SUBSTITUTE HOUSE BILL 2792

State of Washington 63rd Legislature 2014 Regular Session

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.

1 AN ACT Relating to implementing the state's education funding 2 obligation by increasing allocations to school districts, which include materials, supplies, and operating costs, all-day kindergarten, and 3 class size reduction in kindergarten through third grade; amending RCW 4 28A.150.220, 28A.150.260, 28A.150.315, 28A.160.192, and 28A.230.090; 5 б adding a new section to chapter 28A.150 RCW; creating new sections; providing an effective date; providing an expiration date; 7 and declaring an emergency. 8

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

10 Sec. 1. RCW 28A.150.220 and 2013 2nd sp.s. c 9 s 2 are each 11 amended to read as follows:

12 (1) In order for students to have the opportunity to develop the 13 basic education knowledge and skills under RCW 28A.150.210, school 14 districts must provide instruction of sufficient quantity and quality 15 and give students the opportunity to complete graduation requirements 16 that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this 17 18 section shall be the minimum instructional program of basic education 19 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 3 4 district-wide annual average of one thousand hours, which shall be increased beginning in the 2015-16 school year to at least one thousand 5 6 eighty instructional hours for students enrolled in ((each of)) grades ((seven)) nine through twelve and at least one thousand instructional 7 8 hours for students in ((each of)) grades one through ((six according to 9 an implementation schedule adopted by the legislature, but not before the 2014-15 school year)) eight, all of which may be calculated by a 10 school district using a district-wide annual average of instructional 11 12 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.

17 (3) The instructional program of basic education provided by each18 school district shall include:

(a) Instruction in the essential academic learning requirementsunder 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;

31 (d) Supplemental instruction and services for underachieving 32 students through the learning assistance program under RCW 28A.165.005 33 through 28A.165.065;

34 (e) Supplemental instruction and services for eligible and enrolled
 35 students and exited students whose primary language is other than
 36 English through the transitional bilingual instruction program under
 37 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

4 (g) Programs for highly capable students under RCW 28A.185.010 5 through 28A.185.030.

6 (4) Nothing contained in this section shall be construed to require 7 individual students to attend school for any particular number of hours 8 per day or to take any particular courses.

9 (5)(a) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are 10 11 five years of age, as provided by RCW 28A.225.160, and less than 12 twenty-one years of age and shall consist of a minimum of one hundred 13 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 14 15 equivalent, in kindergarten, to be increased to a minimum of one eighty school days per school year according 16 hundred to the implementation schedule under RCW 28A.150.315. ((However,)) 17

18 (b) Schools administering the Washington kindergarten inventory of 19 developing skills may use up to three school days at the beginning of 20 the school year to meet with parents and families as required in the 21 parent involvement component of the inventory. ((In addition, 22 effective May 1, 1979))

23 (c) In the case of students who are graduating from high school, a 24 school district may schedule the last five school days of the one hundred ((and)) eighty day school year for noninstructional purposes 25 26 ((in the case of students who are graduating from high school,)) 27 including, but not limited to, the observance of graduation and early release from school upon the request of a student((, and)). All such 28 students may be claimed as a full-time equivalent student to the extent 29 30 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 31 for noninstructional purposes during the last five school days for such 32 students shall count toward the instructional hours requirement in 33 subsection (2)(a) of this section. 34

35 (6) Nothing in this section precludes a school district from 36 enriching the instructional program of basic education, such as 37 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.

3 (7) The state board of education shall adopt rules to implement and 4 ensure compliance with the program requirements imposed by this 5 section, RCW 28A.150.250 and 28A.150.260, and such related supplemental 6 program approval requirements as the state board may establish.

7 Sec. 2. RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each 8 amended to read as follows:

9 The purpose of this section is to provide for the allocation of 10 state funding that the legislature deems necessary to support school 11 districts in offering the minimum instructional program of basic 12 education under RCW 28A.150.220. The allocation shall be determined as 13 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 18 allocation purposes only. Except as may be required under chapter 19 20 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and 21 regulations, nothing in this section requires school districts to use 22 basic education instructional funds to implement a particular 23 instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student 24 25 ratio or other staff-to-student ratio or to use allocated funds to pay 26 for particular types or classifications of staff. Nothing in this 27 section entitles an individual teacher to a particular teacher planning period. 28

29 (3)(a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a 30 school district allocation, the distribution formula for the basic 31 education instructional allocation shall be based on minimum staffing 32 and nonstaff costs the legislature deems necessary to support 33 34 instruction and operations in prototypical schools serving high, 35 middle, and elementary school students as provided in this section. 36 The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or 37

structured in a similar fashion as the prototypes. Prototypical 1 2 schools illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students 3 using commonly understood terms and inputs, such as class size, hours 4 of instruction, and various categories of school staff. 5 It is the intent that the funding allocations to school districts be adjusted б from the school prototypes based on the actual number of annual average 7 8 full-time equivalent students in each grade level at each school in the 9 district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further 10 11 adjusted from the school prototypes with minimum allocations for small 12 schools and to reflect other factors identified in the omnibus 13 appropriations act.

14 (b) For the purposes of this section, prototypical schools are 15 defined as follows:

(i) A prototypical high school has six hundred average annual full-time 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:

31	General educa	tion
32	ave	rage
33	class	size
34	Grades K-3	5.23
35	Grade 4	7.00
36	Grades 5-6	7.00
37	Grades 7-8	8.53
38	Grades 9-12	8.74

(ii) The minimum class size allocation for each prototypical high 1 school shall also provide for enhanced funding for class size reduction 2 for two laboratory science classes within grades nine through twelve 3 per full-time equivalent high school student multiplied by a laboratory 4 science course factor of 0.0833, based on the number of full-time 5 б equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and 7 providing at least one teacher planning period per school day: 8 9 Laboratory science average class size

- 10
- 11

(b) ((During the 2011-2013 biennium and beginning with schools with 12 the highest percentage of students eligible for free and reduced-price 13 meals in the prior)) Beginning with allocations for the 2015-16 school 14 15 year, the general education average class size for grades K-3 shall be 16 reduced in equal annual increments from the allocation levels in (a) of 17 this subsection, and the general education average class size for grades K-3 in high poverty schools where more than fifty percent of the 18 students were eligible for free and reduced-price meals in the prior 19 school year shall be reduced in equal annual increments from the 2014-20 15 school year allocation levels, until the average class size funded 21 22 under this subsection (4) in all prototypical elementary schools is no 23 more than 17.0 full-time equivalent students per teacher ((beginning)) in the 2017-18 school year and thereafter. 24

(c) The minimum allocation for each prototypical middle and high 25 school shall also provide for full-time equivalent classroom teachers 26 27 based on the following number of full-time equivalent students per 28 teacher in career and technical education:

29	Career and technical
30	education average
31	class size
32	Approved career and technical education offered at
33	the middle school and high school level
34	Skill center programs meeting the standards established
35	by the office of the superintendent of public
36	instruction

1	(d) In addition, the omnibus appropriation	ons act sl	hall at	a minimum
2	specify:			
3	(i) A high-poverty average class size in	n schools	where	more than
4	fifty percent of the students are eligible f	or free a	and redu	uced-price
5	meals, which may be in addition to the class	size spe	<u>cified f</u>	for grades
6	<u>K-3 under (b) of this subsection</u> ; and			
7	(ii) A specialty average class size for	r ((labor	atory s	science,))
8	advanced $placement((-))$ and international bac	calaureat	e cours	es.
9	(5) <u>(a)</u> The minimum allocation for each le	vel of pr	ototypi	cal school
10	shall include allocations for the following t	ypes of a	staff ir	n addition
11	to classroom teachers:			
12				
13				
14		Elementary	Middle	High
15		School	School	School
16	Principals, assistant principals, and other certificated building-level			
17	administrators	1.253	1.353	1.880
18	Teacher librarians, a function that includes information literacy, technology,			
19	and media to support school library media programs	0.663	0.519	0.523
20	Health and social services:			
21	School nurses	0.076	0.060	0.096
22	Social workers	0.042	0.006	0.015
23	Psychologists	0.017	0.002	0.007
24	Guidance counselors, a function that includes parent outreach and graduation			
25	advising	0.493	((1.116))	((1.909))
26			1.216	2.539
27	Teaching assistance, including any aspect of educational instructional			
28	services provided by classified employees	0.936	0.700	0.652
29	Office support and other noninstructional aides	2.012	2.325	3.269
30	Custodians	1.657	1.942	2.965
31	Classified staff providing student and staff safety	0.079	0.092	0.141
32	((Parent involvement)) Family engagement coordinators	((0.00))	0.00	0.00
33		<u>0.083</u>		
34	(b) Beginning with the 2015-16 school yea	r, the mi	nimum al	llocations
35	under this subsection (5) for family en	gagement	coordin	nators in

prototypical elementary schools and for guidance counselors in 1 2 prototypical middle schools and high schools shall each be increased in equal annual increments from the allocation levels provided in the 3 2014-15 school year until allocations of 0.50 family engagement 4 coordinators in prototypical elementary schools, 1.616 guidance 5 counselors in prototypical middle schools, and 2.939 guidance б counselors in prototypical high schools are provided in the 2017-18 7 school year and thereafter. 8 (6)(a) The minimum staffing allocation for each school district to 9 10 provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades K-12 as 11 12 follows: 13 Staff per 1,000 14 K-12 students 15 16 17 Warehouse, laborers, and mechanics 0.332 18 (b) The minimum allocation of staff units for each school district 19 to support certificated and classified staffing of central 20 administration shall be 5.30 percent of the staff units generated under 21 subsections (4)(a) and (b) and (5) of this section and (a) of this 22 subsection. 23 (7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center 24 25 administrative and other school-level certificated staff, as specified 26 in the omnibus appropriations act. 27 (8)(a) Except as provided in (b) and (c) of this subsection, the minimum allocation for each school district shall include allocations 28 29 per annual average full-time equivalent student for the following materials, supplies, and operating costs, to be adjusted for inflation 30 31 from the 2008-09 school year: 32 Per annual average full-time equivalent student 33 34 in grades K-12 35 36 37

1	Other supplies and library materials
2	Instructional professional development for certified and
3	classified staff
4	Facilities maintenance
5	Security and central office
6	(b) During the 2011-2013 biennium, the minimum allocation for
7	maintenance, supplies, and operating costs shall be increased as
8	specified in the omnibus appropriations act. The following
9	allocations, adjusted for inflation from the 2007-08 school year, are
10	provided in the 2015-16 school year, after which the allocations shall
11	be adjusted annually for inflation as specified in the omnibus
12	appropriations act:
13	Per annual average
14	full-time equivalent student
15	in grades K-12
16	Technology
17	Utilities and insurance
18	Curriculum and textbooks
19	Other supplies and library materials
20	Instructional professional development for certificated and
21	classified staff
22	Facilities maintenance
23	Security and central office administration
24	(c) In addition to the amounts provided in (a) and (b) of this
25	subsection, beginning in the 2014-15 school year, the omnibus
26	appropriations act shall provide the following minimum allocation for
27	each annual average full-time equivalent student in grades nine through
28	twelve for the following materials, supplies, and operating costs, to
29	be adjusted annually for inflation:
30	<u>Per annual average</u>
31	<u>full-time equivalent student</u>
32	<u>in grades 9-12</u>
33	<u>Technology</u>
34	<u>Curriculum and textbooks</u>
35	Other supplies and library materials
36	Instructional professional development for certificated and
37	classified staff

(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:

4 (a) Exploratory career and technical education courses for students
5 in grades seven through twelve;

6 (b) ((Laboratory science courses for students in grades nine 7 through twelve;

8 (c)) Preparatory career and technical education courses for
 9 students in grades nine through twelve offered in a high school; and

10 ((((d))) <u>(c)</u> Preparatory career and technical education courses for 11 students in grades eleven and twelve offered through a skill center.

12 (10) In addition to the allocations otherwise provided under this 13 section, amounts shall be provided to support the following programs 14 and services:

15 To provide supplemental instruction and services (a) for underachieving students through the learning assistance program under 16 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the 17 18 district percentage of students in grades K-12 who were eligible for 19 free or reduced-price meals in the prior school year. The minimum allocation for each level of prototypical school for the program shall 20 21 provide ((for each level of prototypical school)) resources to provide, 22 on a statewide average, $((\frac{1.5156}{)})$ 2.3975 hours per week in extra 23 instruction with a class size of fifteen learning assistance program 24 students per teacher.

(b) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on <u>the following:</u>

(i)(A) The head count number of students in each school who are 28 29 eligible for and enrolled in the transitional bilingual instruction 30 program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide 31 32 resources to provide, on a statewide average, 4.7780 hours per week in extra instruction with fifteen transitional bilingual instruction 33 34 program students per teacher. ((Notwithstanding other provisions of 35 this subsection (10), the actual per-student allocation may be scaled 36 to provide a larger allocation for students needing more intensive 37 intervention and a commensurate reduced allocation for students needing

less intensive intervention, as detailed in the omnibus appropriations 1 act.)) Beginning with the 2015-16 school year, the minimum allocation 2 for students in grades seven and eight shall be increased in equal 3 annual increments until an allocation of 6.0 hours per week is provided 4 in the 2017-18 school year and thereafter. Also beginning with the 5 б 2015-16 school year, the minimum allocation for students in grades nine 7 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 8 9 and thereafter.

10 (B) The head count number of students in each school who have exited the transitional bilingual instruction program within the 11 previous two years based on their performance on the English 12 proficiency assessment approved by the superintendent of public 13 instruction under RCW 28A.180.090. Beginning with the 2013-14 school 14 year, the minimum allocation under this subsection (10)(b)(i)(B) for 15 each level of prototypical school shall provide resources to provide, 16 on a statewide average, 3.0 hours per week in extra instruction with 17 fifteen exited transitional bilingual instruction program students per 18 teacher, based on students who exited within the previous school year. 19 20 Beginning with the 2014-15 school year and thereafter, the minimum 21 allocation shall be based on students who exited within the previous 22 two school years.

23 (ii) School districts may not receive allocations under both 24 (b)(i)(A) and (B) of this subsection for the same student in a single 25 school year.

26 (c) To provide additional allocations to support programs for 27 highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on two and three hundred fourteen one-28 thousandths percent of each school district's full-time equivalent 29 basic education enrollment. The minimum allocation for the programs 30 shall provide resources to provide, on a statewide average, 2.1590 31 32 hours per week in extra instruction with fifteen highly capable program 33 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.

1 (12)(a) For the purposes of allocations for prototypical high 2 schools and middle schools under subsections (4) and (10) of this 3 section that are based on the percent of students in the school who are 4 eligible for free and reduced-price meals, the actual percent of such 5 students in a school shall be adjusted by a factor identified in the 6 omnibus appropriations act to reflect underreporting of free and 7 reduced-price meal eligibility among middle and high school students.

8 (b) Allocations or enhancements provided under subsections (4), 9 (7), and (9) of this section for exploratory and preparatory career and 10 technical education courses shall be provided only for courses approved 11 by the office of the superintendent of public instruction under chapter 12 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.

21 (c) The enrollment of any district shall be the annual average 22 number of full-time equivalent students and part-time students as 23 provided in RCW 28A.150.350, enrolled on the first school day of each 24 month, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing 25 26 school district. The definition of full-time equivalent student shall 27 be determined by rules of the superintendent of public instruction and 28 shall be included as part of the superintendent's biennial budget 29 The definition shall be based on the minimum instructional request. 30 hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house 31 32 ways and means committee and the senate ways and means committee.

33 (d) The office of financial management shall make a monthly review 34 of the superintendent's reported full-time equivalent students in the 35 common schools in conjunction with RCW 43.62.050.

36 Sec. 3. RCW 28A.150.315 and 2012 c 51 s 1 are each amended to read 37 as follows:

(1) Beginning with the 2007-08 school year, funding for voluntary 1 2 all-day kindergarten programs ((shall)) must be phased-in beginning with schools with the highest poverty levels, defined as those schools 3 4 with the highest percentages of students qualifying for free and 5 reduced-price lunch support in the prior school year. ((During the 2011-2013 biennium, funding shall continue to be phased-in each year)) б Beginning with the 2015-16 school year, funds shall be allocated to 7 increase the proportion of full-time equivalent kindergarten students 8 in state-funded all-day kindergarten programs in equal annual 9 increments until full statewide implementation of all-day kindergarten 10 11 is achieved in the 2017-18 school year <u>and thereafter</u>. Once a school 12 receives funding for the all-day kindergarten program, that school 13 shall remain eligible for funding in subsequent school years regardless 14 of changes in the school's percentage of students eligible for free and reduced-price lunches as long as other program requirements are 15 Additionally, schools receiving all-day kindergarten 16 fulfilled. 17 program support shall agree to the following conditions:

18

23

(a) Provide at least a one thousand-hour instructional program;

19 (b) Provide a curriculum that offers a rich, varied set of 20 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

30 (vi) Learning through hands-on experiences;

31 (c) Establish learning environments that are developmentally 32 appropriate and promote creativity;

33 (d) Demonstrate strong connections and communication with early 34 learning community providers; and

(e) Participate in kindergarten program readiness activities withearly learning providers and parents.

37 (2)(a) It is the intent of the legislature that administration of38 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 5 6 section and to the extent funds are available, beginning with the 2011-12 school year on a voluntary basis, schools must identify the skills, 7 8 knowledge, and characteristics of kindergarten students at the 9 beginning of the school year in order to support social-emotional, physical, and cognitive growth and development of individual children; 10 11 support early learning provider and parent involvement; and inform 12 instruction. Kindergarten teachers shall administer the Washington 13 kindergarten inventory of developing skills, as directed by the superintendent of public instruction in consultation with 14 the 15 department of early learning and in collaboration with the private-public 16 nongovernmental partnership designated in RCW 43.215.070, and report the results to the superintendent. 17 The superintendent shall share the results with the director of the 18 19 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.

appropriated for this 23 Subject to funds (3) purpose, the 24 superintendent of public instruction shall designate one or more school districts to serve as resources and examples of best practices in 25 26 designing and operating a high-quality all-day kindergarten program. 27 Designated school districts shall serve as lighthouse programs and provide technical assistance to other school districts in the initial 28 stages of implementing an all-day kindergarten program. Examples of 29 30 topics addressed by the technical assistance include strategic planning, developing the instructional program and curriculum, working 31 32 with early learning providers to identify students and communicate with 33 parents, and developing kindergarten program readiness activities.

34 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 28A.150 35 RCW to read as follows:

36 (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.

3 (2)(a) Beginning with the 2015-16 school year, the minimum standard 4 salary allocation for classified staff shall be increased in equal 5 annual increments until an allocation equal to the market rate salary 6 for classified staff, adjusted by inflation from the 2010-11 school 7 year, is provided in the 2017-18 school year and thereafter.

8 (b) Beginning with the 2015-16 school year, the minimum standard 9 salary allocation for certificated administrative staff shall be 10 increased in equal annual increments until an allocation equal to the 11 market rate salary for certificated administrative staff, adjusted by 12 inflation from the 2010-11 school year, is provided in the 2017-18 13 school year and thereafter.

14 (3) School districts whose grandfathered salary allocation exceeds 15 the standard salary allocation in any year shall receive the greater of 16 their grandfathered salary allocation or the standard salary allocation 17 as provided under this section.

18 (4) The salary allocations calculated under this section are 19 minimum allocations, which include salary increases provided under RCW 20 28A.400.205. The salaries calculated under this section are for 21 allocation purposes only.

(5) The definitions in this subsection apply throughout thissection.

(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.

32 (c) "Market rate salary for classified staff" means the 2010 state 33 average predicted salary for comparable occupations to classified 34 staff, identified through a wage analysis submitted in April 2012 to 35 the compensation technical working group convened under chapter 548, 36 Laws of 2009, weighted by the distribution of school staff among the 37 occupational groupings considered in the analysis. 1 (d) "Market rate salary for certificated administrative staff" 2 means the 2010 state average prevailing salary for managerial 3 occupations comparable to school district administrators, identified 4 through a wage analysis submitted in April 2012 to the compensation 5 technical working group convened under chapter 548, Laws of 2009.

6 (e) "Standard salary allocation" means the state salary allocation 7 rate for classified or certificated administrative staff provided to 8 the majority of school districts.

9 Sec. 5. RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each 10 amended to read as follows:

(1) ((The superintendent of public instruction shall phase in the implementation of)) 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.

17

(a) The formula)) must:

18 (a) Be developed and revised on an ongoing basis using the major 19 cost factors in student transportation, including basic and special 20 student loads, school district land area, average distance to school, 21 roadway miles, and number of locations served. Factors must include 22 all those site characteristics that are statistically significant after 23 analysis of the data required by the revised reporting process.

(b) ((The formula must)) Allocate funds to school districts based 24 25 on the average predicted costs of transporting students to and from 26 school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. 27 Employee compensation costs included in the allowable transportation 28 29 expenditures used for the purpose of establishing each ((school 30 district's independent)) variable in the regression analysis shall be 31 limited to the base salary or hourly wage rates, fringe benefit rates, and ((applicable health care)) the insurance benefit allocation 32 rate((s)) provided in the omnibus appropriations act. 33

34 (2) ((During the phase in period,)) <u>F</u>unding provided to school 35 districts for student transportation operations shall be distributed on 36 the following basis:

(a) Annually, each school district shall receive the lesser of the 1 2 ((previous school year's pupil transportation operations allocation)) expected cost as predicted by the regression analysis under subsection 3 (1)(b) of this section, or the total of allowable pupil transportation 4 expenditures identified on the previous school year's final expenditure 5 report to the state plus district indirect expenses using the federal 6 7 restricted indirect rate as calculated in the district annual financial 8 report;

9 (b) Annually, the amount identified in (a) of this subsection shall 10 be adjusted for any budgeted ((increases)) changes provided in the 11 omnibus appropriations act for salaries ((or)), fringe benefits, and 12 the insurance benefit allocation rate; and

13 (c) ((Annually, any funds appropriated by the legislature in excess 14 of the maintenance level funding amount for student transportation 15 shall be distributed among school districts on a prorated basis using 16 the difference between the amount identified in (a) adjusted by (b) of 17 this subsection and the amount determined under the formula in RCW 18 28A.160.180; and

19 (d)) Allocations provided to recognize the cost of depreciation to 20 districts contracting with private carriers for student transportation 21 shall be deducted from the allowable transportation expenditures in (a) 22 of this subsection.

23 Sec. 6. RCW 28A.230.090 and 2011 c 203 s 2 are each amended to 24 read as follows:

25 (1) The state board of education shall establish high school 26 graduation requirements or equivalencies for students, except as 27 provided in RCW 28A.230.122 and except those equivalencies established by local high schools or school districts under RCW 28A.230.097. 28 The 29 purpose of a high school diploma is to declare that a student is ready success in postsecondary education, gainful employment, and 30 for 31 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.

36 (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.

4 (c) Any decision on whether a student has met the state board's 5 high school graduation requirements for a high school and beyond plan 6 shall remain at the local level.

7 (2)(a) In recognition of the statutory authority of the state board 8 of education to establish and enforce minimum high school graduation 9 requirements, the state board shall periodically reevaluate the 10 graduation requirements and shall report such findings to the 11 legislature in a timely manner as determined by the state board.

12 (b) The state board shall reevaluate the graduation requirements 13 for students enrolled in vocationally intensive and rigorous career and 14 technical education programs, particularly those programs that lead to a certificate or credential that is state or nationally recognized. 15 The purpose of the evaluation is to ensure that students enrolled in 16 17 these programs have sufficient opportunity to earn a certificate of academic achievement, complete the program and earn the program's 18 19 certificate or credential, and complete other state and local graduation requirements. 20

21 (c) The state board shall forward any proposed changes to the high 22 school graduation requirements to the education committees of the 23 legislature for review and to the quality education council established 24 under RCW 28A.290.010. The legislature shall have the opportunity to act during a regular legislative session before the changes are adopted 25 26 through administrative rule by the state board. Changes that have a 27 fiscal impact on school districts, as identified by a fiscal analysis 28 prepared by the office of the superintendent of public instruction, shall take effect only if formally authorized and funded by the 29 30 legislature through the omnibus appropriations act or other enacted legislation. 31

32 (d) The state board of education shall adopt rules to implement the 33 career and college ready graduation requirement proposal adopted under 34 board resolution on November 10, 2010, and revised on January 9, 2014, 35 to take effect beginning with the graduating class of 2019, which 36 includes authorization for a school district to waive up to two credits 37 on an individual student basis in accordance with the rules established 38 by the state board of education.

(3) Pursuant to any requirement for instruction in languages other 1 2 than English established by the state board of education or a local school district, or both, for purposes of high school graduation, 3 4 students who receive instruction in American sign language or one or more American Indian languages shall be considered to have satisfied 5 state or local school district graduation requirement for б the 7 instruction in one or more languages other than English.

8 (4) If requested by the student and his or her family, a student 9 who has completed high school courses before attending high school 10 shall be given high school credit which shall be applied to fulfilling 11 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.

26 (6) At the college or university level, five quarter or three27 semester hours equals one high school credit.

28 <u>NEW SECTION.</u> Sec. 7. (1) A joint task force on local education 29 financing reform is established with the following members:

30 (a) Four members from the house of representatives, two from each 31 major caucus, appointed by the speaker of the house of representatives; 32 (b) Four members from the senate, two from each major caucus, 33 appointed by the majority leader and minority leader of the major 34 caucuses of the senate;

35 (c) The governor or the governor's designee; and

36 (d) The superintendent of public instruction or the 37 superintendent's designee.

(2) Appointments to the task force shall be completed within thirty
 days of the effective date of this section.

3 (3) The task force shall be cochaired by one member of the house of
4 representatives and one member of the senate, selected by the members
5 of the task force.

6

(4) The task force shall:

7 (a) Review the work of the levy and local effort assistance 8 technical working group created in accordance with chapter 548, Laws of 9 2009, and amended by chapter 236, Laws of 2010, and other relevant 10 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;

18 (d) Review issues related to the small school factor in state 19 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;

25 (f) Review issues related to grandfathered base salary allocations 26 for certificated instructional staff in state funding formulas;

(g) Review options for addressing regional labor market differencesin 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.

37 (6) Staff and logistical support for the task force must be38 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 (7) Members of the task force shall be reimbursed for travel
8 expenses as provided in RCW 44.04.120.

9 (8) This section expires June 30, 2015.

10 <u>NEW SECTION.</u> Sec. 8. Sections 2 through 5 of this act take effect 11 September 1, 2014.

12 <u>NEW SECTION.</u> Sec. 9. Section 7 of this act is necessary for the 13 immediate preservation of the public peace, health, or safety, or 14 support of the state government and its existing public institutions, 15 and takes effect immediately.

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