



SCHOOL BOARD ACTION REPORT

DATE: May 17, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Chief Financial Officer, jdberge@seattleschools.org;

For Introduction: June 26, 2019
For Action: July 10, 2019

1. TITLE

Amending Board Policy No. 6020, System of Funds and Accounts

2. PURPOSE

This Board Action Report makes edits to Board Policy No. 6020, System of Funds and Accounts, in order to meet new requirements in state law. These edits modify language describing the local revenue subfund to account for local enrichment levies separately from other basic education activities in the general fund in accordance with RCW 28A.320.330. In addition, edits in the capital projects, debt service and associated student body funds were made to provide greater clarity in the use of those funds.

3. RECOMMENDED MOTION

I move that that the School Board amend Board Policy No. 6020, System of Funds and Accounts, as attached to the Board Action Report.

4. BACKGROUND INFORMATION

a. Background

As part of recent legislation to increase the state funding of basic education, legal restrictions were placed on school district local funds raised through property taxes. Specific limitations regarding what is considered appropriate uses for levy funds are documented within RCW 28A.150.276 Local revenues – Enrichment of program of basic education – “Local revenues” defined.

To ensure that school district local revenues are used solely for the purposes of enriching the state’s statutory program of basic education, starting with the FY19-20 school year, districts are required to account for local revenues and associated expenditures separately from its state funded revenues and expenditures by establishing a local revenue subfund, within the general fund.

The proposed changes to Board Policy 6020 are necessary to reflect the changes to accounting for local revenues separately within the general fund as well as providing greater clarity around the use of funds in the capital projects, debt service and associated student body funds. WSSDA’s model policy was reviewed as a part of this work.

b. Alternatives

Do not take action. This is not recommended as the District could have potential audit issues.

c. **Research**

WSSDA Model Policy 6020.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action is estimated to be \$300,000. This includes staff time, project management and contracted resources to make changes to our systems. No specific BAR authorizing costs is needed for this action because the actual payments to vendors are less than \$250,000 and/or are included as part of other BARs for project management or contracted services where those services would exceed the \$250,000 expenditure threshold.

There is no revenue provided by the state for this work.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7. EQUITY ANALYSIS

This motion was not put through a formal racial equity analysis as the proposed edits conform to language in applicable state law.

8. STUDENT BENEFIT

Incorporating the new legal requirements allows the district to continue to collect and utilize enrichment levy funds to provide resources above the state's basic education allocations so funds can be used to differentiate and enhance resources to meet the needs of students who need more supports and opportunities to succeed academically.

9. WHY BOARD ACTION IS NECESSARY

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. _____, [TITLE], provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

This motion would update Policy No. 6020, System of Funds and Accounts, to incorporate new language describing the local revenue subfund in the district’s general fund and expanding language in the capital projects, debt service and associated student body funds.

11. BOARD COMMITTEE RECOMMENDATION


This motion was discussed at the A&F Committee meeting on June 10, 2019. The Committee reviewed the motion and moved the item forward for approval by the full board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, revised Board Policy No. 6020, System of Funds and Accounts, will immediately go into effect and will be posted online.

13. ATTACHMENTS

- Board Policy No. 6020, System of Funds and Accounts – clean (for approval)
- Board Policy No. 6020, System of Funds and Accounts – redline (for reference)
- Board Policy No. 6020, System of Funds and Accounts – current (for reference)
- WSSDA Policy and Legal News (for reference)
- WAC 392-123-046, General fund, capital projects fund, debt service fund, associated student body fund, advanced refunding and advance refunded bond funds, transportation vehicle fund and insurance reserves (for reference)
- RCW 28A.320.320, Investment of funds of district – Service fee (for reference)
- RCW 28A.320.330, School funds enumerated-Local revenue subfunds-Deposits-Uses (for reference)
- RCW 84.52.053, Levies by school districts-authorized-When-Procedure (for reference)
- RCW 84.52.056, Excess levies for capital purposes authorized (for reference)
- WAC 392-123-010, The accounting manual (for reference)

	<p>SYSTEM OF FUNDS AND ACCOUNTS</p>	<p>Policy No. 6020</p> <p>July 10, 2019</p> <p>Page 1 of 4</p>
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It is the policy of the Seattle School Board that the district will maintain a system of funds with the county treasurer in accordance with state law and the accounting manual approved by the State Superintendent of Public Instruction. The principal funds are:

General Fund

The General Fund (GF) is financed primarily from local taxes, state support funds, federal grants, and local receipts. These revenues are used specifically for financing the ordinary and legally authorized operations of the district for all grades. The GF includes money that has been segregated for the purpose of carrying on specific activities, including, but not limited to, the basic and special education programs. The GF is managed in accordance with special regulations, restrictions, and limitations. The GF constitutes an independent fiscal and accounting entity.

As a part of its GF, the district has a local revenue subfund to account for the district's operations that are paid for with local revenues.

The following local revenues will be recognized in the district's local revenue subfund:

- Enrichment levies collected under RCW 82.52.053;
- Local assistance funding received under chapter RCW 28A.500 RCW; and
- Other local revenues including, but not limited to, grants, donations, and state and federal payment in lieu of taxes, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

The district will track expenditures from the subfund to account for the expenditures based on each of the streams of revenue described above.

Capital Projects Fund

The Capital Projects Fund (CPF) contains:

- Proceeds from the sale of voted bonds (unlimited tax general obligation bonds) and non-voted bonds (limited general obligation bonds);
- State of Washington financing assistance (state matching money);
- Transfers from the district's basic education allotment;
- The proceeds of special levies earmarked for building purposes;

- Earnings from capital projects fund investments, growth management impact fees, state environmental protection act mitigation payments; and
- Rental or lease proceeds and proceeds from the sale of property.

Money deposited into the CPF may be used for the following purposes:

- Funding outstanding indebtedness or bonds already issued;
- Purchasing sites for buildings, playgrounds, physical education, and athletic facilities;
- Erecting buildings and furnishing those buildings with the necessary furniture, apparatuses, and equipment;
- Improving the energy efficiency of the district's buildings and/or installing systems and components to utilize renewable and/or inexhaustible energy resources; and
- Making major or minor structural changes and structural additions to buildings, structures, facilities, and sites;
- Making major renovations to and replacing facilities and systems where periodical repairs are no longer economical or to extend the useful life of the facility or system beyond its original planned useful life including, but not limited to, replacing or refurbishing roofs, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public common areas, and electrical and plumbing systems;
- Renovating and rehabilitating playfields, athletic fields, and other district real property;
- Conducting preliminary energy audits and energy audits of district buildings and making energy capital improvements that are identified as being cost-effective in the audits;
- Purchasing or installing additional major items of equipment and furniture;
- Paying the costs associated with implementing technology systems, facilities, and projects—including acquiring hardware licenses, licensing software, and online applications—and paying the costs associated with training related to the installation of such systems, facilities, and projects;
- Paying the costs associated with the application and modernization of technology systems for operations and instruction—including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services—and paying for ongoing training related to the installation and integration of such products and services (to the extent funds are used for this purpose, the district will transfer the portion of the capital project funds used to the district's GF); and
- Repairing major equipment, painting facilities, and performing other preventative maintenance (to the extent funds are used for this purpose, the district will transfer the portion of the capital project funds used to the district's GF).

Investment earnings derived from other sources in the CPF should be retained in the CPF and used for statutorily authorized purposes. The district may transfer investment earnings in the CPF that have not been derived from voted bond proceeds to a different fund if the earnings are used only for instructional supplies, equipment, or capital outlay purposes. The superintendent should consult the

Board and appropriate district staff prior to altering the use of voted bond proceeds and transferring investment earnings out of the CPF.

Debt Service Fund

The money in the Debt Service Fund (DSF) is used to pay for the principal of and interest on outstanding voted and non-voted bonds. Disbursements are made by the county treasurer. Provision will be made annually for the making of a levy sufficient to meet the annual payments of principal and semiannual payments of interest. The district may transfer surplus investment earnings from the DSF to any other school district fund as long as such earnings are spent only for instructional supplies, equipment, or capital outlay purposes.

Non-voted bonds are required to be repaid from the school district's DSF, rather than the fund that actually received the non-voted bond proceeds. As a result, to pay the principal of and interest on the non-voted bond, an operating transfer must be used from the CPF (or other fund) to the DSF.

Prior to the issuance of a non-voted bond, the superintendent or a designee will review the repayment process with the Board and the county treasurer. The proceeds from the sale of real property may be placed in the DSF or CPF, except for the amount required to be expended for the costs associated with the sale of such property.

Associated Student Body Fund

The Board is responsible for the protection and control of student body financials resources just as it is for other public funds placed in its custody. The financial resources of the Associated Student Body Program Fund (ASB) are for the benefit of students. Student involvement in the decision-making processes related to the use of this money is an integral part of the associated student body, except that the Board may delegate the authority to a staff member to act as the associated student body for any school that does not contain a grade higher than grade six.

Money in the ASB fund is public money and may not be used to support or oppose any political candidate or ballot measure. Money raised by students through recognized student body organizations will be deposited in and disbursed from the fund maintained by the county treasurer. The ASB Fund is subject to management and accounting procedures that are similar to those required for all other district moneys. ASB constitutions will provide for participation by ASB representatives in the decisions to budget for and disburse ASB Fund money. Private non-associated student body fund moneys raised for scholarships, student exchanges, and charitable purposes will be held in trust by the district.

Bank Accounts

The district will maintain a system of bank accounts as follows:

- A district depository and/or transmittal bank account;

- District contingent accounts as authorized under Policy 6211.

Adopted: February 2012


Revised: July 2019

Cross Reference: Policy Nos. 3510, 6100, 6211

Related Superintendent Procedure:

Previous Policies: G07.00; G20.00

Legal References: WAC 392-123-046 Definitions–General Fund, Capital Projects Fund, Debt Service Fund, Associated Student Body Fund, Advanced Refunding and Refunded Bond Funds, Transportation Vehicle Fund and insurance reserves; RCW 28A.320.320 Investment of funds of district – Service fee; RCW 28A.320.330 School funds enumerated–Local revenue subfunds-Deposits–Uses; RCW 84.52.053 Levies by school districts authorized-When-Procedures; RCW 84.52.056 Excess levies for capital purposes authorized; WAC 392-123-010; The accounting manual

 <p>SEATTLE PUBLIC SCHOOLS</p>	<p>SYSTEM OF FUNDS AND ACCOUNTS</p>	<p>Policy No. 6020</p> <p>February 15, 2012 <u>July 10, 2019</u></p> <p>Page 1 of <u>14</u></p>
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~~All school district accounting records shall be maintained in accordance with the Accounting Manual for public school districts in the State of Washington and generally accepted accounting practices (GAAP) as applied to governmental units as established by the Governmental Accounting Standards Board. Account classification as designated by the state accounting code shall be used with only such modifications and extensions as may be found necessary to facilitate sound fiscal practice.~~

Adopted: February 2012


Revised: July 2019

Cross Reference: Policy Nos. 3510, 6100, 6211

Related Superintendent Procedure:

Previous Policies: G07.00; G20.00

Legal References: WAC 392-123-046 Definitions—General Fund, Capital Projects Fund, Debt Service Fund, Associated Student Body Fund, Advanced Refunding and Refunded Bond Funds, Transportation Vehicle Fund and insurance reserves; RCW 28A.320.320 Investment of funds of district – Service fee; RCW 28A.320.330 School funds enumerated—Local revenue subfunds- Deposits—Uses; RCW 84.52.053 Levies by school districts authorized-When-Procedures; RCW 84.52.056 Excess levies for capital purposes authorized; WAC 392-123-010; The aAccounting mManual for School Districts Management Resources:

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WSSDA Policy & Legal News

June 26, 2019

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While Seattle Public Schools endeavors to only post documents optimized for accessibility, due to the nature and complexity of some documents, an accessible version of the document may not be available. In these limited circumstances, the District will provide equally effective alternate access.

For questions and more information about this document, please contact the following:

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Accounting Director
ajfleming@seattleschools.org

These documents include the WSSDA Policy and Legal News.

Policy & Legal News

HELPING SCHOOL DISTRICTS TRANSLATE LAW INTO ACTION

Boundaries prevent sexual abuse of students

ALSO FEATURED: Local funds, enrichment,
and audits (oh my!)


WSSDA

MARCH 2019

WASHINGTON STATE SCHOOL
DIRECTORS' ASSOCIATION

Policy Classifications

ESSENTIAL

- Policy is required by state or federal law; or
- A specific program requires a policy in order to receive special funding.

ENCOURAGED

- While not required by law, policy is intended to reflect the spirit of existing state or federal law thus inuring districts to potential litigation;
- While not required by law, policy has potential to benefit the health, safety, and/or welfare of students, employees, directors, and/or the local community.

DISCRETIONARY

- Policy addresses an action likely deemed important by the board; or
- Policy would likely be deemed appropriate due to special circumstances of the board; or
- Policy communicates district philosophy that a board may want to promote to employees and/or the community.

American philosopher, Eric Hoffer said, “Our greatest weariness comes from work not done.” I agree. It is not the work that troubles me (I love the work), but the exhausting worry that it isn’t enough. Knowing the scope of your work as school directors, you might feel similarly. Helen Keller’s words help ease the angst. She said, “I long to accomplish a great and noble task, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker.” I hope the tiny pushes and small steps of this spring edition will support you, your board, and your district in moving forward.

Inside this edition, you will find an important article on preventing the sexual abuse of students. School boards, administrators, and educators all have a role in preventing sexual abuse of students by educational staff members and volunteers. Although the individuals who engage in sexual misconduct with students constitute only a minuscule percentage of educators, they do disproportionate and severe harm to students, districts, and the teaching profession. The aim of this article and the revisions to the associated model policy and procedure is to help you protect students, educators, the profession, and your district through your board’s policy.

You’ll also find an article about revisions to policies pertaining to local funds, enrichment, and audits. The article focuses on provisions of Engrossed House Bill (EHB) 2242 that have just become effective or will become effective for the 2019-2020 school year. Unfortunately, the confusion about the real need to raise local money continues, despite the Legislature’s response to the *McCleary* decision. The good news is that complying with the requirement to track and use local funds separately from other funds is fairly straightforward. The accompanying revisions to model policy will have you ready for an audit.

Lastly, please know that the student discipline policies and procedures for the 2019-2020 school year are coming soon. As you know, student discipline has been undergoing a sea change. It started in 2016 with the passage of House Bill (HB) 1541. It then took years of stakeholder engagement to complete the rulemaking process necessary for implementing that legislation. Some of those new rules went into effect last summer and the

remainder will go into effect on July 1, 2019. We’re in the process of completing the new policies and procedures now. As soon as they’re ready, we’ll send them out in a policy alert.



Best,
Abigail Westbrook, J.D.,
Editor

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★ UPDATES

The following WSSDA model policies and procedures have been revised. For your convenience, updated marked-up documents are included with this issue of *Policy & Legal News*.

ESSENTIAL

- 3120P – Enrollment
- 3205 – Sexual Harassment of Students Prohibited
- 6100 – Revenues From Local, State, and Federal Sources (newly reclassified)

ENCOURAGED

- 5253/5253P/5253F – Maintaining Professional Staff/Student Boundaries
- 6020 – System of Funds and Accounts

DISCRETIONARY

- 5281 – Disciplinary Action and Discharge

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As stated in WSSDA Policy 1310, “Non-substantive editorial revisions and changes in administrative, legal and/or cross-references need not be approved by the board.”

Preventing the sexual abuse of students

School boards, administrators, and educators all have a role in preventing sexual abuse of students by educational staff members and

volunteers. Studies reveal that almost 10% of students experience some type of sexually inappropriate talk or conduct from educators sometime between kindergarten and high school graduation¹. Please do not mistake anything here to be an attack on educators or the teaching profession. The individuals who engage in sexual misconduct with students constitute only a minuscule percentage of educators. However, these small numbers of people often commit this misconduct repeatedly, doing disproportionate and severe harm to students and the profession. The aim of this article and the revisions to the associated model policy and procedure is to help you protect students, educators, the profession, and your district through your board's policy.

In 2010, WSSDA developed **Model Policy and Procedure 5253 – Maintaining Professional Staff/Student Boundaries**, which was the first board policy and procedure in the nation establishing professional boundaries and defining such boundaries in relation to inappropriate boundary invasions. There neither was, nor is presently, a legal requirement to adopt this policy². However, advocates

¹Charole Shakeshaft, Ph.D., *Educator Sexual Misconduct a synthesis of Existing Literature*, prepared for the U.S. Dept. of Education (2004). ²This policy is categorized as "Encouraged," meaning it is not required by law, but intended to reflect the spirit of existing state or federal law thus inuring districts to potential litigation; and/or has potential to benefit the health, safety, and/or welfare of students, employees, directors, and/or the local community.

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**Model Policy, Procedure,
& Form 5253**

Maintaining
Professional Staff/
Student Boundaries

Model Policy 3205

Sexual Harrassment
of Students

Model Policy 5281

Disciplinary Action
Discharge

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for children and public entity insurers have credited the policy with preventing the sexual abuse of students, protecting educators from allegations, and protecting districts from claims that they failed to provide appropriate supervision against predatory employees. Even so, concerns about sexual assault and molestation claims are rising.

From 2014 to 2018, sexual assault and molestation claims rose 53 percent in Washington as compared to the prior four-year period. Additionally, a recent K-12 study based in California found that although sexual abuse and molestation claims constituted less than two percent of all claims, they accounted for almost 40 percent of claim costs in excess of \$1 million.

Of course, the monetary cost of claims does not adequately measure the whole impact of these situations. A claim that an educator sexually abused a student or that a district failed to identify and adequately address sexual abuse creates immediate disruption within every aspect of a public school district. In fact, it can be devastating; here are some of the factors why:

- In the K-12 setting, the victims are often part of the special education program.
- There may be several victims, abused over multiple years.
- The victims may have suppressed memories, and might be processing emotions concurrent with the investigation process.
- Victims, their families, and friends may attend the same school and community functions as the abuser.
- The offender, whether a teacher, coach, or volunteer, is often an admired and trusted member of the community

“From 2014 to 2018, sexual assault and molestation claims rose 53 percent in Washington as compared to the prior four-year period.”

“Stopping sexual misconduct against students starts with a districtwide commitment to professional standards, relationships, and boundaries.”

In addition to the increased claims already seen, several factors indicate that a further increase in sexual assault claims is likely. These factors include growing public discourse and awareness about sexual assault, including hashtag movements and social media stimuli. At the same time, national news regularly features stories of payoffs seeking to hide inappropriate sexual behavior by prominent figures. Unsurprisingly, we see increased scrutiny of public official behavior and movements to examine, identify, and end societal tolerance of sexual abuse and assault. In sum, these national (and international) movements will likely lead to an increase in claims of sexual misconduct in the public education context.

Given all these considerations, we’ve revised **Model Policy and Procedure 5253 – Maintaining Professional Staff/Student Boundaries** to reflect lessons learned over the past nine years, and reduce the risk for students, educators, and districts. The revisions include several small but important clarifications, but the foundation of the policy remains committing to professional boundaries.

Professional Boundaries and Boundary Invasion

Stopping sexual misconduct against students starts with a districtwide commitment to professional standards, relationships, and boundaries. The right type of relationship between educators and students—sound, trusting, and respectful—requires what can be a tricky balance. It is understandable that educators want to be friendly with and caring towards their students. However, the fundamental relationship between educators and students includes a power differential that makes it inherently unequal and susceptible to exploitation, whether of a mild or severe expression.

Importantly, educators do not need to become personal friends with their students to teach them successfully. Instead, successful teaching and learning flourishes in an environment of respect—an advanced form of caring. Respect for students and for the profession itself is the core of professional boundaries. The bedrock principle is that educators should not attempt to meet their own social needs through the educator/student relationship.

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This demarcation acknowledges the unequal nature of the educator/student relationship and prevents misuse of that unequal nature.

Maintaining a professional boundary between educators and students protects everyone. According to the

research, some educators may not initially have or be conscious of a predatory motivation when they developed what felt like a special relationship with a student. However, after developing that “special relationship,” they eventually allowed themselves to engage in sexual misconduct. It appears that these educators neither understood the significance of the professional boundary nor its full extent. The policy and procedure revisions seek to clarify where that bright line lies. For example, the revised procedure explicitly prohibits staff members from engaging with students on social networking sites, including prohibiting staff from “friending” or “following” students on social media.

Professional boundaries protect students by preventing sexual grooming. In the education setting, it is unlikely for an educator to commit serious sexual misconduct by suddenly grabbing a student. Rather, 99.9% of serious sexual misconduct by educators against students occurs through the sexual grooming process³. Sexual grooming starts when an adult befriends a child, creating a particular connection or special relationship that lowers the child’s natural inhibition. Sexual abusers often target students who are passive or needy and then gradually invade the child’s boundaries in small but ever increasingly inappropriate ways. Boundary invasions include excessive touching or hugging, granting special privileges, and for non-guidance or counseling staff, encouraging personal confidences. Overtime, the child gets used to the boundary invasions and their increasing intrusiveness, accepting them as normal. Eventually, when the student’s inhibitions are down, sexual misconduct may occur.

Not all touch is a boundary invasion. In the education setting, there are times when staff members have a legitimate educational purpose for touching a student. For example, educators appropriately help a first grader with a toileting accident or might need to grasp a young student’s arms to prevent running in front of a school bus. Similarly, the wrestling coach has a legitimate educational purpose for touching members of the wrestling team in order to teach a hold. The difference is that appropriate touch relates to the



“...the revised procedure explicitly prohibits staff members from engaging with students on social networking sites, including prohibiting staff from “friending” or “following” students on social media.

staff member’s professional duties, uses the minimal touch necessary for the task, and seeks to retain the student’s dignity. In contrast, a boundary invasion moves the relationship from professional to personal.

Professional boundaries encompass both the prohibition of personal boundary invasions and the sanction of appropriate touch when necessary as part of professional duty. Appropriate touch might differ with the age of students. For example, the boundaries prohibit excessive touching: a first grade teacher might appropriately hug a student whose pet just died; a middle school teacher might appropriately touch the student’s arm briefly; a high school teacher might simply say, “I’m so sorry,” without touch. Professional boundaries also allow staff members to be caring while maintaining an appropriate level of professional decorum and expertise. For example, an educator could listen caringly to a student who confides a personal problem, then connect that student with the appropriately trained staff, such as a school counselor or psychologist, and if necessary, remind the student to seek the school counselor or psychologist as needed.

Making professional boundaries effective

For professional boundaries to be effective at preventing sexual misconduct, educators need to understand and commit to maintaining them. Often, educators are better

³ Carla van Dam, Ph.D., *Identifying Child Molesters* (2001).

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“For professional boundaries to be effective at preventing sexual misconduct, educators need to understand and commit to maintaining them.”

situated than administration to know when other educators are not vigilant about maintaining professional boundaries. This makes educators’ commitment to upholding professional boundaries as a group the key to stopping sexual misconduct against students. Several of the revisions to Model Policy and Procedure 5253 – Maintaining Professional Staff/Student Boundaries address the role that educators play. For example, the revised policy and procedure emphasize the importance of notifying administrative staff about suspicious behavior without waiting to try to determine if there is an innocent explanation. Another revision to the procedure informs educators not to confront or discuss the matter with the staff member whose behavior is in question or with anyone else, but to maintain confidentiality, thereby protecting privacy and avoiding rumors.

Additionally, making professional boundaries effective at preventing sexual misconduct requires leadership from the board. For example, the board could ask for a sample survey of staff members to learn if staff members can give multiple examples of inappropriate boundary invasions, and if staff members understand their duty to report suspected boundary invasions to the administration. The board could also ask for information about completion of training on professional boundaries in all of its schools and departments. If results are less than expected, the board can work as a team with the superintendent to set district training goals and schedule regular check-ins on progress. Keeping a healthy, working focus on the cautions and requirements of this policy and procedure demonstrates that the board considers its effective implementation a priority.

Speaking of training, an important revision to the policy and procedure is that the frequency of training has increased from every three years to every two. This revision is based on lessons learned over the years. Your district risk management pool can support you with training materials and operational guidelines. You’ll also find a new **Model Form 5253F** with additional guidelines and other resources on WSSDA’s Model Policy Online. As noted above, there is no legal requirement to adopt Model Policy and Procedure

5253 – Maintaining Professional staff/ Student Boundaries, but this policy can protect your students, staff, and your district. Your board might want to consult with your district’s attorney to confirm that the policy conforms to any applicable bargaining language.

**Model Policy, Procedure,
& Form
5253
Model Policy
3205
Model Policy
5281**

Recommendation of employment prohibited

In a recent [Dear Colleague Letter](#)⁴, the U.S. Department of Education stated, “For too long, and too often,” someone who engaged in sexual misconduct with a student received help obtaining new employment from the former employer, effectively hiding the misconduct from the new employer. The Dear Colleague Letter reminded that federal statute⁵ intended “to end this abhorrent practice” by requiring every district that receives funds under the Elementary and Secondary Education Act (ESEA), as reauthorized by the Every Student Succeeds Act (ESSA), to have a policy in place prohibiting providing an employment recommendation for a current or former employee who engaged in sexual misconduct with a student.

To that end, WSSDA has revised **Model Policy 3205 – Sexual Harassment of Students** and **Model Policy 5281 – Disciplinary Action Discharge**. We’ve added language reflecting this federal provision to both model policies to ensure that the prohibition is communicated both in the context of a formal disciplinary discharge and in the context where there was no formal disciplinary action, but staff members had probable cause to believe that sexual misconduct occurred.

Additionally, we’ve revised Model Policy 5281 – Disciplinary Action Discharge to provide districts with language for holding employees accountable for behavior not explicitly covered previously, such as falsification of information, witness intimidation, or destruction of evidence.

⁴ Hyperlink to June 27, [Dear Colleague Letter](#)

⁵ See section 8546 of the Elementary and Secondary Education Act of 1965 (ESEA) as amended by Every Student Succeeds Act (ESSA)>

“...an important revision to the policy and procedure is that the frequency of training has increased from every three years to every two.”



Local Funds, Enrichment, and Audits (Oh My!)

It is difficult to identify recent legislation that has had as much impact on education as Engrossed House Bill (EHB) 2242 from the 2017 legislative session. EHB 2242 was entitled “An ACT relating to funding fully the state’s program of basic education by providing equitable education opportunities through reform of state and local education contributions.” The legislation came with the expectation that it would significantly restrict school districts’ use of local revenues and was presented as the compromise “*McCleary Agreement*.”

Given the significance of its impact, it is perhaps unsurprising that EHB 2242 was lengthy—one hundred and twenty-one pages long—was partially vetoed, has been widely critiqued, and became effective at different times. Here, we’re looking at a few of the provisions that either have just become effective or will for the 2019-2020 school year. The key takeaway is the need to distinguish local revenue from other funds.

Taking effect at the start of the 2019 calendar year, EHB 2242 renamed the former Maintenance & Operation levies as “enrichment levies.” Additionally, the legislation created a new levy lid, decreasing the amount school districts can raise

Model Policy 6100
Revenues From Local, State, and Federal

Model Policy 6020
System of Funds and Accounts

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**Model Policy
6100**
**Model Policy
6020**

through local levies. Specifically, a district's maximum enrichment levy is now the lesser of \$2,500 per pupil or a rate of \$1.50 per \$1000 of assessed value of property in the school district. EHB 2242 also defined "local revenue" to include levy money, local effort assistance, grants, donations, state and

federal payments in lieu of taxes, and any local revenues that offset the district's basic education allocation.

Defining local revenue was straightforward. Similarly unambiguous is a provision requiring school districts to limit the use of local revenues to enrichment purposes, specifically to "documented and demonstrated enrichment of the state's program of basic education." Less intuitive, is the scope of the term "enrichment." Your community might expect that "enrichment" means expenses not included in basic education, such as athletics and extracurricular activities. Indeed, a 2018 *Seattle Times* editorial, titled [School-Levy confusion](#), stated just that; but in the context of EHB 2242, "enrichment" is more complicated.

For example, EHB 2242 defines basic education as those specific K-12 program-funding levels provided by the state and authorizes school districts enrichment beyond those levels by supplementing with local enrichment levies. This means that the state funding level is determinate of the line between state funding and permitted enrichment with local revenue. In other words, districts may be able to use enrichment levy funds to supplement any of the individual formulas that are part of the prototypical allocation model. This includes funding beyond the allocation for minimum instructional offerings, minimum staffing ratios or program components, minimum program of professional learning, early learning programs, extended school days, extended school year, and extracurricular activities.

If you're thinking that this flexible use of local levy funds could get complicated and possibly be misused, you have company. Perhaps this is why EHB 2242 also added new accounting requirements. Starting in the 2019-2020 school

"..EHB 2242 defines basic education as those specific K-12 program-funding levels provided by the state and authorizes school districts enrichment beyond those levels by supplementing with local enrichment levies."

"Starting in the 2019-2020 school year, districts must establish a local revenue sub-fund, from its general fund, deposit local revenue into that sub-fund, and track expenditures from the sub-fund to account for the district's use of local revenues."

year, districts must establish a local revenue sub-fund, from its general fund, deposit local revenue into that sub-fund, and track expenditures from the sub-fund to account for the district's use of local revenues. Having local revenue in its own sub-fund will likely help districts track their use of local revenues. It will certainly help the auditor. Beginning with the 2019-2020 school year, EHB 2242 requires the state auditor's office to include local revenue compliance in its regular financial audits of school districts.

Additionally, EHB 2242 requires that before the beginning of the 2019-2020 school year, school boards adopt a policy for responding to any audit findings resulting from a state auditor's audit on the district's use of local revenues. The bill further mandates that the policy require boards to hold a public hearing to review any such findings within thirty days. To help prepare you for these new requirements, we've revised **Model Policy 6100 – Revenues From Local, State, and Federal**. We also reclassified the policy as Essential, given that the legislation requires school boards to adopt a policy for responding to audit findings. Additionally, we've revised **Model Policy 6020 – System of Funds and Accounts**.

OTHER UPDATES

Policy 3120P – Enrollment

Category: **ESSENTIAL**

WSSDA has revised this procedure to reflect updates to claiming students for state funding. Please see the related bulletin from OSPI for more information. <http://k12.wa.us/BulletinsMemos/Bulletins2018/B028-18.pdf>

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All Washington School Directors effectively govern to ensure each and every student has what they need to be successful within our state's public education system.

MISSION

WSSDA builds leaders by empowering its members with tools, knowledge and skills to govern with excellence and advocate for public education.

BELIEFS

WSSDA believes:

- Public education is the foundation to the creation of our citizenry, and locally elected school boards are the foundation to the success of public education.
- High-functioning, locally elected school boards are essential to create the foundation for successfully impacting the learning, development and achievement of each and every student.
- Ethical, effective and knowledgeable school directors are essential for quality public schools.
- Focusing on and addressing educational equity is paramount to assure the achievement of each and every student.
- Public school directors are best served through an innovative, responsive and flexible organization which provides exceptional leadership, professional learning and services in governance, policy, and advocacy.


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WAC 392-123-046**Definitions—General fund, capital projects fund, debt service fund, associated student body fund, advanced refunding and advance refunded bond funds, transportation vehicle fund and insurance reserves.**

(1) A general fund shall be established 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, as authorized by RCW 28A.320.330, 28A.325.030, and 28A.160.130.

(2) A capital projects fund shall be established as authorized by RCW 28A.320.330 for major capital purposes. Any statutory references to a "building fund" shall mean the capital projects fund. Money to be deposited into the capital projects fund shall include, but not be limited to, bond proceeds, proceeds from excess levies, state apportionment proceeds, earnings from capital projects fund investments, rental and lease proceeds, and proceeds from the sale of real property.

Money deposited into the capital projects fund from other sources may be used for the purposes provided in WAC 392-123-180 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.

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

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

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

(4) An associated student body fund shall be established as authorized by RCW 28A.325.030.

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

(6) A transportation vehicle fund shall be established as authorized by RCW **28A.160.130**.

(7) The board of directors of first-class school districts shall have power to create and maintain an insurance reserve account pursuant to RCW **28A.330.110** to be used to meet losses specified by the board of directors.

Funds required for maintenance of an insurance reserve account shall be budgeted and allowed as are other moneys required for the support of the school district.

The school district board of directors may, as an alternative or in addition to the establishment of a self-insurance reserve account or the purchasing of insurance, contract for or hire personnel to provide risk management services.

[Statutory Authority: RCW **28A.505.090**. WSR 93-17-006 (Order 93-12), § 392-123-046, filed 8/5/93, effective 9/5/93. Statutory Authority: 1990 c 33. WSR 90-16-002 (Order 18), § 392-123-046, filed 7/19/90, effective 8/19/90. Statutory Authority: RCW **28A.65.465**. WSR 83-21-027 (Order 83-12), § 392-123-046, filed 10/10/83.]

RCW 28A.320.320**Investment of funds of district—Service fee.**

The county treasurer, or the trustee, guardian, or any other custodian of any school fund, when authorized to do so by the board of directors of any school district, shall invest or reinvest any school funds of such district in investment securities pursuant to RCW 36.29.020 and 36.29.022. The county treasurer shall have the power to select the particular investment in which said funds may be invested. All earnings and income from such investments shall inure to the benefit of any school fund designated by the board of directors of the school district which such board may lawfully designate: PROVIDED, That any interest or earnings being credited to a fund different from that which earned the interest or earnings shall only be expended for instructional supplies, equipment or capital outlay purposes. This section shall apply to all funds which may be lawfully so invested or reinvested which in the judgment of the school board are not required for the immediate necessities of the district.

Five percent of the interest or earnings, with an annual minimum of ten dollars or annual maximum of fifty dollars, on any transactions authorized by each resolution of the board of school directors shall be paid as an investment service fee to the office of county treasurer when the interest or earnings becomes available to the school district or an amount as determined pursuant to RCW 36.29.022 and 36.29.024.

[1999 c 18 § 3; 1983 c 66 § 1; 1969 ex.s. c 223 § 28A.58.440. Prior: 1965 c 111 § 1; 1961 c 123 § 1. Formerly RCW 28A.58.440, 28.58.440.]

NOTES:

Severability—1983 c 66: See note following RCW 39.58.010.

Investment of idle building funds—1945 act: 1945 c 29 § 1.

School funds enumerated—Local revenue subfunds—Deposits—Uses: RCW 28A.320.330.

RCW 28A.320.330

School funds enumerated—Local revenue subfunds—Deposits—Uses.

*** CHANGE IN 2019 *** (SEE 5313-S.SL) ***

*** CHANGE IN 2019 *** (SEE 2140-S.SL) ***

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

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

(b) By the 2018-19 school year, a local revenue subfund of its general fund to account for the financial operations of a school district that are paid from local revenues. The local revenues that must be deposited in the local revenue subfund are enrichment levies and transportation vehicle levies collected under RCW **84.52.053**, local effort assistance funding received under chapter **28A.500** RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, but do not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW **28A.150.250**. School districts must track expenditures from this subfund separately to account for the expenditure of each of these streams of revenue by source, and must provide any supplemental expenditure schedules required by the superintendent of public instruction or state auditor for purposes of RCW **43.09.2856**.

(2) 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.150.270**, earnings from capital projects fund investments as authorized by RCW **28A.320.310** and **28A.320.320**, and state forest revenues transferred pursuant to subsection (3) of this section.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW **28A.530.010**, except that accrued interest paid for bonds shall be deposited in the debt service fund.

Money to be deposited into the capital projects fund shall include but not be limited to rental and lease proceeds as authorized by RCW **28A.335.060**, and proceeds from the sale of real property as authorized by RCW **28A.335.130**.

Money legally deposited into the capital projects fund from other sources may be used for the purposes described in RCW **28A.530.010**, and for the purposes of:

(a) Major renovation and replacement of facilities and systems where periodical repairs are no longer economical or extend the useful life of the facility or system beyond its original planned useful life. Such renovation and replacement shall include, but shall not be limited to, major repairs, exterior painting of facilities, replacement and refurbishment of roofing, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public or common areas, and electrical and plumbing 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.

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

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

(f)(i) Costs associated with implementing technology systems, facilities, and projects, including acquiring hardware, licensing software, and online applications and training related to the installation of the foregoing. However, the software or applications must be an integral part of the district's technology systems, facilities, or projects.

(ii) Costs associated with the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services, and ongoing training related to the installation and integration of these products and services. However, to the extent the funds are used for the purpose under this subsection (2)(f)(ii), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations.

(g) Major equipment repair, painting of facilities, and other major preventative maintenance purposes. However, to the extent the funds are used for the purpose under this subsection (2)(g), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations. Based on the district's most recent two-year history of general fund maintenance expenditures, funds used for this purpose may not replace routine annual preventive maintenance expenditures made from the district's general fund.

(3) A debt service fund to provide for tax proceeds, other revenues, and disbursements as authorized in chapter 39.44 RCW. State forestland revenues that are deposited in a school district's debt service fund pursuant to RCW 79.64.110 and to the extent not necessary for payment of debt service on school district bonds may be transferred by the school district into the district's capital projects fund.

(4) An associated student body fund as authorized by RCW 28A.325.030.

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

[2018 c 266 § 302; 2017 3rd sp.s. c 13 § 601; 2009 c 460 § 1. Prior: 2007 c 503 § 2; 2007 c 129 § 2; 2002 c 275 § 2; 1990 c 33 § 337; 1983 c 59 § 13; 1982 c 191 § 6; 1981 c 250 § 2. Formerly RCW 28A.58.441.]

NOTES:

Intent—2017 3rd sp.s. c 13: See note following RCW 28A.150.410.

Intent—2007 c 129: "The legislature recognizes that technology has become an integral part of the facilities and educational delivery systems in our schools. In order to prepare our state's students to participate fully in our state's economy, school districts are making substantial capital investments in their technology systems, facilities, and projects. Districts are implementing, applying, and modernizing their technology systems. Software companies are shifting from selling software as a one-time package to a license or an extended contractual relationship requiring a subscription and ongoing payments. School districts must be empowered to respond to the changing business models in the software industry and be given flexibility and authority to use capital projects funds to pay for licenses or online application fees. It is the intent of the legislature that these investments be deemed major capital purpose and are also permitted uses of the district's two to six-year levies authorized by RCW 84.52.053." [2007 c 129 § 1.]

Declaration—2002 c 275: "The legislature recognizes and acknowledges that technology has become an integral part of the facilities and educational delivery systems in our schools. In order to prepare our state's students to participate fully in our state's economy, substantial capital investments must continue to be made in our schools' comprehensive technology systems, facilities, and projects. These investments are declared to be a major capital purpose." [2002 c 275 § 1.]

Application—Effective date—Severability—1983 c 59: See notes following RCW 28A.505.010.

Severability—1982 c 191: See note following RCW 28A.335.210.

Effective date—1981 c 250: See note following RCW 28A.335.060.

RCW 84.52.053

Levies by school districts authorized—When—Procedure. (*Effective until January 1, 2019.*)

(1) The limitations imposed by RCW **84.52.050** through **84.52.056**, and **84.52.043** shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for maintenance and operation support of a school district, authorizing two-year levies for transportation vehicle funds established in RCW **28A.160.130**, or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW **28A.320.330(2)** (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for maintenance and operation support of a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for maintenance and operation support of the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's levy base or maximum levy percentage.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW **28A.315.225** may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for maintenance and operation support of a school district may be called and held before the effective date of dissolution to replace existing maintenance and operation levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under subsection (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing maintenance and operation levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for maintenance and operation support of a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess

levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

[2012 c 186 § 18; 2010 c 237 § 4; 2009 c 460 § 2; 2007 c 129 § 3; 1997 c 260 § 1; 1994 c 116 § 1; 1987 1st ex.s. c 2 § 103; 1986 c 133 § 1; 1977 ex.s. c 325 § 3.]

NOTES:

Effective date—2012 c 186: See note following RCW 28A.315.025.

Rule-making authority—2012 c 186: See RCW 28A.315.902.

Intent—2010 c 237: See note following RCW 84.52.0531.

Effective date—2010 c 237 §§ 1 and 3-9: See note following RCW 84.52.0531.

Intent—2007 c 129: See note following RCW 28A.320.330.

Contingent effective date—1997 c 260: "This act takes effect if the proposed amendment to Article VII, section 2 of the state Constitution authorizing school levies for periods not exceeding four years is validly submitted to and is approved and ratified by the voters at the next general election. If the proposed amendment is not approved and ratified, this act is void in its entirety." [1997 c 260 § 2.] House Joint Resolution No. 4208 was approved and ratified by the voters at the November 4, 1997, general election.

Intent—Severability—Effective date—1987 1st ex.s. c 2: See notes following RCW 84.52.0531.

Contingent effective date—1986 c 133: "This act shall take effect on December 15, 1986, if the proposed amendment to Article VII, section 2 of the state Constitution to change the time periods for school levies, House Joint Resolution No. 55, is validly submitted and is approved and ratified by the voters at a general election held in November, 1986. If the proposed amendment is not so approved and ratified, this act shall be null and void in its entirety." [1986 c 133 § 3.] 1986 House Joint Resolution No. 55 was approved at the November 1986 general election. See Article VII, section 2 and Amendment 79 of the state Constitution.

Severability—Effective date—1977 ex.s. c 325: See notes following RCW 84.52.052.

School district boundary changes: RCW 84.09.037.

School funds enumerated—Local revenue subfunds—Deposits—Uses: RCW 28A.320.330.

RCW 84.52.053

Levies by school districts authorized—When—Procedure. (Effective June 7, 2018.)

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130 (~~((through calendar year 2019, authorizing two-year levies for transportation vehicle enrichment beginning with calendar year 2020,))~~) or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for enrichment funding for a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for enrichment funding for the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's maximum levy.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for enrichment funding for a school district may be called and held before the effective date of dissolution to replace existing enrichment levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing enrichment levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for enrichment funding for a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

(4)(a) Beginning September 1, ~~((2019))~~2018, school districts may use enrichment levies ~~((and transportation vehicle enrichment levies))~~ solely to enrich the state's statutory program of basic education as authorized under RCW 28A.150.276.

(b) Beginning with propositions for enrichment levies ~~((and transportation vehicle enrichment levies))~~ for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan from the superintendent of public instruction under RCW 28A.505.240 before submission of the proposition to the voters.

[2018 c 266 § 306; 2017 3rd sp.s. c 13 § 201; 2012 c 186 § 18; 2010 c 237 § 4; 2009 c 460 § 2; 2007 c 129 § 3; 1997 c 260 § 1; 1994 c 116 § 1; 1987 1st ex.s. c 2 § 103; 1986 c 133 § 1; 1977 ex.s. c 325 § 3.]

NOTES:

Reviser's note: This section, section 306, chapter 266, Laws of 2018, amends section 201, chapter 13, Laws of 2017 3rd sp.s., which takes effect January 1, 2019, but the amendments in section 306, chapter 266, Laws of 2018 take effect June 7, 2018. This section is displayed with the 2018 amendments shown.

Effective date—2017 3rd sp.s. c 13 §§ 201, 203, 206, and 207: See note following RCW 84.52.0531.

Intent—2017 3rd sp.s. c 13: See note following RCW 28A.150.410.

Effective date—2012 c 186: See note following RCW 28A.315.025.

Rule-making authority—2012 c 186: See RCW 28A.315.902.

Intent—2010 c 237: See note following RCW 84.52.0531.

Effective date—2010 c 237 §§ 1 and 3-9: See note following RCW 84.52.0531.

Intent—2007 c 129: See note following RCW 28A.320.330.

Contingent effective date—1997 c 260: "This act takes effect if the proposed amendment to Article VII, section 2 of the state Constitution authorizing school levies for periods not exceeding four years is validly submitted to and is approved and ratified by the voters at the next general election. If the proposed amendment is not approved and ratified, this act is void in its entirety." [1997 c 260 § 2.] House Joint Resolution No. 4208 was approved and ratified by the voters at the November 4, 1997, general election.

Intent—Severability—Effective date—1987 1st ex.s. c 2: See notes following RCW 84.52.0531.

Contingent effective date—1986 c 133: "This act shall take effect on December 15, 1986, if the proposed amendment to Article VII, section 2 of the state Constitution to

change the time periods for school levies, House Joint Resolution No. 55, is validly submitted and is approved and ratified by the voters at a general election held in November, 1986. If the proposed amendment is not so approved and ratified, this act shall be null and void in its entirety." [1986 c 133 § 3.] 1986 House Joint Resolution No. 55 was approved at the November 1986 general election. See Article VII, section 2 and Amendment 79 of the state Constitution.

Severability—Effective date—1977 ex.s. c 325: See notes following RCW 84.52.052.

School district boundary changes: RCW 84.09.037.

School funds enumerated—Local revenue subfunds—Deposits—Uses: RCW 28A.320.330.

RCW 84.52.053

Levies by school districts authorized—When—Procedure. (Effective January 1, 2019.)

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130 or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for enrichment funding for a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for enrichment funding for the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's maximum levy.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for enrichment funding for a school district may be called and held before the effective date of dissolution to replace existing enrichment levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under (b)(ii) of

this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing enrichment levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for enrichment funding for a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

(4)(a) Beginning September 1, 2018, school districts may use enrichment levies solely to enrich the state's statutory program of basic education as authorized under RCW 28A.150.276.

(b) Beginning with propositions for enrichment levies for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan from the superintendent of public instruction under RCW 28A.505.240 before submission of the proposition to the voters.

[2018 c 266 § 306; 2017 3rd sp.s. c 13 § 201; 2012 c 186 § 18; 2010 c 237 § 4; 2009 c 460 § 2; 2007 c 129 § 3; 1997 c 260 § 1; 1994 c 116 § 1; 1987 1st ex.s. c 2 § 103; 1986 c 133 § 1; 1977 ex.s. c 325 § 3.]

NOTES:

Effective date—2017 3rd sp.s. c 13 §§ 201, 203, 206, and 207: See note following RCW 84.52.0531.

Intent—2017 3rd sp.s. c 13: See note following RCW 28A.150.410.

Effective date—2012 c 186: See note following RCW 28A.315.025.

Rule-making authority—2012 c 186: See RCW 28A.315.902.

Intent—2010 c 237: See note following RCW 84.52.0531.

Effective date—2010 c 237 §§ 1 and 3-9: See note following RCW 84.52.0531.

Intent—2007 c 129: See note following RCW 28A.320.330.

Contingent effective date—1997 c 260: "This act takes effect if the proposed amendment to Article VII, section 2 of the state Constitution authorizing school levies for periods not exceeding four years is validly submitted to and is approved and ratified by the voters at the next general election. If the proposed amendment is not approved and ratified,

this act is void in its entirety." [1997 c 260 § 2.] House Joint Resolution No. 4208 was approved and ratified by the voters at the November 4, 1997, general election.

Intent—Severability—Effective date—1987 1st ex.s. c 2: See notes following RCW 84.52.0531.

Contingent effective date—1986 c 133: "This act shall take effect on December 15, 1986, if the proposed amendment to Article VII, section 2 of the state Constitution to change the time periods for school levies, House Joint Resolution No. 55, is validly submitted and is approved and ratified by the voters at a general election held in November, 1986. If the proposed amendment is not so approved and ratified, this act shall be null and void in its entirety." [1986 c 133 § 3.] 1986 House Joint Resolution No. 55 was approved at the November 1986 general election. See Article VII, section 2 and Amendment 79 of the state Constitution.

Severability—Effective date—1977 ex.s. c 325: See notes following RCW 84.52.052.

School district boundary changes: RCW 84.09.037.

School funds enumerated—Local revenue subfunds—Deposits—Uses: RCW 28A.320.330.

RCW 84.52.056**Excess levies for capital purposes authorized.**

(1) Any municipal corporation otherwise authorized by law to issue general obligation bonds for capital purposes may, at an election duly held after giving notice thereof as required by law, authorize the issuance of general obligation bonds for capital purposes only, which does not include the replacement of equipment, and provide for the payment of the principal and interest of such bonds by annual levies in excess of the tax limitations contained in RCW 84.52.050 to 84.52.056, inclusive and RCW 84.52.043. Such an election may not be held more often than twice a calendar year, and the proposition to issue any such bonds and to exceed the tax limitation must receive the affirmative vote of a three-fifths majority of those voting on the proposition and the total number of persons voting at the election must constitute not less than forty percent of the voters in the municipal corporation who voted at the last preceding general state election.

(2) Any taxing district has the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitations provided for in RCW 84.52.050 to 84.52.056, inclusive and RCW 84.52.043.

(3) For the purposes of this section, "bond" includes a municipal corporation's obligation to make payments to the state in connection with a financing contract entered into by the state by or on behalf of a municipal corporation under chapter 39.94 RCW.

[2010 c 115 § 3; 1973 1st ex.s. c 195 § 104; 1973 1st ex.s. c 195 § 148; 1961 c 15 § 84.52.056. Prior: 1959 c 290 § 2; 1951 2nd ex.s. c 23 § 4; prior: 1951 c 255 § 1, part; 1950 ex.s. c 11 § 1, part; 1945 c 253 § 1, part; 1941 c 176 § 1, part; 1939 c 83 § 1, part; 1939 c 2 (Init. Meas. No. 129); 1937 c 1 (Init. Meas. No. 114); 1935 c 2 (Init. Meas. No. 94); 1933 c 4 (Init. Meas. No. 64); Rem. Supp. 1945 § 11238-1e, part.]

NOTES:

Authority—2010 c 115: See note following RCW 39.94.030.

Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195: See notes following RCW 84.52.043.

WAC 392-123-010**The accounting manual.**

The superintendent of public instruction and the office of the state auditor shall publish and distribute to each school district and charter school an accounting manual which shall be referred to as *The Accounting Manual for Public School Districts of the State of Washington*. Such accounting manual, as now or hereafter amended, shall govern the accounting procedures of each school district and charter school and is hereby incorporated into this chapter by this reference. Prior to any revision thereof, the superintendent of public instruction shall publish notice of such proposed action and shall hold at least one public hearing.

[Statutory Authority: RCW **28A.150.290** and **28A.710.220**. WSR 15-18-078, § 392-123-010, filed 8/28/15, effective 9/28/15. Statutory Authority: RCW **28A.41.170**, **28A.41.055** and **28A.65.465**. WSR 81-20-007 (Order 81-18), § 392-123-010, filed 9/24/81; Order 8-76, § 392-123-010, filed 7/23/76; Order 7-75, § 392-123-010, filed 12/22/75. Formerly WAC 392-30-020.]