

CHAPTER 124.

[House Bill No. 303.]

SCHOOL DISTRICTS—BUDGETS—KINDERGARTENS.

AN Act relating to education; adding a new chapter to Title 28 RCW; and amending section 1, page 371, Laws of 1909 as amended by section 1, chapter 82, Laws of 1911, part, and RCW 28.35.010; and repealing section 1, chapter 183, Laws of 1937 and RCW 28.58.120, section 1, chapter 131, Laws of 1923 and RCW 28.59.039, section 2, chapter 131, Laws of 1923 as amended by section 1, chapter 155, Laws of 1949 and RCW 28.59.040, section 3, chapter 131, Laws of 1923 and RCW 28.59.070, section 4, chapter 131, Laws of 1923 as amended by section 2, chapter 155, Laws of 1949 and RCW 28.59.090, section 5, chapter 131, Laws of 1923 as amended by section 3, chapter 155, Laws of 1949 and RCW 28.59.100, sections 6 through 8, chapter 131, Laws of 1923 and RCW 28.59.120 through 28.59.140, sections 9 through 11, chapter 131, Laws of 1923 and RCW 28.59.190 through 28.59.205, sections 12 through 14, chapter 216, Laws of 1959 and RCW 28.63.100 through 28.63.120, sections 16 through 18, chapter 216, Laws of 1959 and RCW 28.63.140 through 28.63.160, and section 20, chapter 216, Laws of 1959 and RCW 28.63.170; and declaring an emergency.

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

New chapter.

SECTION 1. There is added to Title 28 RCW a new chapter to read as set forth in sections 2 through 18 of this act.

School districts.
Preliminary budgets.
When prepared—
Contents—
Sectional division.

SEC. 2. On or before the thirtieth day of April 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.

Section contents.

SEC. 3. The revenue section 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 prob-

able surplus that will be on hand at the close of the current fiscal year, and the amount to be raised by taxation.

The expenditure section shall set forth by detailed items or classes the estimated expenditures for the ensuing fiscal year, the appropriations for the current fiscal year, 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.

SEC. 4. The estimates and comparative budget data shall be set up in comparative and tabular form according to the classifications established by the division of municipal corporations of the state auditor's office.

Estimates and comparative budget data, form in budget.

SEC. 5. 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 current fiscal year and be subject to revision in September as hereafter provided: *Provided*, That no new subject not specifically provided for in the preliminary budget shall be taught, nor shall any expenditure be made therefor.

Estimates dependent on prospective enrollment, basis for submission.

SEC. 6. For the purposes of carrying out the provisions of sections 2 through 5 of this act, school districts shall prepare their budgets on forms to be provided by the superintendent of public instruction. In addition, the division of municipal corporations, office of the state auditor, is hereby empowered and directed to prescribe such budget and other forms and classifications as are required to define for the school accounting officers what

Forms provided— Auditor to prescribe forms and procedure.

expenditures shall be chargeable to each budget class and to establish such accounting and cost systems as may be necessary to secure accurate budget information.

School districts. Preliminary budgets. Specific items for which percentage of annual taxable income may be set aside in budget—Limitation.

SEC. 7. 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 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 fund 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.

Procedure upon completion of preliminary budget—Hearing—Notice—Publication of preliminary budget.

SEC. 8. The board of directors shall immediately after the compilation of said preliminary budget publish a notice stating that the board of directors has completed the preliminary budget and placed the same on file with the clerk of said board, that a copy thereof will be furnished any taxpayer who will call upon the clerk for it, and that the board of directors will meet for the purpose of fixing and adopting the preliminary budget of the district for the ensuing fiscal year. Such notice shall designate the date, time, and place of said meeting which shall occur on or before the first day of June. The notice shall also state that any taxpayer may appear thereat and be heard for or against any part of such budget. Said notice shall be published once each week for two consecutive weeks immediately following the compilation of the preliminary budget in a newspaper of general circulation in the district, or, if there be none, in a newspaper of general cir-

cultation in the county. The board of directors shall provide a sufficient number of copies of the preliminary budget to meet the reasonable demands of the taxpayers therefor, and the same shall be made available for distribution not later than two weeks immediately preceding the date set for the public hearing.

SEC. 9. 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.

Hearing on preliminary budget—Adoption by resolution.

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.

SEC. 10. On or before the twentieth 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 section 9 of this act 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 section 8 of this act. Any taxpayer may appear thereat and be heard for or against any proposed revision.

Revision hearing—When—Notice of.

SEC. 11. Upon the conclusion of the revision hearing the board of directors shall fix and determine

Adoption of budget—Review.

School districts. Budgets. Adoption of following revision hearing—Review, when.

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 for review and revision by a county reviewing committee.

County reviewing committee. Members—Open meeting—Duties.

SEC. 12. The county reviewing committee shall consist of the county superintendent of schools, a member of the local board of directors, and the members of the county board of education.

Upon receipt of the district budget the county reviewing 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. In arriving at the amount of the budget, only current taxes may be considered for the purpose of offsetting outstanding warrants, unless the use of delinquent taxes is approved by the reviewing committee.

Certification of final budget—Filing of.

SEC. 13. Upon the conclusion of the revision hearing in districts of the first class and upon the conclusion of the county reviewing committee's action in districts of the second and third class, the board or reviewing 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 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 day of October.

SEC. 14. When in the judgment of a school board of a second or third class district additional expenditures, other than those allowed by the reviewing board are deemed necessary, such expenditures shall be submitted to the voters at a special election for a special levy as a separate item, and, if authorized in the manner required by law, shall be levied and included as a part of the final budget.

Additional expenditures, second, third class districts, submitted at special election—Levy after affirmation.

SEC. 15. Upon the happening of any emergency in a district of the first class, caused by the destruction or impairment of any school property necessary for the maintenance of school, or to provide school facilities for an enrollment not contemplated in the budget, or by epidemic, or by the entry of a judgment for damages against the district, or by the enactment of legislation since the adoption of said budget requiring expenditures not contemplated therein, the board of directors may, by unanimous vote of the directors present at any meeting, the time and place of which all directors shall have had reasonable notice, adopt a resolution stating the facts constituting said emergency and authorizing the issuance of warrants against the general fund of such district to meet said emergency: *Provided*, That there is sufficient unappropriated surplus to the credit of the district to provide for such emergency: *Provided further*, That said surplus shall be deemed appropriated to the extent of such emergency warrants issued against it until reimbursed as hereafter provided.

First class districts, emergency resolution—Grounds—Conditions—Filed—Prior emergency warrants in budget.

The board of directors shall file a certified copy of such emergency resolution together with a written authorization for the issuance of such warrants with the county auditor and with the county treasurer and thereupon the county auditor shall issue warrants on the order of the board of directors: *Provided*, That the total amount of such warrants shall not exceed the amount of said unappropri-

School districts. Budgets. Emergency resolution—Filed—Prior emergency warrants in budget.

ated surplus to the credit of the district; and the treasurer is hereby authorized to pay such warrants out of any moneys on hand in the general fund of such district and if there be none then such warrants shall be registered, bear interest and be called in the manner provided by law.

The board of directors shall include in their annual budget the total amount of emergency warrants issued during the preceding fiscal year and shall cause a sufficient sum to be levied to reimburse said general fund for the amount of such emergency warrants.

Second and third class districts, emergency indebtedness provisions.

SEC. 16. If an emergency arises in a second or third class school district because of unforeseen conditions, the board of directors, in consultation with the county superintendent and the appointed citizen members of the county reviewing 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.

Appropriations, lapse when—Exception.

SEC. 17. All appropriations shall lapse at the end of the fiscal year: *Provided*, That the appropriation accounts shall remain open for a period of twenty days thereafter for the payment of claims incurred against them before the close of the fiscal year. At the expiration of said period all appropriations shall become null and void and any claim presented thereafter against any such appropriation for the fiscal year just closed shall be provided for in the next budget: *Provided*, That this shall not prevent payments upon incompleated improvements in progress at the close of the fiscal year: *Provided further*, That this shall not prevent the accumulation of sinking funds, building funds, insurance funds or any other funds which the district may lawfully accumulate for a specific purpose.

SEC. 18. 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.

Budget as constituting appropriations—Director's personal liability if other liabilities, expenditures occur—Exception.

SEC. 19. Section 1, page 371, Laws of 1909 as amended by section 1, chapter 82, Laws of 1911, part, and RCW 28.35.010 are each amended to read as follows:

RCW 28.35.010 amended.

The board of directors of any school district shall have power to establish and maintain free kindergartens in connection with the common schools of said district for the instruction of children between the ages of four and six years, residing in said district, and shall establish such courses of training, study and discipline and such rules and regulations governing such kindergartens as said board may deem best: *Provided*, That no third class school district may maintain such kindergarten when the number of pupils in such kindergarten is less than twenty.

Free kindergartens—Third class district must have at least twenty students.

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tricts. Budgets.
Repeal.

SEC. 20. Section 1, chapter 183, Laws of 1937 and RCW 28.58.120, section 1, chapter 131, Laws of 1923 and RCW 28.59.039, section 2, chapter 131, Laws of 1923 as amended by section 1, chapter 155, Laws of 1949 and RCW 28.59.040, section 3, chapter 131, Laws of 1923 and RCW 28.59.070, section 4, chapter 131, Laws of 1923 as amended by section 2, chapter 155, Laws of 1949 and RCW 28.59.090, section 5, chapter 131, Laws of 1923 as amended by section 3, chapter 155, Laws of 1949 and RCW 28.59.100, sections 6 through 8, chapter 131, Laws of 1923 and RCW 28.59.120 through 28.59.140, sections 9 through 11, chapter 131, Laws of 1923 and RCW 28.59.190 through 28.59.205, sections 12 through 14, chapter 216, Laws of 1959 and RCW 28.63.100 through 28.63.120, sections 16 through 18, chapter 216, Laws of 1959 and RCW 28.63.140 through 28.63.160, and section 20, chapter 216, Laws of 1959 and RCW 28.63.170 are each hereby repealed.

Emergency.

SEC. 21. 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 House April 1, 1965.

Passed the Senate April 1, 1965.

Approved by the Governor April 6, 1965.