## SUBSTITUTE HOUSE BILL 2792

State of Washington
By House Appropriations (originally sponsored by Representatives Sullivan, Hunter, Freeman, Morrell, Walkinshaw, Ryu, Tarleton, Appleton, Jinkins, Lytton, Tharinger, Fey, Bergquist, Pollet, Reykdal, Van De Wege, Roberts, S. Hunt, and Carlyle)

READ FIRST TIME 03/03/14.

AN ACT Relating to implementing the state's education funding obligation by increasing allocations to school districts, which include materials, supplies, and operating costs, all-day kindergarten, and class size reduction in kindergarten through third grade; amending RCW 28A.150.220, 28A.150.260, 28A.150.315, 28A.160.192, and 28A.230.090; adding a new section to chapter 28A. 150 RCW; creating new sections; providing an effective date; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 28A. 150.220 and 2013 2nd sp.s. c 9 s 2 are each amended to read as follows:
(1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.
(2) Each school district shall make available to students the following minimum instructional offering each school year:
(a) For students enrolled in grades one through twelve, at least a district-wide annual average of one thousand hours, which shall be increased beginning in the 2015-16 school year to at least one thousand eighty instructional hours for students enrolled in ((each of)) grades ((seven)) nine through twelve and at least one thousand instructional hours for students in ((each of)) grades one through ((six according to an implementation schedule adopted by the legislature, but not before the 2014-15 school year)) eight, all of which may be calculated by a school district using a district-wide annual average of instructional hours over grades one through twelve; and
(b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.
(3) The instructional program of basic education provided by each school district shall include:
(a) Instruction in the essential academic learning requirements under RCW 28A.655.070;
(b) Instruction that provides students the opportunity to complete twenty-four credits for high school graduation, ( (subject to a phasedin implementation of the twenty-four credits as established by the legislature) ) beginning with the graduating class of 2019. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;
(c) If the essential academic learning requirements include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;
(d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;
(e) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;
(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and
(g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030.
(4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.
(5) (a) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half-days of instruction, or equivalent, in kindergarten, to be increased to a minimum of one hundred eighty school days per school year according to the implementation schedule under RCW 28A.150.315. ((Hever,))
(b) Schools administering the Washington kindergarten inventory of developing skills may use up to three school days at the beginning of the school year to meet with parents and families as required in the parent involvement component of the inventory. ((In addition, effective May 1, 1979))
(c) In the case of students who are graduating from high school, a school district may schedule the last five school days of the one hundred ((and)) eighty day school year for noninstructional purposes ((in the case of students who are graduating from high school,)) including, but not limited to, the observance of graduation and early release from school upon the request of a student( (, and)). All such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260. Any hours scheduled by a school district for noninstructional purposes during the last five school days for such students shall count toward the instructional hours requirement in subsection (2) (a) of this section.
(6) Nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services,
programs, or activities that the school district determines to be appropriate for the education of the school district's students.
(7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A. 150.250 and 28A. 150.260 , and such related supplemental program approval requirements as the state board may establish.

Sec. 2. RCW 28A. 150.260 and 2011 1st sp.s. c 27 s 2 are each amended to read as follows:

The purpose of this section is to provide for the allocation of state funding that the legislature deems necessary to support school districts in offering the minimum instructional program of basic education under RCW 28A. 150.220. The allocation shall be determined as follows:
(1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.
(2) The distribution formula under this section shall be for allocation purposes only. Except as may be required under chapter 28A.155, 28A.165, 28A.180, or 28A. 185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.
(3) (a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a school district allocation, the distribution formula for the basic education instructional allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or
structured in a similar fashion as the prototypes. Prototypical schools illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs, such as class size, hours of instruction, and various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent students in each grade level at each school in the district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further adjusted from the school prototypes with minimum allocations for small schools and to reflect other factors identified in the omnibus appropriations act.
(b) For the purposes of this section, prototypical schools are defined as follows:
(i) A prototypical high school has six hundred average annual fulltime equivalent students in grades nine through twelve;
(ii) A prototypical middle school has four hundred thirty-two average annual full-time equivalent students in grades seven and eight; and
(iii) A prototypical elementary school has four hundred average annual full-time equivalent students in grades kindergarten through six.
(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150. 220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

## General education

average

## class size

Grades K-3 . . . . . . . . . . . . . . . . . . . . . . . . . 25.23
Grade 4 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 27.00
Grades 5-6 . . . . . . . . . . . . . . . . . . . . . . . . . 27.00
Grades 7-8 . . . . . . . . . . . . . . . . . . . . . . . . . 28.53
Grades 9-12 . . . . . . . . . . . . . . . . . . . . . . . . 28.74
(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833 , based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

Laboratory science average class size Grades 9-12 . . . . . . . . . . . . . . . . . . . . . 19.98
(b) ((During the 20112013 biennium and beginning with schools with the highest percentage of students eligible for free and reduced-price meals in the prior)) Beginning with allocations for the 2015-16 school year, the general education average class size for grades $K-3$ shall be reduced in equal annual increments from the allocation levels in (a) of this subsection, and the general education average class size for grades $\mathrm{K}-3$ in high poverty schools where more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year shall be reduced in equal annual increments from the 201415 school year allocation levels, until the average class size funded under this subsection (4) in all prototypical elementary schools is no more than 17.0 full-time equivalent students per teacher ((beginning)) in the 2017-18 school year and thereafter.
(c) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom teachers based on the following number of full-time equivalent students per teacher in career and technical education:

Career and technical education average class size
Approved career and technical education offered at the middle school and high school level . . . . . . . . . . . . . 26.57 Skill center programs meeting the standards established by the office of the superintendent of public
instruction . . . . . . . . . . . . . . . . . . . . . . . . . . . . 22.76
(d) In addition, the omnibus appropriations act shall at a minimum specify:
(i) A high-poverty average class size in schools where more than fifty percent of the students are eligible for free and reduced-price meals, which may be in addition to the class size specified for grades K-3 under (b) of this subsection; and
(ii) A specialty average class size for ((laboratory science,)) advanced placement ( $(\boldsymbol{\tau})$ ) and international baccalaureate courses.
(5) (a) The minimum allocation for each level of prototypical school shall include allocations for the following types of staff in addition to classroom teachers:

|  | Elementary | Middle | High <br> School | School |
| :--- | :--- | :--- | :--- | :--- |

prototypical elementary schools and for guidance counselors in prototypical middle schools and high schools shall each be increased in equal annual increments from the allocation levels provided in the 2014-15 school year until allocations of 0.50 family engagement coordinators in prototypical elementary schools, 1.616 guidance counselors in prototypical middle schools, and 2.939 guidance counselors in prototypical high schools are provided in the 2017-18 school year and thereafter.
(6) (a) The minimum staffing allocation for each school district to provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades $K-12$ as follows:

> Staff per 1,000

$$
\mathrm{K}-12 \text { students }
$$

Technology . . . . . . . . . . . . . . . . . . . . . . . . . . . . 0.628
Facilities, maintenance, and grounds . . . . . . . . . . . . . . . 1.813 Warehouse, laborers, and mechanics . . . . . . . . . . . . . . . . 0.332
(b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (b) and (5) of this section and (a) of this subsection.
(7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center administrative and other school-level certificated staff, as specified in the omnibus appropriations act.
(8) (a) Except as provided in (b) and (c) of this subsection, the minimum allocation for each school district shall include allocations per annual average full-time equivalent student for the following materials, supplies, and operating costs, to be adjusted for inflation from the 2008-09 school year:

Per annual average full-time equivalent student in grades $\mathrm{K}-12$ Technology . . . . . . . . . . . . . . . . . . . . . . . . . . $\$ 54.43$ Utilities and insurance . . . . . . . . . . . . . . . . . . . . . $\$ 147.90$ Curriculum and textbooks . . . . . . . . . . . . . . . . . . . . . $\$ 58.44$

Other supplies and library materials . . . . . . . . . . . . . . $\$ 124.07$ Instructional professional development for certified and classified staff. $\$ 9.04$
Facilities maintenance . . . . . . . . . . . . . . . . . . . . . . $\$ 73.27$
Security and central office $\$ 50.76$
(b) During the 2011-2013 biennium, the minimum allocation for maintenance, supplies, and operating costs shall be increased as specified in the omnibus appropriations act. The following allocations, adjusted for inflation from the $2007-08$ school year, are provided in the 2015-16 school year, after which the allocations shall be adjusted annually for inflation as specified in the omnibus appropriations act:


Per annual average full-time equivalent student in grades 9-12
Technology . . . . . . . . . . . . . . . . . . . . . $\$ 36.35$
Curriculum and textbooks . . . . . . . . . . . . . . . . . $\$ 39.02$
Other supplies and library materials . . . . . . . . . . . . . . $\$ 82.84$ Instructional professional development for certificated and classified staff......................... $\$ 6.04$
(9) In addition to the amounts provided in subsection (8) of this section, the omnibus appropriations act shall provide an amount based on full-time equivalent student enrollment in each of the following:
(a) Exploratory career and technical education courses for students in grades seven through twelve;
(b) ((Iaboratory science courses for students in grades nine through twelve;
(c))) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and
(((d))) (c) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center.
(10) In addition to the allocations otherwise provided under this section, amounts shall be provided to support the following programs and services:
(a) To provide supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A. 165.005 through 28A. 165.065 , allocations shall be based on the district percentage of students in grades $K-12$ who were eligible for free or reduced-price meals in the prior school year. The minimum allocation for each level of prototypical school for the program shall provide ((for each level of prototypical school)) resources to provide, on a statewide average, ( (1.5156)) 2.3975 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.
(b) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the following:
(i)(A) The head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction with fifteen transitional bilingual instruction program students per teacher. ((Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be sealed to provide a larger allocation for students needing more intensive intervention and a commensurate reduced allocation for students needing
less intensive intervention, as detailed in the omnibus appropriations act.)) Beginning with the 2015-16 school year, the minimum allocation for students in grades seven and eight shall be increased in equal annual increments until an allocation of 6.0 hours per week is provided in the 2017-18 school year and thereafter. Also beginning with the 2015-16 school year, the minimum allocation for students in grades nine through twelve shall be increased in equal annual increments until an allocation of 8.0 hours per week is provided in the $2017-18$ school year and thereafter.
(B) The head count number of students in each school who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment approved by the superintendent of public instruction under RCW 28A.180.090. Beginning with the 2013-14 school year, the minimum allocation under this subsection (10) (b) (i) (B) for each level of prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen exited transitional bilingual instruction program students per teacher, based on students who exited within the previous school year. Beginning with the 2014-15 school year and thereafter, the minimum allocation shall be based on students who exited within the previous two school years.
(ii) School districts may not receive allocations under both (b) (i) (A) and (B) of this subsection for the same student in a single school year.
(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on two and three hundred fourteen onethousandths percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.
(11) The allocations under subsections (4)(a) and (b), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.
(12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.
(b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A. 700 RCW.
(13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.
(b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.
(c) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A. 150.350, enrolled on the first school day of each month, including students who are in attendance pursuant to RCW 28A. 335.160 and 28A. 225.250 who do not reside within the servicing school district. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.
(d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.

Sec. 3. RCW 28A. 150.315 and 2012 c 51 s 1 are each amended to read as follows:
(1) Beginning with the 2007-08 school year, funding for voluntary all-day kindergarten programs ((shall)) must be phased-in beginning with schools with the highest poverty levels, defined as those schools with the highest percentages of students qualifying for free and reduced-price lunch support in the prior school year. ((During the 2011-2013 biennium, funding shall continue to be phased-in each year)) Beginning with the 2015-16 school year, funds shall be allocated to increase the proportion of full-time equivalent kindergarten students in state-funded all-day kindergarten programs in equal annual increments until full statewide implementation of all-day kindergarten is achieved in the 2017-18 school year and thereafter. Once a school receives funding for the all-day kindergarten program, that school shall remain eligible for funding in subsequent school years regardless of changes in the school's percentage of students eligible for free and reduced-price lunches as long as other program requirements are fulfilled. Additionally, schools receiving all-day kindergarten program support shall agree to the following conditions:
(a) Provide at least a one thousand-hour instructional program;
(b) Provide a curriculum that offers a rich, varied set of experiences that assist students in:
(i) Developing initial skills in the academic areas of reading, mathematics, and writing;
(ii) Developing a variety of communication skills;
(iii) Providing experiences in science, social studies, arts, health and physical education, and a world language other than English;
(iv) Acquiring large and small motor skills;
(v) Acquiring social and emotional skills including successful participation in learning activities as an individual and as part of a group; and
(vi) Learning through hands-on experiences;
(c) Establish learning environments that are developmentally appropriate and promote creativity;
(d) Demonstrate strong connections and communication with early learning community providers; and
(e) Participate in kindergarten program readiness activities with early learning providers and parents.
(2) (a) It is the intent of the legislature that administration of the Washington kindergarten inventory of developing skills as required
in this subsection (2) and RCW 28A. 655.080 replace administration of other assessments being required by school districts or that other assessments only be administered if they seek to obtain information not covered by the Washington kindergarten inventory of developing skills.
(b) In addition to the requirements in subsection (1) of this section and to the extent funds are available, beginning with the 201112 school year on a voluntary basis, schools must identify the skills, knowledge, and characteristics of kindergarten students at the beginning of the school year in order to support social-emotional, physical, and cognitive growth and development of individual children; support early learning provider and parent involvement; and inform instruction. Kindergarten teachers shall administer the Washington kindergarten inventory of developing skills, as directed by the superintendent of public instruction in consultation with the department of early learning and in collaboration with the nongovernmental private-public partnership designated in RCW 43.215.070, and report the results to the superintendent. The superintendent shall share the results with the director of the department of early learning.
(c) School districts shall provide an opportunity for parents and guardians to excuse their children from participation in the Washington kindergarten inventory of developing skills.
(3) Subject to funds appropriated for this purpose, the superintendent of public instruction shall designate one or more school districts to serve as resources and examples of best practices in designing and operating a high-quality all-day kindergarten program. Designated school districts shall serve as lighthouse programs and provide technical assistance to other school districts in the initial stages of implementing an all-day kindergarten program. Examples of topics addressed by the technical assistance include strategic planning, developing the instructional program and curriculum, working with early learning providers to identify students and communicate with parents, and developing kindergarten program readiness activities.

NEW SECTION. Sec. 4. A new section is added to chapter 28A. 150 RCW to read as follows:
(1) Minimum salary allocations for state-funded classified and
certificated administrative staff positions allocated under RCW 28A. 150.260 shall be calculated as provided in this section.
(2) (a) Beginning with the 2015-16 school year, the minimum standard salary allocation for classified staff shall be increased in equal annual increments until an allocation equal to the market rate salary for classified staff, adjusted by inflation from the 2010-11 school year, is provided in the 2017-18 school year and thereafter.
(b) Beginning with the 2015-16 school year, the minimum standard salary allocation for certificated administrative staff shall be increased in equal annual increments until an allocation equal to the market rate salary for certificated administrative staff, adjusted by inflation from the 2010-11 school year, is provided in the 2017-18 school year and thereafter.
(3) School districts whose grandfathered salary allocation exceeds the standard salary allocation in any year shall receive the greater of their grandfathered salary allocation or the standard salary allocation as provided under this section.
(4) The salary allocations calculated under this section are minimum allocations, which include salary increases provided under RCW 28A. 400.205 . The salaries calculated under this section are for allocation purposes only.
(5) The definitions in this subsection apply throughout this section.
(a) "Grandfathered salary allocation" means a state salary allocation rate for classified or certificated administrative staff provided to a school district that exceeds the standard salary allocation.
(b) "Inflation" means the change in the consumer price index-Seattle for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.
(c) "Market rate salary for classified staff" means the 2010 state average predicted salary for comparable occupations to classified staff, identified through a wage analysis submitted in April 2012 to the compensation technical working group convened under chapter 548, Laws of 2009, weighted by the distribution of school staff among the occupational groupings considered in the analysis.
(d) "Market rate salary for certificated administrative staff" means the 2010 state average prevailing salary for managerial occupations comparable to school district administrators, identified through a wage analysis submitted in April 2012 to the compensation technical working group convened under chapter 548, Laws of 2009.
(e) "Standard salary allocation" means the state salary allocation rate for classified or certificated administrative staff provided to the majority of school districts.

Sec. 5. RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each amended to read as follows:
(1) ( (The superintendent of public instruction shall phase-in the implementation $O f)$ ) The distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school ((. The phase-in shall begin no later than the 2011-2013 biennium and be fully implemented by the 2013-2015 biennium.
(a) The formula)) must:
(a) Be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.
(b) ((The formula must)) Allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. Employee compensation costs included in the allowable transportation expenditures used for the purpose of establishing each ((school district's independent)) variable in the regression analysis shall be limited to the base salary or hourly wage rates, fringe benefit rates, and ((applicable health care)) the insurance benefit allocation rate((s)) provided in the omnibus appropriations act.
(2) ((During the phase-in period,)) Funding provided to school districts for student transportation operations shall be distributed on the following basis:
(a) Annually, each school district shall receive the lesser of the ((previous school year's pupil transportation operations allocation)) expected cost as predicted by the regression analysis under subsection (1) (b) of this section, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state plus district indirect expenses using the federal restricted indirect rate as calculated in the district annual financial report;
(b) Annually, the amount identified in (a) of this subsection shall be adjusted for any budgeted ((increases)) changes provided in the omnibus appropriations act for salaries $((\theta)) \_$fringe benefits, and the insurance benefit allocation rate; and
(c) ((Annually, any funds appropriated by the legislature in excess of the maintenance level funding amount for student transportation shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) adjusted by (b) of this subsection and the amount determined under the formula in RCW 28A.160.180; and
(d)) ) Allocations provided to recognize the cost of depreciation to districts contracting with private carriers for student transportation shall be deducted from the allowable transportation expenditures in (a) of this subsection.

Sec. 6. RCW 28A. 230.090 and 2011 c 203 s 2 are each amended to read as follows:
(1) The state board of education shall establish high school graduation requirements or equivalencies for students, except as provided in RCW 28A. 230.122 and except those equivalencies established by local high schools or school districts under RCW 28A.230.097. The purpose of a high school diploma is to declare that a student is ready for success in postsecondary education, gainful employment, and citizenship, and is equipped with the skills to be a lifelong learner.
(a) Any course in Washington state history and government used to fulfill high school graduation requirements shall consider including information on the culture, history, and government of the American Indian peoples who were the first inhabitants of the state.
(b) The certificate of academic achievement requirements under RCW

28A. 655.061 or the certificate of individual achievement requirements under RCW 28A. 155.045 are required for graduation from a public high school but are not the only requirements for graduation.
(c) Any decision on whether a student has met the state board's high school graduation requirements for a high school and beyond plan shall remain at the local level.
(2) (a) In recognition of the statutory authority of the state board of education to establish and enforce minimum high school graduation requirements, the state board shall periodically reevaluate the graduation requirements and shall report such findings to the legislature in a timely manner as determined by the state board.
(b) The state board shall reevaluate the graduation requirements for students enrolled in vocationally intensive and rigorous career and technical education programs, particularly those programs that lead to a certificate or credential that is state or nationally recognized. The purpose of the evaluation is to ensure that students enrolled in these programs have sufficient opportunity to earn a certificate of academic achievement, complete the program and earn the program's certificate or credential, and complete other state and local graduation requirements.
(c) The state board shall forward any proposed changes to the high school graduation requirements to the education committees of the legislature for review and to the quality education council established under RCW 28A.290.010. The legislature shall have the opportunity to act during a regular legislative session before the changes are adopted through administrative rule by the state board. Changes that have a fiscal impact on school districts, as identified by a fiscal analysis prepared by the office of the superintendent of public instruction, shall take effect only if formally authorized and funded by the legislature through the omnibus appropriations act or other enacted legislation.
(d) The state board of education shall adopt rules to implement the career and college ready graduation requirement proposal adopted under board resolution on November 10, 2010, and revised on January 9, 2014, to take effect beginning with the graduating class of 2019, which includes authorization for a school district to waive up to two credits on an individual student basis in accordance with the rules established by the state board of education.
(3) Pursuant to any requirement for instruction in languages other than English established by the state board of education or a local school district, or both, for purposes of high school graduation, students who receive instruction in American sign language or one or more American Indian languages shall be considered to have satisfied the state or local school district graduation requirement for instruction in one or more languages other than English.
(4) If requested by the student and his or her family, a student who has completed high school courses before attending high school shall be given high school credit which shall be applied to fulfilling high school graduation requirements if:
(a) The course was taken with high school students, if the academic level of the course exceeds the requirements for seventh and eighth grade classes, and the student has successfully passed by completing the same course requirements and examinations as the high school students enrolled in the class; or
(b) The academic level of the course exceeds the requirements for seventh and eighth grade classes and the course would qualify for high school credit, because the course is similar or equivalent to a course offered at a high school in the district as determined by the school district board of directors.
(5) Students who have taken and successfully completed high school courses under the circumstances in subsection (4) of this section shall not be required to take an additional competency examination or perform any other additional assignment to receive credit.
(6) At the college or university level, five quarter or three semester hours equals one high school credit.

NEW SECTION. Sec. 7. (1) A joint task force on local education financing reform is established with the following members:
(a) Four members from the house of representatives, two from each major caucus, appointed by the speaker of the house of representatives;
(b) Four members from the senate, two from each major caucus, appointed by the majority leader and minority leader of the major caucuses of the senate;
(c) The governor or the governor's designee; and
(d) The superintendent of public instruction or the superintendent's designee.
(2) Appointments to the task force shall be completed within thirty days of the effective date of this section.
(3) The task force shall be cochaired by one member of the house of representatives and one member of the senate, selected by the members of the task force.
(4) The task force shall:
(a) Review the work of the levy and local effort assistance technical working group created in accordance with chapter 548, Laws of 2009, and amended by chapter 236, Laws of 2010, and other relevant studies and information;
(b) Review the use of local levies by school districts, including the level of funding and how the funding is used by school districts;
(c) Review issues related to various aspects of the local levy process, including school district levy authority, the determination of the levy base, the different levy lids, levy equalization, school choice to use excess levies rather than regular levies, and other voter approval strategies available to school districts;
(d) Review issues related to the small school factor in state funding formulas;
(e) Review the work of the compensation technical working group created in accordance with chapter 548, Laws of 2009, and amended by chapter 236, Laws of 2010, and other relevant studies and information as they relate to salary grandfathering and regional compensation differences in state funding formulas;
(f) Review issues related to grandfathered base salary allocations for certificated instructional staff in state funding formulas;
(g) Review options for addressing regional labor market differences in state funding formulas; and
(h) Recommend approaches in a report to the governor and the legislature to address a system for state and local funds that are distributed in a manner that provides all children with the opportunity to meet the state's academic standards and become prepared for postsecondary careers and education, and that provides compensation allocations that are adequate to hire and retain competent teachers.
(5) Findings and recommendations from the task force shall be reported to fiscal committees of the legislature by December 20, 2014.
(6) Staff and logistical support for the task force must be provided by the house of representatives office of program research and
senate committee services, with assistance as necessary from the office of financial management and the office of the superintendent of public instruction. The first meeting of the task force shall be convened by the house of representatives office of program research and senate committee services within forty-five days of the effective date of this section.
(7) Members of the task force shall be reimbursed for travel expenses as provided in RCW 44.04.120.
(8) This section expires June 30, 2015.

NEW SECTION. Sec. 8. Sections 2 through 5 of this act take effect September 1, 2014.

NEW SECTION. Sec. 9. Section 7 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

