

(2) Section .23.35, chapter 79, Laws of 1947, section 15, chapter 193, Laws of 1957, section 8, chapter 225, Laws of 1959, section 7, chapter 194, Laws of 1961, section 20, chapter 195, Laws of 1963, section 5, chapter 162, Laws of 1973 1st ex. sess., section 4, chapter 157, Laws of 1979 and RCW 48.23.350.

Passed the Senate March 19, 1982.

Passed the House March 17, 1982.

Approved by the Governor March 27, 1982.

Filed in Office of Secretary of State March 27, 1982.

CHAPTER 10

[Second Substitute House Bill No. 987]

SCHOOL DISTRICT EMPLOYEES—PROHIBITED PAYMENTS— COMPENSATION FOR TERMINATION—LIABILITY FOR EXCESS BENEFITS

AN ACT Relating to school district employees; creating new sections; adding a new section to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.58 RCW; adding a new section to chapter 41.32 RCW; and declaring an emergency.

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

***NEW SECTION.** Section 1. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.58 RCW a new section to read as follows:

(1) No school district board of directors or administrators may:

(a) Increase an employee's salary or compensation to include a payment in lieu of providing a fringe benefit;

(b) *Allow payment to any employee for unused vacation leave, except, that contracts may provide a mechanism for all accumulated vacation leave to be taken as vacation leave;* or

(c) Allow any payment to an employee which is partially or fully conditioned on the termination or retirement of the employee, except as provided in subsection (2) of this section.

(2) A school district board of directors may compensate an employee for termination of the employee's contract in accordance with the termination provisions of the contract. If no such provisions exist the compensation must be reasonable based on the proportion of the uncompleted contract. Compensation received under this subsection shall not be included for the purposes of computing a retirement allowance under any public retirement system in this state.

(3) Provisions of any contract in force on the effective date of this act which conflict with the requirements of this section shall continue in effect until contract expiration. After expiration, any new contract including any renewal, extension, amendment or modification of an existing contract executed between the parties shall be consistent with this section.

***Section 1 was partially vetoed, see message at end of chapter.**

NEW SECTION. Sec. 2. There is added to chapter 41.32 RCW a new section to read as follows:

The department of retirement systems shall make a review of each member employed by a school district being retired on and after July 1, 1982, and whose benefits are determined by RCW 41.32.497 or 41.32.498. The purpose of the review is to identify any retiree whose average annual earnable compensation for purposes of determining retirement benefits exceeds the average annual earnable compensation during the two year period immediately preceding the years used in computing retirement benefits by more than the percentage increase determined as set forth in subsection (1) of this section.

(1) For the retirees average final compensation period, the basis for making the comparison required by this section, shall be a percentage increase equal to one percentage point in excess of the average percentage salary increase granted to certificated employees of such employees district in accordance with the state operating appropriations act in effect at the time the salary is payable, adjusted for incremental increases for seniority and educational attainment and staff position changes.

(2) For all retirees identified in this section, the department of retirement systems shall calculate the increase in the basic retirement benefit which results from any increase in salary granted an employee in excess of the district average certificated salary increase. The department of retirement systems will then, utilizing tables developed by the state actuary, determine the extra pension cost attributable to exceeding such average and shall bill the retiree's employer who shall remit the entire amount determined to the retirement system within thirty days, except that the director of the department of retirement systems shall be empowered to omit billing an amount less than fifty dollars.

(3) Any post-retirement increases resulting from the excess benefit identified in subsection (2) of this section shall be billed to the last employer as they occur on the basis set forth in subsection (2) of this section.

NEW SECTION. Sec. 3. 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.

NEW SECTION. Sec. 4. 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 March 18, 1982.

Passed the Senate March 17, 1982.

Approved by the Governor March 27, 1982, with the exception of Section 1(1)(b), which is vetoed.

Filed in Office of Secretary of March 27, 1982.

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

"I am returning herewith without my approval as to Section 1 (1) (b) Second Substitute House Bill No. 987 entitled:

"AN ACT Relating to school district employees."

This section would prohibit school boards from paying school employees for unused vacation leave.

Since other state employees are not similarly restricted, it is inequitable to single out one group of employees for differential treatment. Any reform in this area should be uniform.

With the exception of Section 1 (1) (b), which I have vetoed, the remainder of Second Substitute House Bill No. 987 is approved."

CHAPTER 11

[Substitute House Bill No. 922]

CENTER FOR VOLUNTARY ACTION ACT—APPROPRIATION

AN ACT Relating to voluntary action; adding a new chapter to Title 43 RCW; providing an expiration date; and making an appropriation.

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

NEW SECTION. Section 1. (1) The legislature finds that:

- (a) Large numbers of Washington's citizens are actively engaged in voluntary activities that benefit their citizens, their communities, and the entire state;
- (b) Volunteers, working on their own and with agencies and organizations, are involved in the development and enhancement of all areas of community service and activity;
- (c) The contribution thus made provides the equivalent of hundreds of millions of dollars in services that might otherwise create a need for additional tax collections;
- (d) The state itself, through the programs and services of its agencies as well as through the provisions of law and rule-making, has a substantial impact on volunteer efforts and programs;
- (e) Public and private agencies depend in large measure on the efforts of volunteers for the accomplishment of their missions and actively seek to increase these efforts;
- (f) Business, industry, and labor in Washington state are increasingly interested in opportunities for community service;
- (g) Many needs remain which could and should be met by volunteers working on their own and through local and state-wide organizations, both governmental and private, nonprofit agencies;
- (h) Many Washington citizens have yet to become fully involved in the life of their communities;
- (i) The opportunity exists to encourage greater and more effective involvement of volunteers in the provision of needed community services; and