

CHAPTER 154.

[Senate Bill No. 522.]

SCHOOLS—DISTRIBUTION AND APPORTIONMENT
OF STATE FUNDS.

AN ACT relating to education; adding new sections to chapter 28.41 RCW; adding new sections to chapter 28.24 RCW; adding a new section to chapter 28.48 RCW; repealing section 2, chapter 282, Laws of 1953 as amended by section 3, chapter 187, Laws of 1955 and RCW 28.41.060; repealing section 4, chapter 187, Laws of 1955, section 7, chapter 297, Laws of 1957, section 1, chapter 175, Laws of 1961 and RCW 28.41.070; repealing section 5, chapter 187, Laws of 1955 and RCW 28.41.075; repealing section 3, chapter 282, Laws of 1953 as amended by section 7, chapter 187, Laws of 1955 and RCW 28.41.080; repealing section 8, chapter 187, Laws of 1955 and RCW 28.41.090; repealing section 4, page 322, Laws of 1909 and RCW 28.41.100; repealing section 1, chapter 217, Laws of 1947 and RCW 28.41.110; repealing section 2, chapter 217, Laws of 1947 and RCW 28.41.120; repealing section 12, chapter 97, page 314, Laws of 1909, section 1, chapter 45, Laws of 1919, section 7, chapter 28, Laws of 1933, section 2, chapter 77, Laws of 1943, section 1, chapter 148, Laws of 1959 and RCW 28.48.070; repealing section 10, chapter 21, Laws of 1917, section 1, chapter 77, Laws of 1943, section 12, chapter 141, Laws of 1945 and RCW 28.24.010; repealing section 1, chapter 53, Laws of 1941 and RCW 28.24.070; repealing section 2, chapter 53, Laws of 1941, RCW 28.24.071; declaring an emergency; and fixing the expiration date of this act.

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

Section 1. There is added to chapter 28.48 RCW a new section to read as follows:

School districts
—Apportion-
ment of state
aid to.

In each calendar year in which the state shall collect a property tax for the support of common schools, the superintendent of public instruction shall distribute the proceeds of such tax to each school district of the state operating a program approved by the state board of education, in the manner provided in this section.

Except as hereinafter provided, the amount to be distributed to each school district in each year

School districts
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ment of state
aid to.

shall be a fraction of the total amount available for distribution, the numerator of which fraction shall be the assessed valuation of all taxable property in such school district adjusted to fifty percent of true and fair value thereof in accordance with the ratio of assessed valuation to actual valuation fixed by the state board of equalization, and the denominator of which fraction shall be the aggregate assessed valuation of taxable property in all school districts entitled to a distribution under this section adjusted as to the property in each such district to fifty percent of true and fair value thereof in accordance with the ratio of assessed valuation to actual valuation fixed by the state board of equalization: PROVIDED, That each nonhigh school district shall receive only three-fifths of the amount otherwise distributable to a school district as provided above and the remaining two-fifths of such amount shall be distributed to the high school district fund of the county in which the nonhigh school district is located: PROVIDED FURTHER, That each union high school district shall receive only two-fifths of the amount otherwise distributable to a school district as provided above, and the remaining three-fifths of such amount shall be distributed to the component districts within each union high school district in proportionate amounts based upon the respective aggregate assessed valuations of taxable property in such component districts adjusted to fifty percent of true and fair value thereof in accordance with the ratio of assessed valuation to actual valuation fixed by the state board of equalization.

Funds distributable under this section will replace in whole or in part the requirements of school districts for excess tax levies for maintenance and operation of the common schools. Each district authorized by the electors of the district prior to July

1, 1965 to impose an excess tax levy for maintenance and operation purposes shall reduce the number of mills actually levied below the number of mills authorized so that total revenues of the district from all sources for maintenance and operation purposes will not exceed the total revenues of the district for such purposes computed at the time the excess levy was authorized by the electors of the district. With respect to each such district the state superintendent shall determine the amount of such revenues computed at the time the excess levy was authorized. If the state superintendent finds that the district has not reduced any excess levy in accordance with this paragraph, he shall withhold from the amount otherwise distributable to such district under this section an amount equal to the surplus revenues which would have accrued to the district by reason of the imposition of an excess levy greater than that permitted by this paragraph.

Notwithstanding any other provision of this act the superintendent of public instruction shall not distribute funds to any school district pursuant to this section in excess of the amount which constitutes an equal guarantee in dollars for each weighted student enrolled, based upon a full school year of one hundred eighty days.

The superintendent of public instruction shall make the distribution of funds authorized in this section on or before the tenth day of March, 1966, and on or before the tenth day of each month thereafter by prorating the funds available on such distribution dates to the school districts entitled thereto.

SEC. 2. There is added to chapter 28.41 RCW a New section. new section to read as follows:

From those funds made available by the legislature for the current use of the common schools, Apportionment based upon receipt of other specified revenues. other than the proceeds of the state property tax,

School districts
—Apportionment of state aid to.
Apportionment based upon receipt of other specified revenues—
Equal guarantee in dollars for each weighted student enrolled.

the state superintendent of public instruction shall distribute annually as provided in RCW 28.48.010 to each school district of the state operating a program approved by the state board of education, an amount which, when combined with the following revenues, will constitute an equal guarantee in dollars for each weighted student enrolled, based upon one full school year of one hundred eighty days:

(1) *The amount of money which would be produced by a levy of ten mills on the assessed valuation of taxable property within the school district adjusted to fifty percent of true and fair value thereof in accordance with the ratio of assessed valuation to actual valuation fixed by the state board of equalization: PROVIDED, That during the school year 1965-66 only eighty-five percent of such amount shall be deemed to be revenues within the meaning of this section; and*

(2) The receipts from the one percent tax on real estate transactions which may be imposed pursuant to chapter 28.45 RCW: *Provided, That the funds otherwise distributable under this section to any school district in any county which does not impose a tax in the full amount authorized by chapter 28.45 RCW shall be reduced by five percent; and*

(3) Net receipts from those funds received pursuant to Title 20, sections 236 through 244, United States Code, in the following specified percentages:

School year 1965-66.....	40%
School year 1966-67.....	55%
School year 1967-68.....	70%
School year 1968-69 and thereafter.....	85%

Net receipts are gross receipts of the district less the cost to the district of processing the records and claims required for the administration of Title 20, sections 236 through 244, United States Code; and

(4) Eighty-five percent of the maximum receipts collectible from the high school district fund pursuant to chapter 28.44 RCW; and

(5) Public utility district funds distributed to school districts pursuant to RCW 54.28.090, in the following specified percentages:

School year 1965-66.....	40%
School year 1966-67.....	55%
School year 1967-68.....	70%
School year 1968-69 and thereafter.....	85%

(6) Federal forest revenues distributed to school districts pursuant to RCW 36.33.110, in the following specified percentages:

School year 1965-66.....	40%
School year 1966-67.....	55%
School year 1967-68.....	70%
School year 1968-69 and thereafter.....	85%

(7) Eighty-five percent of such other available revenues as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support: *Provided*, That the apportionment per weighted student under this section 2 to any district which complies with the requirement of this act for the school years 1965-66 and 1966-67 shall be an amount sufficient to guarantee ninety-five percent of the total revenue per weighted student, excluding special levies, which such district realized during the 1964-65 school year.

SEC. 3. There is added to chapter 28.41 RCW a New section. new section to read as follows:

To determine a "weighted student enrolled," as that term is used in this act a schedule shall be established by the superintendent of public instruction which shall provide appropriate recognition of the following costs among the various types of students and districts of the state, with the equalization of educational opportunity being the primary objective:

Determining "weighted student enrolled".

School districts
—Apportionment of state aid to.
Determining "weighted student enrolled".

(1) Costs attributable to staff experience and professional preparation; and

(2) Costs to state and local funds attributable to the operation of approved educational programs arising as a result of a concentration of culturally disadvantaged students, or as a result of a high degree of transient enrollment; and

(3) Costs resulting from the operation of small districts judged by the state board of education as remote and necessary; and

(4) Costs differentials attributable to the operation of approved elementary and secondary programs; and

(5) Costs which must be incurred to operate an approved vocational program; and

(6) Costs which must be incurred and are appropriated to operate an approved program for handicapped children.

The weighting schedule when established shall be renewed biennially by the state superintendent and shall be subject to approval, rejection or amendment by the legislature. The schedule shall be submitted for approval as a part of the state superintendent's biennial state budget. In the event the legislature rejects the weighting schedule presented, without adopting a new schedule, the schedule established for the previous biennium shall remain in effect. The enrollment of any district, before weighting, shall be the average number of full time students enrolled on the first day of each month.

New section.

SEC. 4. There is added to chapter 28.41 RCW a new section to read as follows:

Adjustment in allocation when unforeseen emergency.

In the event of an unforeseen emergency, in the nature of either an unavoidable cost to a district or unexpected variation in anticipated revenues to a district, the state superintendent is authorized, for not to exceed two years, to make such an adjustment in the allocation of funds as is consistent with

the intent of this act in providing an equal educational opportunity for the children of such district or districts.

SEC. 5. There is added to chapter 28.41 RCW a **New section.**
new section to read as follows:

Reimbursement for transportation costs shall be **Reimbursement for transportation.**
in addition to state assistance based upon weighted enrollment. Transportation costs shall be reimbursed as follows:

(1) Operational reimbursement shall be limited to ninety percent of the service costs on routes recommended by the county transportation commission, and as approved by the state superintendent, or shall be limited to ninety percent of the average state cost per vehicle mile for the class of vehicle approved for operation as determined by the state superintendent, whichever is the smaller; and

(2) Costs of acquisition of approved transportation equipment shall be limited to ninety percent to be reimbursed over the anticipated life of the vehicle, as determined by the state superintendent.

SEC. 6. There is added to chapter 28.41 RCW a **New section.**
new section to read as follows:

The superintendent of public instruction shall **Rules and regulations—Reports.**
have the power and duty to make such rules and regulations as are necessary for the proper administration of this act not inconsistent with the provisions of this act, and in addition to require such reports as may be necessary to carry out his duties under this act.

SEC. 7. There is added to chapter 28.24 RCW a **New section.**
new section to read as follows:

School district transportation routes, for purposes **School district transportation routes—Recommendations for—Approval.**
of state reimbursement of transportation costs, shall be recommended by the county transportation commission and approved by the state superintendent pursuant to rules and regulations established for

School districts
—Apportion-
ment of state
aid to.
Transportation
routes.

that purpose. The commission shall consist of (1) a representative of the local board of directors, (2) a representative of the state superintendent of public instruction, and (3) the county superintendent of schools.

New section.

SEC. 8. There is added to chapter 28.24 RCW a new section to read as follows:

—Coopera-
tion of local
directors.

The local board of directors shall cooperate with the transportation commission and the state superintendent in establishing routes and in determining the costs of such routes.

New section.

SEC. 9. There is added to chapter 28.24 RCW a new section to read as follows:

Transportation
method up to
commission—
Transportation
denied, when.

Individual transportation or other arrangements may be authorized when these seem best in the judgment of the commission. No district shall be required to transport any pupil living within two miles of the school which such pupil attends. The commission may require pupils residing within two miles of an established route to travel to the route at their own expense.

New section.

SEC. 10. There is added to chapter 28.24 RCW a new section to read as follows:

Transporting
and educating
students in
another
district.

A local district may be authorized by the county superintendent to transport and educate its pupils in another district for one year, either by payment of a compensation agreed upon by such school districts, or under other terms mutually satisfactory to the districts concerned when this will afford better educational facilities for the pupils and when a saving may be effected in the cost of education. Such authorization may be extended for an additional year at the discretion of the county superintendent.

Emergency.

SEC. 11. 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 on July 1, 1965: *Provided*, That year-end adjustments

in state support which would have been computed pursuant to RCW 28.41.060 at the close of the 1964-65 school year for addition to or subtraction from the first grants of the 1965-66 school year shall be made as if RCW 28.41.060 had not been repealed by this act.

SEC. 12. Section 2, chapter 282, Laws of 1953 as amended by section 3, chapter 187, Laws of 1955 and RCW 28.41.060, section 4, chapter 187, Laws of 1955, section 7, chapter 297, Laws of 1957, section 1, chapter 175, Laws of 1961 and RCW 28.41.070, section 5, chapter 187, Laws of 1955 and RCW 28.41.075, section 3, chapter 282, Laws of 1953 as amended by section 7, chapter 187, Laws of 1955 and RCW 28.41.080, section 8, chapter 187, Laws of 1955 and RCW 28.41.090, section 4, page 322, Laws of 1909 and RCW 28.41.100, section 1, chapter 217, Laws of 1947 and RCW 28.41.110, section 2, chapter 217, Laws of 1947 and RCW 28.41.120, section 12, chapter 97, page 314, Laws of 1909, section 1, chapter 45, Laws of 1919, section 7, chapter 28, Laws of 1933, section 2, chapter 77, Laws of 1943, section 1, chapter 148, Laws of 1959 and RCW 28.48.070, section 10, chapter 21, Laws of 1917, section 1, chapter 77, Laws of 1943, section 12, chapter 141, Laws of 1945 and RCW 28.24.010, section 1, chapter 53, Laws of 1941 and RCW 28.24.070, and section 2, chapter 53, Laws of 1941 and RCW 28.24.071 are each repealed: *Provided*, That the provisions of such statutes herein repealed insofar as they are expressly or impliedly adopted by reference or otherwise referred to in or for the benefit of any other statutes, are hereby preserved for such purposes.

Repeal—
Savings.

SEC. 13. 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.

Severability—
Expiration.

School districts
—Apportionment of state
aid to.
Expiration.

This act shall expire on June 30, 1967.

Passed the Senate April 13, 1965.

Passed the House April 10, 1965.

Approved by the Governor April 19, 1965, with the exception of Section 1 and certain items in Section 2 which were vetoed.

Veto
message.

NOTE: Governor's explanation of partial veto is as follows:

"This bill enacts a new formula governing the apportionment of state funds to local school districts for maintenance and operation purposes. It represents a positive step forward in the field of school finance. Basically the bill measures all revenues, local and federal, available for maintenance and operation of common schools. Then it provides for the distribution of state money on the basis of need, to achieve as nearly as possible a guaranteed level of support for the public schools. This bill should greatly equalize the educational opportunities for school children throughout the state.

"This is one of five bills which I proposed as a program to equalize the local tax support of schools and to provide schools with an assured base of local tax revenue, thereby reducing their reliance on special levies. The legislature failed to adopt the permanent parts of this program, thus I was forced to veto Senate Bill No. 523 which imposed a temporary ten-mill state property tax for schools.

"Section 1 of Senate Bill No. 522, which is returned herewith, provides for the distribution of proceeds of the temporary ten-mill state tax. Since there will be no such tax, this section is no longer appropriate and has been vetoed.

"In section 2 of the bill returned herewith there is a reference to the state property tax on lines 29 and 30 of page 3, which is surplusage and has been vetoed.

"Subparagraph (1) of section 2, appearing on page 4 of Senate Bill No. 522, provides that for purposes of determining state apportionment, property tax revenues will be recognized as a local resource to the extent of specified percentages of ten mills based upon assessed valuations adjusted to fifty percent of true and fair value according to ratios fixed by the State Board of Equalization. Since there will be no proceeds of a property tax 'equalized at the state level' available to local school districts, I have vetoed subparagraph (1) of section 2.

"The result of the veto of this item is to remove from the bill any specific legislative mandate that any property tax revenues be treated as a local resource in computing state apportionment; however subparagraph (7) of section 2 treats as a local resource 'eighty-five percent of such other available revenues as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support' The state superintendent has advised me that he will utilize this authority to consider eighty-five percent of the local school property tax as a local resource. However, the legislature may wish to amend this statute to give more specific authority to the state superintendent and to provide some penalty in the event a school district fails to levy the maximum millage permitted by law without a vote of the people. Such provisions were contained in the school apportionment statutes repealed by this bill.

"With the exception of section 1 and the items in section 2 described above which are vetoed, the remainder of Senate Bill No. 522 is approved."

DANIEL J. EVANS,
Governor.