
HOUSE BILL 2617

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Anderson and Haigh; by request of Superintendent of Public Instruction

Read first time 01/19/12. Referred to Committee on Education Appropriations & Oversight.

1 AN ACT Relating to school district financial insolvency; amending
2 RCW 28A.315.025, 28A.315.065, 28A.315.095, 28A.315.195, 28A.315.205,
3 28A.315.215, 28A.315.225, 28A.315.265, 28A.315.285, 28A.315.305,
4 28A.315.315, 28A.343.040, 84.09.030, 84.52.053, 39.64.040, 28A.400.300,
5 and 28A.645.010; adding new sections to chapter 28A.315 RCW; adding a
6 new section to chapter 28A.405 RCW; adding a new section to chapter
7 41.56 RCW; adding a new section to chapter 41.59 RCW; and providing an
8 effective date.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 **Sec. 1.** RCW 28A.315.025 and 2006 c 263 s 505 are each amended to
11 read as follows:

12 As used in this chapter:

13 (1) "Change in the organization and extent of school districts"
14 means the formation and establishment of new school districts, the
15 dissolution of existing school districts, the alteration of the
16 boundaries of existing school districts, or all of them.

17 (2) "Regional committee" means the regional committee on school
18 district organization created by this chapter.

1 (3) "School district" means the territory under the jurisdiction of
2 a single governing board designated and referred to as the board of
3 directors.

4 (4) "Educational service district superintendent" means the
5 educational service district superintendent as provided for in RCW
6 28A.310.170 or his or her designee.

7 (5) "Financial oversight committee" means a committee convened
8 pursuant to section 8 of this act.

9 (6) "Financially insolvent district" means a school district that:

10 (a) Has been on binding conditions pursuant to RCW 28A.505.110 for
11 two consecutive years and is unable to prepare a satisfactory financial
12 plan; or

13 (b) Is reasonably foreseeable and likely to have a deficit general
14 fund balance within three years and is unable to prepare a satisfactory
15 financial plan.

16 (7) "Satisfactory financial plan" means a plan approved by the
17 superintendent of public instruction and the educational service
18 district where a school district is located demonstrating the school
19 district will have an adequate fund balance at the end of the plan
20 period relying on:

21 (a) Currently available revenue streams provided by federal, state,
22 or local resources; or

23 (b) Other revenue streams determined reasonably reliable by the
24 educational service district where the school district is located.

25 **Sec. 2.** RCW 28A.315.065 and 1999 c 315 s 204 are each amended to
26 read as follows:

27 ~~((1))~~ Any district boundary changes shall be ~~((submitted to))~~
28 filed for recording with the county auditor by the educational service
29 district superintendent within thirty days after the changes have been
30 approved in accordance with this chapter. The superintendent shall
31 submit both legal descriptions and maps. District boundary changes
32 shall be effective the date specified in the educational service
33 district superintendent's order.

34 ~~((2) Any boundary changes submitted to the county auditor after~~
35 ~~the fourth Monday in June of odd-numbered years does not take effect~~
36 ~~until the following calendar year.))~~

1 **Sec. 3.** RCW 28A.315.095 and 1999 c 315 s 301 are each amended to
2 read as follows:

3 The powers and duties of each regional committee are to:

4 (1) Hear and approve or disapprove proposals for changes in the
5 organization and extent of school districts in the educational service
6 districts when a hearing on a proposal has been requested under ((RCW
7 28A.315.195)) section 5 of this act;

8 (2) ~~((Act on notices and proposals from the educational service
9 district under RCW 28A.315.225;~~

10 ~~(3))~~ Make an equitable adjustment of the property and other assets
11 and of the liabilities, including bonded indebtedness and excess tax
12 levies as otherwise authorized under this section, as to the old school
13 districts and the new district or districts, if any, involved in or
14 affected by a proposed change in the organization and extent of the
15 school districts;

16 ~~((4))~~ (3) Make an equitable adjustment of the bonded indebtedness
17 outstanding against any of the old and new districts whenever in its
18 judgment such adjustment is advisable, as to all of the school
19 districts involved in or affected by any change heretofore or hereafter
20 effected, subject to the requirements in RCW 28A.315.265;

21 ~~((5))~~ (4) Provide that territory transferred from a school
22 district by a change in the organization and extent of school
23 districts, other than changes required pursuant to RCW 28A.315.225,
24 shall either remain subject to, or be relieved of, any one or more
25 excess tax levies that are authorized for the school district under RCW
26 84.52.053 before the effective date of the transfer of territory from
27 the school district;

28 ~~((6))~~ (5) Provide that territory transferred to a school district
29 by a change in the organization and extent of school districts, other
30 than changes required pursuant to RCW 28A.315.225, shall either be made
31 subject to, or be relieved of, any one or more excess tax levies that
32 are authorized for the school district under RCW 84.52.053 before the
33 effective date of the transfer of territory to the school district;

34 (6)(a) Provide that a school district that is annexing or receiving
35 territory from a financially insolvent school district pursuant to RCW
36 28A.315.225 may submit to the voters of the entire school district,
37 including the territory to be annexed or transferred, a proposition for
38 a replacement or supplemental levy pursuant to RCW 84.52.053(2)(b);

1 (b) Provide that, if an election under (a) of this subsection has
2 not occurred or has failed, territory transferred from a financially
3 insolvent school district to another school district or districts
4 pursuant to RCW 28A.315.225 must be relieved of any one or more excess
5 tax levies that are authorized for the financially insolvent school
6 district under RCW 84.52.053 before the effective date of the transfer
7 of territory from the financially insolvent school district;

8 (c) Provide that, if an election under (a) of this subsection has
9 not occurred or has failed, territory transferred from a financially
10 insolvent school district to another school district or districts
11 pursuant to RCW 28A.315.225 must be made subject to any one or more
12 excess tax levies that are authorized for the receiving school district
13 or districts under RCW 84.52.053 before the effective date of the
14 transfer of territory to the receiving school district or districts;

15 (7) Establish the date by which a committee-approved transfer of
16 territory shall take effect;

17 (8) Hold and keep a record of a public hearing or public hearings
18 (a) on every proposal for the formation of a new school district or for
19 the transfer from one existing district to another of any territory in
20 which children of school age reside or for annexation of territory when
21 the conditions set forth in RCW ~~((28A.315.290 or 28A.315.320))~~
22 28A.315.225 prevail; and (b) on every proposal for adjustment of the
23 assets and of the liabilities of school districts provided for in this
24 chapter. Three members of the regional committee or two members of the
25 committee and the educational service district superintendent may be
26 designated by the committee to hold any public hearing that the
27 committee is required to hold. The regional committee shall cause
28 notice to be given, at least ten days prior to the date appointed for
29 any such hearing, in one or more newspapers of general circulation
30 within the geographical boundaries of the school districts affected by
31 the proposed change or adjustment. In addition notice may be given by
32 radio and television, or either thereof, when in the committee's
33 judgment the public interest will be served thereby; and

34 (9) Prepare and submit to the superintendent of public instruction
35 from time to time or, upon his or her request, reports and
36 recommendations respecting the urgency of need for school plant
37 facilities, the kind and extent of the facilities required, and the

1 development of improved local school administrative units and
2 attendance areas in the case of school districts that seek state
3 assistance in providing school plant facilities.

4 **Sec. 4.** RCW 28A.315.195 and 2008 c 159 s 1 are each amended to
5 read as follows:

6 (1) A proposed change in school district organization by transfer
7 of territory from one school district to another may be initiated by a
8 petition in writing presented to the educational service district
9 superintendent:

10 (a) Signed by at least fifty percent plus one of the active
11 registered voters residing in the territory proposed to be transferred;
12 or

13 (b) Signed by a majority of the members of the board of directors
14 of one of the districts affected by a proposed transfer of territory
15 and providing documentation that, before signing the petition, the
16 board of directors took the following actions:

17 (i) Communicated the proposed transfer to the board of directors of
18 the affected district or districts and provided an opportunity for the
19 board of the affected district or districts to respond; and

20 (ii) Communicated the proposed transfer to the registered voters
21 residing in the territory proposed to be transferred, provided notice
22 of a public hearing regarding the proposal, and provided the voters an
23 opportunity to comment on the proposal at the public hearing.

24 (2) The petition shall state the name and number of each district
25 affected, describe the boundaries of the territory proposed to be
26 transferred, and state the reasons for desiring the change and the
27 number of children of school age, if any, residing in the territory.

28 (3) The educational service district superintendent shall not
29 complete any transfer of territory under this section that involves ten
30 percent or more of the common school student population of the entire
31 district from which the transfer is proposed, unless the educational
32 service district superintendent has first called and held a special
33 election of the voters of the entire school district from which the
34 transfer of territory is proposed. The purpose of the election is to
35 afford those voters an opportunity to approve or reject the proposed
36 transfer. A simple majority shall determine approval or rejection.

1 (4) The superintendent of public instruction may establish rules
2 limiting the frequency of petitions that may be filed pertaining to
3 territory included in whole or in part in a previous petition.

4 (5) ~~((Upon receipt of the petition, the educational service
5 district superintendent shall notify in writing the affected districts
6 that:~~

7 ~~(a) Each school district board of directors, whether or not
8 initiating a proposed transfer of territory, is required to enter into
9 negotiations with the affected district or districts;~~

10 ~~(b) In the case of a citizen initiated petition, the affected
11 districts must negotiate on the entire proposed transfer of territory;~~

12 ~~(c) The districts have ninety calendar days in which to agree to
13 the proposed transfer of territory;~~

14 ~~(d) The districts may request and shall be granted by the
15 educational service district superintendent one thirty day extension to
16 try to reach agreement; and~~

17 ~~(e) Any district involved in the negotiations may at any time
18 during the ninety day period notify the educational service district
19 superintendent in writing that agreement will not be possible.~~

20 ~~(6) If the negotiating school boards cannot come to agreement about
21 the proposed transfer of territory, the educational service district
22 superintendent, if requested by the affected districts, shall appoint
23 a mediator. The mediator has thirty days to work with the affected
24 school districts to see if an agreement can be reached on the proposed
25 transfer of territory.~~

26 ~~(7) If the affected school districts cannot come to agreement about
27 the proposed transfer of territory, and the districts do not request
28 the services of a mediator or the mediator was unable to bring the
29 districts to agreement, either district may file with the educational
30 service district superintendent a written request for a hearing by the
31 regional committee.~~

32 ~~(8) If the affected school districts cannot come to agreement about
33 the proposed transfer of territory initiated by citizen petition, and
34 the districts do not request the services of a mediator or the mediator
35 was unable to bring the districts to agreement, the district in which
36 the citizens who filed the petition reside shall file with the
37 educational service district superintendent a written request for a~~

1 hearing by the regional committee, unless a majority of the citizen
2 petitioners request otherwise.

3 ~~(9) Upon receipt of a notice under subsection (7) or (8) of this~~
4 ~~section, the educational service district superintendent shall notify~~
5 ~~the chair of the regional committee in writing within ten days.~~

6 ~~(10) Costs incurred by school districts under this section shall be~~
7 ~~reimbursed by the state from such funds as are appropriated for this~~
8 ~~purpose.)~~ A petition to transfer territory must be processed in
9 accordance with section 5 of this act and RCW 28A.315.205.

10 NEW SECTION. Sec. 5. A new section is added to chapter 28A.315
11 RCW to read as follows:

12 (1) Upon receipt of a petition to transfer territory pursuant to
13 RCW 28A.315.195 or to dissolve a financially insolvent school district
14 pursuant to RCW 28A.315.225, the educational service district
15 superintendent shall notify in writing the affected districts that:

16 (a) Each school district board of directors, whether or not
17 initiating a proposed transfer of territory or dissolution, must enter
18 into negotiations with the affected district or districts;

19 (b) In the case of a citizen-initiated petition, the affected
20 districts must negotiate on the entire proposed transfer of territory;

21 (c) The districts have ninety calendar days in which to agree to
22 the proposed transfer of territory or to agree on the annexation of a
23 financially insolvent district;

24 (d) Districts negotiating an agreement regarding annexation of a
25 dissolving financially insolvent district may not agree to not dissolve
26 a financially insolvent district;

27 (e) The agreement between at least one contiguous district and a
28 financially insolvent district regarding the annexation of the
29 dissolving district and the distribution of assets and liabilities is
30 subject to approval by the financial oversight committee;

31 (f) The districts may request and shall be granted by the
32 educational service district superintendent one thirty-day extension to
33 try to reach agreement; and

34 (g) Any district involved in the negotiations may at any time
35 during the ninety-day period notify the educational service district
36 superintendent in writing that agreement will not be possible.

1 (2) If the negotiating school boards cannot come to agreement about
2 the proposed transfer of territory, or cannot agree how to annex a
3 financially insolvent district, the educational service district
4 superintendent, if requested by the affected districts, shall appoint
5 a mediator. The mediator has thirty days to work with the affected
6 school districts to see if an agreement can be reached on the proposed
7 transfer of territory.

8 (3) If the affected school districts cannot come to agreement about
9 the proposed transfer of territory, or cannot agree how to annex a
10 financially insolvent district, and the districts do not request the
11 services of a mediator or the mediator was unable to bring the
12 districts to agreement, any affected district may file with the
13 educational service district superintendent a written request for a
14 hearing by the regional committee.

15 (4) If the affected school districts cannot come to agreement about
16 the proposed transfer of territory initiated by citizen petition, and
17 the districts do not request the services of a mediator or the mediator
18 was unable to bring the districts to agreement, the district in which
19 the citizens who filed the petition reside must file with the
20 educational service district superintendent a written request for a
21 hearing by the regional committee, unless a majority of the citizen
22 petitioners request otherwise.

23 (5) Upon receipt of a notice under subsection (3) or (4) of this
24 section, the educational service district superintendent must notify
25 the chair of the regional committee in writing within ten days.

26 (6) Costs incurred by school districts under this section shall be
27 reimbursed by the state from such funds as are appropriated for this
28 purpose.

29 **Sec. 6.** RCW 28A.315.205 and 2008 c 159 s 2 are each amended to
30 read as follows:

31 (1) The chair of the regional committee shall schedule a hearing on
32 the proposed transfer of territory or dissolution petition at a
33 location in the educational service district within sixty calendar days
34 of being notified under ((RCW 28A.315.195 (7) or (8))) section 5(3) or
35 (4) of this act.

36 (2) Within thirty calendar days of the hearing under subsection (1)
37 of this section, or final hearing if more than one is held by the

1 committee, the committee shall issue its written findings and decision
2 to approve or disapprove the proposed transfer of territory or the
3 dissolution and annexation of a financially insolvent district. The
4 educational service district superintendent shall transmit a copy of
5 the committee's decision to the superintendents of the affected school
6 districts within ten calendar days.

7 (3) In carrying out the purposes of RCW 28A.315.015 and in making
8 decisions as authorized under RCW 28A.315.095(1), the regional
9 committee shall base its judgment upon whether and to the extent the
10 proposed change in school district organization complies with RCW
11 28A.315.015(2) and rules adopted by the superintendent of public
12 instruction under chapter 34.05 RCW.

13 (4) The rules under subsection (3) of this section shall provide
14 for giving consideration to all of the following:

15 (a) Student educational opportunities as measured by the percentage
16 of students performing at each level of the statewide mandated
17 assessments and data regarding student attendance, graduation, and
18 dropout rates;

19 (b) The safety and welfare of pupils. For the purposes of this
20 subsection, "safety" means freedom or protection from danger, injury,
21 or damage and "welfare" means a positive condition or influence
22 regarding health, character, and well-being;

23 (c) The history and relationship of the property affected to the
24 students and communities affected, including, for example, the impact
25 of the growth management act and current or proposed urban growth
26 areas, city boundaries, and master planned communities;

27 (d) Whether or not geographic accessibility warrants a favorable
28 consideration of a recommended change in school district organization,
29 including remoteness or isolation of places of residence and time
30 required to travel to and from school; and

31 (e) All funding sources of the affected districts, equalization
32 among school districts of the tax burden for general fund and capital
33 purposes through a reduction in disparities in per pupil valuation when
34 all funding sources are considered, improvement in the economies in the
35 administration and operation of schools, and the extent the proposed
36 change would potentially reduce or increase the individual and
37 aggregate transportation costs of the affected school districts.

1 (5)(a)(i) A petitioner or school district may appeal a decision by
2 the regional committee to the superintendent of public instruction
3 based on the claim that the regional committee failed to follow the
4 applicable statutory and regulatory procedures or acted in an arbitrary
5 and capricious manner. Any such appeal shall be based on the record
6 and the appeal must be filed within thirty days of the final decision
7 of the regional committee. The appeal shall be heard and determined by
8 an administrative law judge in the office of administrative hearings,
9 based on the standards in (a)(ii) of this subsection.

10 (ii) If the administrative law judge finds that all applicable
11 procedures were not followed or that the regional committee acted in an
12 arbitrary and capricious manner, the administrative law judge shall
13 refer the matter back to the regional committee with an explanation of
14 his or her findings. The regional committee shall rehear the proposal.

15 (iii) If the administrative law judge finds that all applicable
16 procedures were followed or that the regional committee did not act in
17 an arbitrary and capricious manner, depending on the appeal, the
18 educational service district shall be notified and directed to
19 implement the changes.

20 (iv) The administrative law judge shall expedite review and
21 issuance of a decision on an appeal of a decision approving the
22 dissolution and annexation of a financially insolvent district.

23 (b) Any school district or citizen petitioner affected by a final
24 decision of the regional committee may seek judicial review of the
25 committee's decision in accordance with RCW 34.05.570. Judicial review
26 of a regional committee decision approving dissolution and annexation
27 of a financially insolvent district must be expedited.

28 **Sec. 7.** RCW 28A.315.215 and 1999 c 315 s 403 are each amended to
29 read as follows:

30 (1) Upon receipt by the educational service district superintendent
31 of a written agreement by two or more school districts to the transfer
32 of territory between the affected districts, or an agreement approved
33 by the financial oversight committee regarding the annexation of a
34 financially insolvent district, the superintendent shall make an order
35 establishing all approved changes involving the alteration of the
36 boundaries of the affected districts. The order shall also establish
37 all approved terms of the equitable adjustment of assets and

1 liabilities involving the affected districts, with the effective date
2 of such alterations to the boundaries. For school districts that are
3 dissolved and annexed pursuant to RCW 28A.315.225, the order shall
4 provide that any excess tax levy approved, including previously
5 approved and imposed excess levies by the school district annexing or
6 receiving the transferred territory from the financially insolvent
7 school district and replacement and supplemental levies voted upon by
8 voters of the entire newly established territory before the effective
9 date of the dissolution by the school district receiving the
10 transferred territory from the dissolved school district shall, in the
11 cases of previously approved and imposed excess levies of the annexing
12 or receiving school district, be imposed on the newly annexed, or
13 dissolved territory, and in the case of replacement or supplemental
14 levies, the entire newly established territory, pursuant to RCW
15 84.09.030. The superintendent shall (~~certify~~) file his or her action
16 (~~to~~) with each county auditor, each county treasurer, each county
17 assessor, the office of the secretary of state, the office of the
18 superintendent of public instruction, and the superintendents of all
19 school districts affected by the action.

20 (2)(a) Upon receipt by the educational service district
21 superintendent of a written (~~order~~) decision by the regional
22 committee approving the transfer of territory between two or more
23 school districts, or the dissolution and annexation of a financially
24 insolvent school district, the superintendent shall make an order
25 establishing all approved changes involving the alteration of the
26 boundaries of the affected districts, with the effective date of such
27 alterations to the boundaries.

28 (b) The order may not be implemented before the period of appeal
29 authorized under RCW 28A.315.205(5)(a)(i) has ended.

30 (c) The order shall also establish all approved terms of the
31 equitable adjustment of assets and liabilities involving the affected
32 districts.

33 (d) For school districts that are dissolved and annexed pursuant to
34 RCW 28A.315.225, the order must provide that any excess tax levy
35 approved, including previously approved and imposed excess levies by
36 the school district annexing or receiving the transferred territory
37 from the financially insolvent school district and replacement and
38 supplemental levies voted upon by voters of the entire newly

1 established territory before the effective date of the dissolution by
2 the school district receiving the transferred territory from the
3 dissolved school district shall, in the cases of previously approved
4 and imposed excess levies of the annexing or receiving school district,
5 be imposed on the newly annexed, or dissolved territory, and in the
6 case of replacement or supplemental levies, the entire newly
7 established territory, pursuant to RCW 84.09.030.

8 (e) The superintendent shall (~~certify~~) file his or her action
9 (~~to~~) with each county auditor, the office of the secretary of state,
10 the office of the superintendent of public instruction, each county
11 treasurer, each county assessor, and the superintendents of all school
12 districts affected by the action.

13 NEW SECTION. Sec. 8. A new section is added to chapter 28A.315
14 RCW to read as follows:

15 (1) The superintendent of public instruction shall convene a
16 financial oversight committee:

17 (a) At the request of the board of directors of a financially
18 insolvent district;

19 (b) When the superintendent of public instruction determines a
20 district is financially insolvent, after first consulting with the
21 educational service district where the district is located and
22 notifying the district the committee will be convened; or

23 (c) When a district has been on binding conditions pursuant to RCW
24 28A.505.110 for two consecutive years and does not have a satisfactory
25 financial plan.

26 (2) The financial oversight committee comprises two representatives
27 from the office of the superintendent of public instruction, one
28 representative from an educational service district where a financially
29 insolvent school district is not located, and one nonvoting
30 representative from the educational service district where the
31 financially insolvent school district is located.

32 (3) The financial oversight committee shall review the financial
33 condition of a financially insolvent school district. In conducting
34 its review, the committee shall hold a public hearing in the
35 financially insolvent school district or educational service district
36 in order to receive public comment on any proposed financial plans. If
37 the financial oversight committee feels that dissolution of the

1 financially insolvent school district is a valid option, it shall
2 receive input at the public hearing on options for dissolving said
3 school district.

4 (4) After holding a public hearing as provided in subsection (2) of
5 this section, the financial oversight committee must make a
6 recommendation to the superintendent of public instruction to either
7 dissolve a financially insolvent school district or to place a district
8 under enhanced financial monitoring to reduce the risk of dissolution
9 due to insolvency. The superintendent of public instruction must
10 implement financial oversight committee recommendations via enhanced
11 financial oversight, which will be monitored by the educational service
12 district.

13 (5) Enhanced financial oversight may include, but is not limited
14 to, the following types of actions, which the superintendent of public
15 instruction is expressly authorized to implement and enforce:

16 (a) Appointment of a special administrator to oversee and carry out
17 financial conditions imposed on the district as recommended by the
18 financial oversight committee;

19 (b) Review, approval, and limitations on a school district's
20 authority to enter into contracts;

21 (c) Review, approval, and limitations on hiring and personnel
22 actions;

23 (d) Waiver of expenditure restrictions imposed on the use of funds
24 in the omnibus appropriations act, grant agreements, statutes,
25 administrative rules, and the school district accounting manual, to the
26 extent it is not prohibited by federal law, when deemed reasonably
27 necessary to obtain funds to liquidate contractual liabilities or to
28 avoid dissolution; and

29 (e) Liquidation or disposition of fixed assets and contractual
30 liabilities by any reasonable and documented method provided the
31 liquidation or disposition of fixed assets and contractual liabilities
32 is reasonably necessary before filing a dissolution petition.

33 (6) Any new, amended, or renewed contract entered into by a school
34 district that is subject to enhanced financial monitoring that has not
35 been approved by the educational service district or special
36 administrator, or that is inconsistent with conditions imposed on the
37 district pursuant to this section, is null and void.

1 (7) Any action taken by a school district that subject to enhanced
2 financial monitoring that is likely to affect the district's finances
3 is null and void if the action was not approved by the educational
4 service district or special administrator or if the action is
5 inconsistent with conditions imposed on the district pursuant to this
6 section.

7 (8) The superintendent of public instruction shall adopt rules to
8 carry out the provisions in this section, which may include, but are
9 not limited to, identifying the responsibilities and authority of the
10 financial oversight committee, the educational service district, the
11 special administrator, and the school district and the implementation
12 of enhanced financial oversight.

13 **Sec. 9.** RCW 28A.315.225 and 1999 c 315 s 501 are each amended to
14 read as follows:

15 (1) In case any school district has an average enrollment of fewer
16 than five kindergarten through eighth grade pupils during the preceding
17 school year or has not made a reasonable effort to maintain, during the
18 preceding school year at least the minimum term of school required by
19 law, the educational service district superintendent shall report that
20 fact to the regional committee, which committee shall dissolve the
21 school district and annex the territory thereof to some other district
22 or districts. For the purposes of this section, in addition to any
23 other finding, "reasonable effort" shall be deemed to mean the attempt
24 to make up whatever days are short of the legal requirement by
25 conducting of school classes on any days to include available holidays,
26 though not to include Saturdays and Sundays, prior to June 15th of that
27 year. School districts operating an extended school year program, most
28 commonly implemented as a 45-15 plan, shall be deemed to be making a
29 reasonable effort. In the event any school district has suffered any
30 interruption in its normal school calendar due to a strike or other
31 work stoppage or slowdown by any of its employees that district shall
32 not be subject to this section.

33 (2) A financially insolvent school district may be dissolved and
34 annexed to one or more contiguous districts, in accordance with an
35 agreement between the insolvent district and at least one other
36 contiguous district, that has been approved by the financial oversight

1 committee, or in accordance with the decision of the regional
2 committee. A financially insolvent district may file bankruptcy only
3 if it is recommended by the financial oversight committee.

4 (3)(a) A petition to dissolve a financially insolvent school
5 district may be filed with the superintendent of public instruction if,
6 before signing and filing the petition, the financial oversight
7 committee was convened and recommended that the district be dissolved.

8 (b) A petition for dissolution under this subsection (3) must
9 include the name of the financially insolvent district, the legal
10 boundaries of the district, the names of contiguous school districts,
11 the basis for concluding the district is financially insolvent, a map
12 with legal description of the proposed annexation of the financially
13 insolvent school district to one or more contiguous school districts,
14 and any proposed equitable adjustments of assets and liabilities for
15 the affected districts. The proposed annexation and equitable
16 adjustment of assets and liabilities must be based on the factors in
17 RCW 28A.315.015(2), 28A.315.205(4), and 28A.315.245.

18 (c) The superintendent of public instruction, at the recommendation
19 of the financial oversight committee, may take the following actions
20 upon filing a petition to dissolve a financially insolvent school
21 district:

22 (i) Authorize liquidation or disposition of fixed assets and
23 contractual liabilities by any reasonable and documented method; and

24 (ii) Waive expenditure restrictions on state and local moneys
25 required by the omnibus appropriations act and by statutes,
26 administrative rules, and procedures, to the extent the restrictions
27 need to be waived to provide the financially insolvent school district
28 with cash for the liquidation of contractual liabilities and to the
29 extent such waiver is not prohibited by federal law.

30 (d) A petition to dissolve a financially insolvent school district
31 shall be processed in accordance with section 5 of this act and RCW
32 28A.315.205.

33 (4) The superintendent of public instruction may request an
34 appropriation to address matters associated with the dissolution of a
35 financially insolvent school district.

36 (5) The superintendent of public instruction may adopt rules
37 governing actions that may be taken to prevent a school district from

1 being dissolved and to assist in the orderly and timely dissolution and
2 annexation of school districts that are unable to avoid financial
3 insolvency.

4 (6) In case any territory is not a part of any school district, the
5 educational service district superintendent shall present to the
6 regional committee a proposal for the annexation of the territory to
7 some contiguous district or districts.

8 NEW SECTION. Sec. 10. A new section is added to chapter 28A.315
9 RCW to read as follows:

10 (1) As of the effective date of dissolution of a financially
11 insolvent district, all existing employment contracts and collective
12 bargaining agreements of the financially insolvent district shall be
13 extinguished.

14 (2) School districts that annex or receive territory from a
15 financially insolvent district have full authority to constitute their
16 workforces, and have no duty to bargain with, or observe the former
17 wages and working conditions of, any former employees of a financially
18 insolvent district who may be hired; rather, any employees hired from
19 a financially insolvent district become part of the appropriate
20 bargaining units, if any, of the annexing or receiving district, and
21 their wages and working conditions are defined by the terms of the
22 annexing or receiving district's bargaining agreements or other
23 policies or conditions of employment.

24 (3) Certificated employees of a district that is dissolved due to
25 financial insolvency have no continuing contract or appeal rights under
26 RCW 28A.405.210 through 28A.405.380 or other law, nor do certificated
27 or classified employees of a district dissolved due to financial
28 insolvency have any resort to grievance or arbitration under a
29 collective bargaining agreement, and any inconsistent provision of any
30 individual contract or collective bargaining agreement is null and
31 void. Sufficient cause for nonrenewal or discharge of such
32 certificated and classified personnel is deemed to exist by sole virtue
33 of the employer district's dissolution for financial insolvency.
34 Notice of nonrenewal or discharge under such circumstances may be given
35 by the educational service district superintendent without regard to
36 date. Any appeal must be addressed to the educational service district
37 board on an expedited basis according to rules established by the

1 superintendent of public instruction, and must be confined to the issue
2 of whether the employer district is dissolved for reasons of financial
3 insolvency. There is no judicial review for the educational service
4 district board's decisions in these matters.

5 **Sec. 11.** RCW 28A.315.265 and 1999 c 315 s 703 are each amended to
6 read as follows:

7 If adjustments of bonded indebtedness are made between or among
8 school districts in connection with the alteration of the boundaries of
9 the school districts under this chapter, the order of the educational
10 service district superintendent establishing the terms of adjustment of
11 bonded indebtedness shall provide and specify:

12 (1) In every case where bonded indebtedness is transferred from one
13 school district to another school district:

14 (a) That such bonded indebtedness is assumed by the school district
15 to which it is transferred;

16 (b) That thereafter such bonded indebtedness shall be the
17 obligation of the school district to which it is transferred;

18 (c) That, if the terms of adjustment so provide, any bonded
19 indebtedness thereafter incurred by such transferee school district
20 through the sale of bonds authorized before the date its boundaries
21 were altered shall be the obligation of such school district including
22 the territory added thereto; and

23 (d) That taxes shall be levied thereafter against the taxable
24 property located within such school district as it is constituted after
25 its boundaries were altered, the taxes to be levied at the times and in
26 the amounts required to pay the principal of and the interest on the
27 bonded indebtedness assumed or incurred, as the same become due and
28 payable.

29 (2) In computing the debt limitation of any school district from
30 which or to which bonded indebtedness has been transferred, the amount
31 of transferred bonded indebtedness at any time outstanding:

32 (a) Shall be an offset against and deducted from the total bonded
33 indebtedness, if any, of the school district from which the bonded
34 indebtedness was transferred; and

35 (b) Shall be deemed to be bonded indebtedness solely of the
36 transferee school district that assumed the indebtedness.

1 (3) In every case where adjustments of bonded indebtedness do not
2 provide for transfer of bonded indebtedness from one school district to
3 another school district:

4 (a) That the existing bonded indebtedness of each school district,
5 the boundaries of which are altered and any bonded indebtedness
6 incurred by each such school district through the sale of bonds
7 authorized before the date its boundaries were altered is the
8 obligation of the school district in its reduced or enlarged form, as
9 the case may be; and

10 (b) That taxes shall be levied thereafter against the taxable
11 property located within each such school district in its reduced or
12 enlarged form, as the case may be, at the times and in the amounts
13 required to pay the principal of and interest on such bonded
14 indebtedness as the same become due and payable.

15 (4) If a change in school district organization approved by the
16 regional committee concerns a proposal to form a new school district or
17 if a change in school district organization includes a proposal for
18 adjustment of voted general obligation bonded indebtedness (~~(involving~~
19 ~~an established school district and one or more former school districts~~
20 ~~now included therein pursuant to a vote of the people concerned)~~), a
21 special election of the voters residing within the territory of the
22 proposed new district, or of the (~~established~~) school district
23 involved in a proposal for adjustment of bonded indebtedness as the
24 case may be, shall be held for the purpose of affording those voters an
25 opportunity to approve or reject such proposals as concern or affect
26 them.

27 (5) In a case involving both the question of the formation of a new
28 school district and the question of adjustment of bonded indebtedness,
29 the questions may be submitted to the voters either in the form of a
30 single proposition or as separate propositions, whichever seems
31 expedient to the educational service district superintendent. When the
32 regional committee has passed appropriate resolutions for the questions
33 to be submitted and the educational service district superintendent has
34 given notice thereof to the county auditor, the special election shall
35 be called and conducted, and the returns canvassed as in regular school
36 district elections.

1 **Sec. 12.** RCW 28A.315.285 and 1999 c 315 s 705 are each amended to
2 read as follows:

3 (1) If a special election is held to vote on a proposal or
4 alternate proposals to form a new school district, the votes cast by
5 the registered voters in each component district shall be tabulated
6 separately. Any such proposition shall be considered approved only if
7 it receives a majority of the votes cast in each separate district
8 voting thereon.

9 (2) If a special election is held to vote on a proposal for
10 adjustment of bonded indebtedness, the entire vote cast by the
11 registered voters of the proposed new district or of the established
12 district as the case may be shall be tabulated. Any such proposition
13 shall be considered approved if (~~sixty percent~~) three-fifths or more
14 of all votes cast thereon are in the affirmative and forty percent of
15 the voters who voted at the last preceding general election cast a
16 ballot.

17 (3) In the event of approval of a proposition or propositions voted
18 on at a special election, the educational service district
19 superintendent shall:

20 (a) Make an order establishing such new school district or such
21 terms of adjustment of bonded indebtedness or both, as were approved by
22 the registered voters and shall also order such other terms of
23 adjustment, if there are any, of property and other assets and of
24 liabilities other than bonded indebtedness as have been approved by the
25 state council; and

26 (b) Certify his or her action to the county and school district
27 officials specified in RCW 28A.315.215. The educational service
28 district superintendent may designate, with the approval of the
29 superintendent of public instruction, a name and number different from
30 that of any component thereof, but must designate the new district by
31 name and number different from any other district in existence in the
32 county.

33 (4) The educational service district superintendent shall fix as
34 the effective date of any order or orders he or she is required to make
35 by this chapter, the date specified in the order of final approval of
36 any change in the organization and extent of school districts or of any
37 terms of adjustment of the assets and liabilities of school districts

1 subject, for taxing purposes, to the redrawing of taxing district
2 boundaries under RCW 84.09.030, by the regional committee.

3 (5) Upon receipt of certification under this section, the
4 superintendent of each school district that is included in the new
5 district shall deliver to the superintendent of the new school district
6 those books, papers, documents, records, and other materials pertaining
7 to the territory transferred.

8 **Sec. 13.** RCW 28A.315.305 and 1999 c 315 s 707 are each amended to
9 read as follows:

10 (1) Each school district involved in or affected by any change made
11 in the organization and extent of school districts under this chapter
12 retains its corporate existence insofar as is necessary for the
13 purpose, until the bonded indebtedness outstanding against it on and
14 after the effective date of the change has been paid in full. This
15 section may not be construed to prevent, after the effective date of
16 the change, such adjustments of bonded indebtedness as are provided for
17 in this chapter.

18 (2) The county legislative authority shall provide, by appropriate
19 levies on the taxable property of each school district, for the payment
20 of the bonded indebtedness outstanding against it after any of the
21 changes or adjustments under this chapter have been effected.

22 (3) In case any such changes or adjustments involve a joint school
23 district, the tax levy for the payment of any bonded indebtedness
24 outstanding against the joint district, after the changes or
25 adjustments are effected, shall be made and the proceeds thereof shall
26 be transmitted, credited, and paid out in conformity with the
27 provisions of law applicable to the payment of the bonded indebtedness
28 of joint school districts.

29 (4) In case any such changes or adjustments involve the dissolution
30 or annexation of a financially insolvent school district pursuant to
31 RCW 28A.315.225:

32 (a) The board of directors of a receiving or annexing school
33 district, or the educational service district superintendent as
34 identified in RCW 84.52.020 must certify a tax levy by November 30th in
35 each calendar year that there is outstanding voted bonded indebtedness
36 to pay the principal of and interest on such outstanding voted bonded
37 indebtedness for the following calendar year;

1 (b) The county treasurer in the county in which the financially
2 insolvent school district is located must collect the levy, the
3 proceeds of which must be deposited into a debt service fund
4 established and overseen by the annexing school district as determined
5 by the financial oversight committee or regional committee to pay the
6 principal of and interest on the dissolved district's outstanding
7 bonded indebtedness as it becomes due;

8 (c) For outstanding voted bonded indebtedness of the financially
9 insolvent school district, the board of directors of the receiving or
10 annexing school district may determine that all or any portion of the
11 voted bonded indebtedness be refunded pursuant to chapter 39.53 RCW, in
12 which case the board of directors of the annexing or receiving district
13 shall act as the governing body of the financially insolvent school
14 district and is expressly empowered to take all action it deems
15 necessary to accomplish such refunding; and

16 (d) Any balance in the debt service fund of the financially
17 insolvent school district remaining after all such voted bonded
18 indebtedness is paid must be transferred to the general fund of the
19 receiving or annexing school district.

20 NEW SECTION. Sec. 14. A new section is added to chapter 28A.315
21 RCW to read as follows:

22 All proceedings that have been taken by any school district,
23 educational service district governing body, or commission, or any
24 officers thereof, for the purpose of effecting a dissolution,
25 annexation, consolidation, or transfer of territory from one or more
26 school districts to one or more other school districts, including but
27 not limited to reorganizing boundaries and making an equitable
28 adjustment of the property and other assets and of the liabilities,
29 including bonded indebtedness and excess tax levies, are hereby
30 validated, ratified, approved, and confirmed, notwithstanding any lack
31 of power, other than constitutional, of the school district,
32 educational service district, or the governing body or commission or
33 officers thereof to effect such changes in organization of school
34 districts.

35 **Sec. 15.** RCW 28A.315.315 and 1990 c 33 s 305 are each amended to
36 read as follows:

1 (1) An appeal may be taken, as provided for in RCW 28A.645.010, to
2 the superior court of the county in which a school district or any part
3 thereof is situated on any question of adjustment of property and other
4 assets and of liabilities provided for in this chapter. Judicial
5 appeal must be expedited. If the court finds the terms of the
6 adjustment in question not equitable, the court shall make an
7 adjustment that is equitable.

8 (2) In the case of any financially insolvent school district that
9 is required to transfer territory pursuant to RCW 28A.315.225, no
10 lawsuit may be maintained challenging the imposition of excess tax
11 levies on the territory transferred or annexed pursuant to an order of
12 the superintendent of the educational service district under RCW
13 28A.315.215 unless that lawsuit is served and filed no later than
14 thirty days after the date of the order.

15 **Sec. 16.** RCW 28A.343.040 and 1991 c 288 s 1 are each amended to
16 read as follows:

17 (1) It is the responsibility of each school district board of
18 directors to prepare for the division or redivision of the district
19 into director districts no later than eight months after any of the
20 following:

21 ~~((1))~~ (a) Receipt of federal decennial census data from the
22 redistricting commission established in RCW 44.05.030;

23 ~~((2))~~ (b) Consolidation of two or more districts into one
24 district under RCW ~~((28A.315.270))~~ 28A.315.195;

25 ~~((3))~~ (c) Transfer of territory to or from the district or
26 dissolution and annexation of a district under RCW ~~((28A.315.280))~~
27 28A.315.215; or

28 ~~((4) Annexation of territory to or from the district under RCW~~
29 ~~28A.315.290 or 28A.315.320; or~~

30 (5)) (d) Approval by a majority of the registered voters voting on
31 a proposition authorizing the division of the district into director
32 districts pursuant to RCW ~~((28A.315.590))~~ 28A.343.030.

33 (2) The districting or redistricting plan shall be consistent with
34 the criteria and adopted according to the procedure established under
35 RCW ~~((29.70.100))~~ 29A.76.010.

1 **Sec. 17.** RCW 84.09.030 and 2008 c 86 s 501 are each amended to
2 read as follows:

3 (1)(a) Except as provided in (b) and (c) of this subsection (1),
4 for the purposes of property taxation and the levy of property taxes,
5 the boundaries of counties, cities, and all other taxing districts
6 shall be the established official boundaries of such districts existing
7 on the first day of August of the year in which the property tax levy
8 is made.

9 (b) The boundaries for a newly incorporated port district or
10 regional fire protection service authority shall be established on the
11 first day of October if the boundaries of the newly incorporated port
12 district or regional fire protection service authority are coterminous
13 with the boundaries of another taxing district or districts, as they
14 existed on the first day of August of that year.

15 (c) The boundaries of a school district that is required to receive
16 or annex territory due to the dissolution of a financially insolvent
17 school district under RCW 28A.315.225 must be established on the first
18 day of September of that year.

19 (2) In any case where any instrument setting forth the official
20 boundaries of any newly established taxing district, or setting forth
21 any change in the boundaries, is required by law to be filed in the
22 office of the county auditor or other county official, the instrument
23 shall be filed in triplicate. The officer with whom the instrument is
24 filed shall transmit two copies of the instrument to the county
25 assessor.

26 (3) No property tax levy shall be made for any taxing district
27 whose boundaries are not established as of the dates provided in this
28 section.

29 **Sec. 18.** RCW 84.52.053 and 2010 c 237 s 4 are each amended to read
30 as follows:

31 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
32 84.52.043 shall not prevent the levy of taxes by school districts, when
33 authorized so to do by the voters of such school district in the manner
34 and for the purposes and number of years allowable under Article VII,
35 section 2(a) of the Constitution of this state. Elections for such
36 taxes shall be held in the year in which the levy is made or, in the
37 case of propositions authorizing two-year through four-year levies for

1 maintenance and operation support of a school district, authorizing
2 two-year levies for transportation vehicle funds established in RCW
3 28A.160.130, or authorizing two-year through six-year levies to support
4 the construction, modernization, or remodeling of school facilities,
5 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
6 year in which the first annual levy is made.

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

14 (b) Notwithstanding (a) of this subsection, any school district
15 that is required to annex or receive territory pursuant to a
16 dissolution of a financially insolvent school district pursuant to RCW
17 28A.315.225 may call either a replacement or supplemental levy election
18 within the school district, including the territory annexed or
19 transferred, as follows:

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

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

28 (iii) In the event a replacement levy election under (b)(i) of this
29 subsection is held but does not pass, the affected school district may
30 subsequently hold a supplemental levy election pursuant to (b)(ii) of
31 this subsection if the supplemental levy election is held before the
32 effective date of dissolution. In the event a supplemental levy
33 election is held under subsection (b)(ii) of this subsection but does
34 not pass, the affected school district may subsequently hold a
35 replacement levy election pursuant to (b)(i) of this subsection if the
36 replacement levy election is held before the effective date of
37 dissolution. Failure of a replacement levy or supplemental levy

1 election does not affect any previously approved and existing
2 maintenance and operation levy within the affected school district or
3 districts.

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

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

15 **Sec. 19.** RCW 39.64.040 and 1935 c 143 s 5 are each amended to read
16 as follows:

17 Subject to the requirement in RCW 28A.315.225(2), any taxing
18 district in the state of Washington is hereby authorized to file the
19 petition mentioned in section 80 of chapter IX of the federal
20 bankruptcy act.

21 **Sec. 20.** RCW 28A.400.300 and 2009 c 47 s 2 are each amended to
22 read as follows:

23 (1) Every board of directors, unless otherwise specially provided
24 by law, shall:

25 ~~((+1))~~ (a) Except as provided in subsection (3) of this section,
26 employ for not more than one year, and for sufficient cause discharge
27 all certificated and classified employees;

28 ~~((+2))~~ (b) Adopt written policies granting leaves to persons under
29 contracts of employment with the school district(s) in positions
30 requiring either certification or classified qualifications, including
31 but not limited to leaves for attendance at official or private
32 institutes and conferences and sabbatical leaves for employees in
33 positions requiring certification qualification, and leaves for
34 illness, injury, bereavement and, emergencies for both certificated and
35 classified employees, and with such compensation as the board of

1 directors prescribe: PROVIDED, That the board of directors shall adopt
2 written policies granting to such persons annual leave with
3 compensation for illness, injury and emergencies as follows:

4 ~~((a))~~ (i) For such persons under contract with the school
5 district for a full year, at least ten days;

6 ~~((b))~~ (ii) For such persons under contract with the school
7 district as part time employees, at least that portion of ten days as
8 the total number of days contracted for bears to one hundred eighty
9 days;

10 ~~((c))~~ (iii) For certificated and classified employees, annual
11 leave with compensation for illness, injury, and emergencies shall be
12 granted and accrue at a rate not to exceed twelve days per year;
13 provisions of any contract in force on June 12, 1980, which conflict
14 with requirements of this subsection shall continue in effect until
15 contract expiration; after expiration, any new contract executed
16 between the parties shall be consistent with this subsection;

17 ~~((d))~~ (iv) Compensation for leave for illness or injury actually
18 taken shall be the same as the compensation such person would have
19 received had such person not taken the leave provided in this proviso;

20 ~~((e))~~ (v) Leave provided in this proviso not taken shall
21 accumulate from year to year up to a maximum of one hundred eighty days
22 for the purposes of RCW 28A.400.210 and 28A.400.220, and for leave
23 purposes up to a maximum of the number of contract days agreed to in a
24 given contract, but not greater than one year. Such accumulated time
25 may be taken at any time during the school year or up to twelve days
26 per year may be used for the purpose of payments for unused sick leave;

27 ~~((f))~~ (vi) Sick leave heretofore accumulated under section 1,
28 chapter 195, Laws of 1959 (former RCW 28.58.430) and sick leave
29 accumulated under administrative practice of school districts prior to
30 the effective date of section 1, chapter 195, Laws of 1959 (former RCW
31 28.58.430) is hereby declared valid, and shall be added to leave for
32 illness or injury accumulated under this proviso;

33 ~~((g))~~ (vii) Any leave for injury or illness accumulated up to a
34 maximum of forty-five days shall be creditable as service rendered for
35 the purpose of determining the time at which an employee is eligible to
36 retire, if such leave is taken it may not be compensated under the
37 provisions of RCW 28A.400.210 and 28A.310.490;

1 ~~((h))~~ (viii) Accumulated leave under this proviso shall be
2 transferred to and from one district to another, the office of
3 superintendent of public instruction, offices of educational service
4 district superintendents and boards, the state school for the blind,
5 the ~~((school for the deaf))~~ Washington state center for childhood
6 deafness and hearing loss, institutions of higher education, and
7 community and technical colleges, to and from such districts, schools,
8 offices, institutions of higher education, and community and technical
9 colleges;

10 ~~((i))~~ (ix) Leave accumulated by a person in a district prior to
11 leaving said district may, under rules of the board, be granted to such
12 person when the person returns to the employment of the district.

13 (2) When any certificated or classified employee leaves one school
14 district within the state and commences employment with another school
15 district within the state, the employee shall retain the same
16 seniority, leave benefits and other benefits that the employee had in
17 his or her previous position: PROVIDED, That classified employees who
18 transfer between districts after July 28, 1985, shall not retain any
19 seniority rights other than longevity when leaving one school district
20 and beginning employment with another. If the school district to which
21 the person transfers has a different system for computing seniority,
22 leave benefits, and other benefits, then the employee shall be granted
23 the same seniority, leave benefits and other benefits as a person in
24 that district who has similar occupational status and total years of
25 service.

26 (3) Notwithstanding subsection (1)(a) of this section, discharges
27 of certificated and classified employees in school districts that are
28 dissolved due to financial insolvency shall be conducted in accordance
29 with section 10 of this act.

30 NEW SECTION. Sec. 21. A new section is added to chapter 28A.405
31 RCW to read as follows:

32 Notwithstanding the provisions of RCW 28A.405.210 through
33 28A.405.380, the employment status, the processes for notices of
34 discharge or nonrenewal, and the appeal rights of certificated
35 employees in school districts that are dissolved due to financial
36 insolvency shall be as provided in section 10 of this act.

1 **Sec. 22.** RCW 28A.645.010 and 1990 c 33 s 544 are each amended to
2 read as follows:

3 (1) Any person, or persons, either severally or collectively,
4 aggrieved by any decision or order of any school official or board,
5 within thirty days after the rendition of such decision or order, or of
6 the failure to act upon the same when properly presented, may appeal
7 the same to the superior court of the county in which the school
8 district or part thereof is situated, by filing with the secretary of
9 the school board if the appeal is from board action or failure to act,
10 otherwise with the proper school official, and filing with the clerk of
11 the superior court, a notice of appeal which shall set forth in a clear
12 and concise manner the errors complained of.

13 (2)(a) Appeals by teachers, principals, supervisors,
14 superintendents, or other certificated employees from the actions of
15 school boards with respect to discharge or other action adversely
16 affecting their contract status, or failure to renew their contracts
17 for the next ensuing term shall be governed by the appeal provisions of
18 chapters 28A.400 and 28A.405 RCW therefor and in all other cases shall
19 be governed by chapter 28A.645 RCW.

20 (b) Appeals from nonrenewal or discharge by employees of school
21 districts that are dissolved due to financial insolvency shall be as
22 provided in section 10 of this act.

23 NEW SECTION. **Sec. 23.** A new section is added to chapter 41.56 RCW
24 to read as follows:

25 Notwithstanding any other provision of this chapter, employees and
26 bargaining representatives of school districts that are dissolved due
27 to financial insolvency shall have resort to collective bargaining,
28 including grievance arbitration and other processes, only to the extent
29 provided by section 10 of this act.

30 NEW SECTION. **Sec. 24.** A new section is added to chapter 41.59 RCW
31 to read as follows:

32 Notwithstanding any other provision of this chapter, employees and
33 bargaining representatives of school districts that are dissolved due
34 to financial insolvency shall have resort to collective bargaining,
35 including grievance arbitration and other processes, only to the extent
36 provided by section 10 of this act.

1 NEW SECTION. **Sec. 25.** A new section is added to chapter 28A.315
2 RCW to read as follows:

3 The superintendent of public instruction may adopt rules to
4 implement chapter . . . , Laws of 2012 (this act).

5 NEW SECTION. **Sec. 26.** This act takes effect September 1, 2012.

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