necessary to increase the amount of the appropriation, and if the reason is not one of the emergencies specifically enumerated in subsection (1) of this section, the school district board of directors, before

incurring expenditures in excess of (~~expenditures therefor~~) the appropriation, shall adopt a resolution stating the facts and the estimated amount of appropriation to meet it.

Such resolution shall be voted on at a public meeting, notice to be given in the manner provided in RCW 28A.65.420. Its introduction and passage shall require the vote of a majority of all members of the school district board of directors.

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

~~((All adopted appropriation resolutions shall be filed with the office of superintendent of public instruction, the office of the state auditor, the educational service district and the appropriate county auditor(s:))~~ Copies of all adopted appropriation resolutions shall be filed with the educational service district who shall forward one copy each to the office of the superintendent of public instruction and the appropriate county auditor. One copy shall be retained by the educational service district.

Sec. 12. Section 18, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.485 are each amended to read as follows:

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

Such resolution shall be voted on at a public meeting, notice to be given in the manner provided by RCW 28A.65.420. Its introduction and passage shall require the vote of a majority of all members of the school district board of directors.

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

Upon passage of the appropriation resolution the school district shall petition the superintendent of public instruction for approval to increase the amount of its appropriations in the manner prescribed in rules and regulations for such approval by the superintendent.

Copies of all appropriation resolutions approved by the superintendent of public instruction shall be filed by the office of the superintendent of public instruction with the educational service district~~((, the office of the state auditor,))~~ and the appropriate county auditor(s).

Sec. 13. Section 2, chapter 250, Laws of 1981 as amended by section 6, chapter 191, Laws of 1982 and RCW 28A.58.441 are each amended to read as follows:

School districts shall establish the following funds in addition to those provided elsewhere by law:

(1) A general fund for maintenance and operation of the school district to account for all financial operations of the school district except those required to be accounted for in another fund.

(2) (~~A building reserve fund shall be established.~~) A capital projects fund shall be established for major capital purposes. All statutory references to a "building fund" shall mean the capital projects fund so established. Money to be deposited into the capital projects fund shall include, but not be limited to, bond proceeds, proceeds from excess levies authorized by RCW 84.52.053, state apportionment proceeds as authorized by RCW 28A.41.143, and earnings from capital projects fund investments as authorized by RCW 28A.58.435 and 28A.58.440.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW 28A.51.010, except that accrued interest paid for bonds shall be deposited in the debt service fund.

Money to be deposited into the (~~(building reserve)~~) capital projects fund shall include but not be limited to rental and lease proceeds as authorized by RCW 28A.58.035, and proceeds from the sale of real property as authorized by RCW 28A.58.0461.

Money legally deposited into the (~~(building reserve)~~) capital projects fund from other sources may be used for the purposes described in RCW 28A.51.010, and for the purposes of:

(a) Major renovation, including the replacement of facilities and systems where periodical repairs are no longer economical. Major renovation and replacement shall include, but shall not be limited to, roofing, heating and ventilating systems, floor covering, and electrical systems.

(b) Renovation and rehabilitation of playfields, athletic fields, and other district real property.

(c) The conduct of preliminary energy audits and energy audits of school district buildings. For the purpose of this section:

(i) "Preliminary energy audits" means a determination of the energy consumption characteristics of a building, including the size, type, rate of energy consumption, and major energy using systems of the building.

(ii) "Energy audit" means a survey of a building or complex which identifies the type, size, energy use level, and major energy using systems; which determines appropriate energy conservation maintenance or operating procedures and assesses any need for the acquisition and installation of energy conservation measures, including solar energy and renewable resource measures.

(iii) "Energy capital improvement" means the installation, or modification of the installation, of energy conservation measures in a building which measures are primarily intended to reduce energy consumption or allow the use of an alternative energy source.

~~((b))~~ (d) Those energy capital improvements which are identified as being cost-effective in the audits authorized by this section.

~~((c))~~ (e) Purchase or installation of additional major items of equipment and furniture: PROVIDED, That vehicles shall not be purchased with ~~((building reserve))~~ capital projects fund money.

~~((d))~~ Transfer to the building and capital projects fund:

(3) A building and capital projects fund shall be established for major capital purposes. All statutory references to a "building fund" shall mean the building and capital projects fund so established. Money to be deposited into the building and capital projects fund shall include but not be limited to bond proceeds, proceeds from excess levies authorized by RCW 84.52-.053, state apportionment proceeds as authorized by RCW 28A.41.143, earnings from building fund investments as authorized by RCW 28A.58.435 and 28A.58.440, and transfers from the building reserve fund.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW 28A.51-.010, except that accrued interest paid for bonds shall be deposited in the bond interest and redemption fund.

Money legally deposited into the building and capital projects fund from other sources may be used for the purposes described in RCW 28A.51.010, and for the purposes of:

(a) Major renovation, including the replacement of facilities and systems where periodical repairs are no longer economical and the substantial replacement of equipment and furniture in a structure or portion of a structure being converted from one use to another use, and no other appropriate and usable equipment or furniture is available within the district's inventory. Major renovation and replacement shall include but shall not be limited to roofing, heating and ventilating systems, floor covering, and electrical systems.

(b) Renovation and rehabilitation of playfields, athletic fields, and other district real property:))

(3) A debt service fund to provide for tax proceeds, other revenues, and disbursements as authorized in chapter 39.44 RCW.

(4) An associated student body fund as authorized by RCW 28A.58.120.

(5) Advance refunding bond funds and refunded bond funds to provide for the proceeds and disbursements as authorized in chapter 39.53 RCW.

Sec. 14. Section 2, chapter 243, Laws of 1975 1st ex. sess. as last amended by section 3, chapter 250, Laws of 1981 and RCW 28A.58.0461 are each amended to read as follows:

The proceeds from any sale of school district real property by a board of directors shall be deposited to the ~~((bond interest and redemption))~~ debt service fund and/or the ~~((building reserve))~~ capital projects fund, except for amounts required to be expended for the costs associated with the sale of

such property, which moneys may be deposited into the fund from which the expenditure was incurred.

Sec. 15. Section 4, chapter 115, Laws of 1980 as last amended by section 4, chapter 191, Laws of 1982 and RCW 28A.58.035 are each amended to read as follows:

Each school district's board of directors shall deposit moneys derived from the lease, rental or occasional use of surplus school property as follows:

(1) Moneys derived from real property shall be deposited into the district's ~~((building reserve))~~ capital projects fund except for moneys required to be expended for general maintenance, utility, insurance costs, and any other costs associated with the lease or rental of such property, which moneys shall be deposited in the district's general fund;

(2) Moneys derived from pupil transportation vehicles shall be deposited in the district's transportation vehicle fund;

(3) Moneys derived from other personal property shall be deposited in the district's general fund.

Sec. 16. Section 28A.59.185, chapter 223, Laws of 1969 ex. sess. as amended by section 12, chapter 191, Laws of 1982 and RCW 28A.59.185 are each amended to read as follows:

School districts of the first class, when in the judgment of the board of directors it be deemed expedient, shall have power to create and maintain ~~((a permanent))~~ an insurance ~~((fund))~~ reserve for said districts, to be used to meet losses specified by the board of directors of the school districts.

Funds required for maintenance of such ~~((a permanent))~~ an insurance ~~((fund))~~ reserve shall be budgeted and allowed as are other ~~((funds))~~ moneys required for the support of the school district.

~~((The county treasurer or other custodian of such fund, when authorized to do so by the board of directors of any school district, may invest any accumulated moneys in such permanent insurance fund in like manner as for the investment or reinvestment of other school funds as provided in RCW 28A.58.440.))~~

Sec. 17. Section 3, chapter 256, Laws of 1979 ex. sess. and RCW 48.62.030 are each amended to read as follows:

The governing body of any local governmental entity may, as an alternative or in addition to the establishment of a self-insurance ~~((fund))~~ reserve or the purchasing of insurance, contract for or hire personnel to provide risk management services. ~~((Funds))~~ Moneys made available and ~~((funds))~~ moneys expended by school districts and educational service districts for the purpose of implementing any provision of RCW 48.62.010 through 48.62.120 or RCW 36.16.138 shall be subject to such rules of the superintendent of public instruction as the superintendent may adopt governing the budgeting and accounting of such ~~((funds))~~ reserves.

NEW SECTION. Sec. 18. Section 20, chapter 118, Laws of 1975-'76 2nd ex. sess., section 1, chapter 124, Laws of 1975-'76 2nd ex. sess. and RCW 28A.65.495 are each hereby repealed.

NEW SECTION. Sec. 19. This act shall apply to school district budgets, financial statements, and bookkeeping and accounting procedures, practices, and principles beginning with fiscal year 1983-'84 starting September 1, 1983. This act shall take effect September 1, 1983.

NEW SECTION. Sec. 20. If any provision of this 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 10, 1983.

Passed the Senate April 11, 1983.

Approved by the Governor April 21, 1983.

Filed in Office of Secretary of State April 21, 1983.

CHAPTER 60

[Substitute House Bill No. 187]

HANDICAPPED—PLACEMENT ALTERNATIVES

AN ACT Relating to state services and programs for the handicapped; amending section 2, chapter 246, Laws of 1975 1st ex. sess. as amended by section 57, chapter 80, Laws of 1977 ex. sess. and RCW 72.33.125; amending section 11, chapter 246, Laws of 1975 1st ex. sess. as amended by section 59, chapter 80, Laws of 1977 ex. sess. and RCW 72.33-.165; and declaring an emergency.

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

Sec. 1. Section 2, chapter 246, Laws of 1975 1st ex. sess. as amended by section 57, chapter 80, Laws of 1977 ex. sess. and RCW 72.33.125 are each amended to read as follows:

(1) In order to provide ongoing points of contact with the handicapped individual and his family so that they may have a place of entry for state services and return to the community as the need may appear; to provide a link between those individuals and services of the community and state operated services so that the individuals with handicapping conditions and their families may have access to the facilities best suited to them throughout the life of the individual; to offer viable alternatives to state residential school admission; and to encourage the placement of persons from state residential schools, the secretary of social and health services or his designee, pursuant to rules and regulations of the department, shall receive applications of persons for care, treatment, hospitalization, support, training, or rehabilitation provided by state programs or services for the handicapped. Written applications shall be submitted in accordance with the following requirements: