Z-0449.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SENATE BILL 5465**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Wellman, Pedersen, Wilson, C., Hunt, Hasegawa, and Kuderer; by request of Superintendent of Public Instruction

AN ACT Relating to basic education funding; amending RCW 28A.150.260, 28A.505.040, 28A.505.080, and 28A.150.415; adding a new section to chapter 28A.505 RCW; and adding a new section to chapter 28A.150 RCW.

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

**Sec.**  RCW 28A.150.260 and 2018 c 266 s 101 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)(a) The distribution formula under this section shall be for allocation purposes only. Except as may be required under subsections (4)(b) and (c) and (9) of this section, 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.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for the general apportionment, special education, learning assistance, transitional bilingual, highly capable, and career and technical education programs. The superintendent must also report state general apportionment per-pupil allocations by grade for each school district. The superintendent must report this information in a user-friendly format on the main page of the office's web site and on school district apportionment reports. School districts must include a link to the superintendent's per-pupil allocations report on the main page of the school district's web site. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for general apportionment and the categorical programs listed in this subsection.

(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 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:

General education

average class size

Grades K-3 17.00

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)(i) Beginning September 1, 2019, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(ii) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b).

(c)(i) 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 23.00

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction 20.00

(ii) Funding allocated under this subsection (4)(c) is subject to RCW 28A.150.265.

(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; and

(ii) A specialty average class size for advanced placement 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 School | Middle School | High School |
| Principals, assistant principals, and other certificated building‑level administrators | 1.253 | 1.353 | 1.880 |
| Teacher-librarians, a function that includes information literacy, technology, and media to support school library media programs | 0.663 | 0.519 | 0.523 |
| Health and social services: |  |  |  |
| School nurses | 0.076 | 0.060 | 0.096 |
| Social workers | 0.042 | 0.006 | 0.015 |
| Psychologists | 0.017 | 0.002 | 0.007 |
| Guidance counselors, a function that includes parent outreach and graduation advising | 0.493 | ((~~1.216~~)) 1.728 | 2.539 |
| Teaching assistance, including any aspect of educational instructional services provided by classified employees | 0.936 | 0.700 | 0.652 |
| Office support and other noninstructional aides | 2.012 | 2.325 | 3.269 |
| Custodians | 1.657 | 1.942 | 2.965 |
| Classified staff providing student and staff safety | 0.079 | 0.092 | 0.141 |
| ((~~Parent involvement~~)) Family and community engagement coordinators | 0.0825 | 0.00 | 0.00 |

(b)(i) Beginning with the 2021-2023 biennium, funding for additional school nurses, guidance counselors, and family and community engagement coordinators shall be phased in. Funding shall continue to be phased in each year until fiscal year 2025, at which point all schools must receive full funding for the staffing allocations set forth in (b)(ii) of this subsection.

(ii) As schools are phased in, the minimum allocation shall be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Elementary  School | Middle  School | High  School |
| School nurses | 1.00 | 1.00 | 1.00 |
| Guidance counselors | 0.50 | 2.00 | 3.50 |
| Family and community engagement coordinators | 1.00 | 1.00 | 1.00 |

(iii) As schools are phased in, prioritization for the enhanced funding in (b)(i) of this subsection must be based on need as determined by the Washington school improvement framework.

(iv) Once a school receives full funding under (b)(i) of this subsection, that school shall at minimum, meet the ratios for each staffing position set forth in (b)(ii) of this subsection, and remain eligible for funding in subsequent school years regardless of changes in the school's status.

(v) Subject to funds appropriated for this specific purpose, the office of the superintendent of public instruction may develop rules to implement (b)(i) through (iv) of this subsection.

(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

K-12 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 (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) 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 as provided in the 2017-18 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 K-12

Technology $130.76

Utilities and insurance $355.30

Curriculum and textbooks $140.39

Other supplies $278.05

Library materials $20.00

Instructional professional development for certificated and

classified staff $21.71

Facilities maintenance $176.01

Security and central office administration $121.94

(b) In addition to the amounts provided in (a) of this subsection, beginning in the 2014-15 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average full-time equivalent student in grades nine through twelve for the following materials, supplies, and operating costs, to be adjusted annually for inflation:

Per annual average

full-time equivalent student

in grades 9-12

Technology $36.35

Curriculum and textbooks $39.02

Other supplies $77.28

Library materials $5.56

Instructional professional development for certificated and

classified staff $6.04

(9) In addition to the amounts provided in subsection (8) of this section and subject to RCW 28A.150.265, 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) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and

(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)(i) To provide supplemental instruction and services for students who are not meeting academic standards 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 the program shall provide for each level of prototypical school resources to provide, on a statewide average, 2.3975 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(ii) In addition to funding allocated under (a)(i) of this subsection, to provide supplemental instruction and services for students who are not meeting academic standards in qualifying schools. A qualifying school means a school in which the three-year rolling average of the prior year total annual average enrollment that qualifies for free or reduced-price meals equals or exceeds fifty percent or more of its total annual average enrollment. The minimum allocation for this additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher, under RCW 28A.165.055, school districts must distribute the high poverty-based allocation to the schools that generated the funding allocation.

(b)(i) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on 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 for students in grades kindergarten through six and 6.7780 hours per week in extra instruction for students in grades seven through twelve, with fifteen transitional bilingual instruction program students per teacher. Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled 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.

(ii) To provide supplemental instruction and services for students who have exited the transitional bilingual program, allocations shall be based on the head count number of students in each school who have exited the transitional bilingual program within the previous two years based on their performance on the English proficiency assessment and are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.040(1)(g). The minimum allocation for each prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen exited students per teacher.

(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 5.0 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), (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.**  RCW 28A.505.040 and 2017 3rd sp.s. c 13 s 604 are each amended to read as follows:

(1) On or before the tenth day of July in each year, all school districts shall prepare their budget for the ensuing fiscal year. The annual budget development process shall include the development or update of a four-year budget plan that includes a four-year enrollment projection. The four-year budget plan must include an estimate of funding necessary to maintain the continuing costs of program and service levels and any existing supplemental contract obligations.

(2) The completed budget must include a summary of the four-year budget plan and set forth the complete financial plan of the district for the ensuing fiscal year.

(3)(a) Upon completion of their budgets, every school district shall electronically publish a notice stating that the district has completed the budget, posted it electronically, placed it on file in the school district administration office, and that a copy of the budget and a summary of the four-year budget plan will be furnished to any person who calls upon the district for it.

(b) School districts shall submit one copy of their proposed budget and the four-year budget plan summary to their educational service districts ((~~and the office of the superintendent of public instruction~~)) for review and comment by July 10th. The superintendent of public instruction may delay the date in this section if the state's operating budget is not finally approved by the legislature until after June 1st.

(c) The office of the superintendent of public instruction shall consider the information provided under (b) of this subsection when ranking each school district by the financial health of the school district in order to provide information for districts to avoid potential financial difficulty, insolvency, or binding conditions.

**Sec.**  RCW 28A.505.080 and 1984 c 128 s 8 are each amended to read as follows:

Copies of the budgets for all local school districts, including the four-year budget plan prepared under RCW 28A.505.040, shall be filed with the superintendent of public instruction no later than September 10th. One copy will be retained by the educational service district.

**Sec.**  RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each amended to read as follows:

(1) Beginning with the 2018-19 school year, the legislature shall begin phasing in funding for professional learning days for certificated instructional staff. At a minimum, the state must allocate funding for:

(a) One professional learning day in the 2018-19 school year;

(b) Two professional learning days in the 2019-20 school year; and

(c) Three professional learning days in the 2020-21 school year.

(2) Beginning with the 2021-22 school year, the legislature shall begin phasing in funding for content-specific professional learning days for state-funded certificated instructional staff and classified staff. In addition to the professional learning days under subsection (1) of this section, at a minimum, the state must allocate funding for:

(a) Three professional learning days in the 2021-22 school year;

(b) Three professional learning days in the 2022-23 school year; and

(c) Three professional learning days in the 2023-24 school year.

(3)(a) The office of the superintendent of public instruction shall adopt rules necessary to create a menu of professional learning topics that include:

(i) Equity, diversity, and race;

(ii) Inclusionary practices; and

(iii) Strengthening student's social-emotional learning.

(b) When providing additional professional learning days under subsection (2) of this section, school districts must select professional learning topics from the menu created by the office of the superintendent of public instruction under (a) of this subsection. School districts may determine when and how the professional learning is delivered, including whether the professional learning days focus on one topic from the menu or multiple.

(4) The office of the superintendent of public instruction shall develop online training modules for professional learning topics regarding the development of individualized education programs.

(5) Nothing in this section entitles an individual certificated instructional staff or an individual classified staff to any particular number of professional learning days.

((~~(3)~~)) (6) The professional learning days must meet the definitions and standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.505 RCW to read as follows:

(1) By fiscal year 2021 and each fiscal year thereafter, each school district board of directors shall adopt an unrestricted minimum fund balance for their general fund of no less than 8.5 percent of their prior year's state apportionment.

(2) The office of the superintendent of public instruction shall calculate the actual minimum fund balance amount for each school district for the school district board of directors' review and adoption.

(3) A school district may only use minimum fund balance resources for one-time expenditures. A school district may not use minimum fund balance resources for ongoing salaries or benefits.

(4)(a) A school district may temporarily spend below its minimum fund balance only if:

(i) The school district's board of directors:

(A) Adopts a resolution to temporarily spend below its minimum fund balance; and

(B) Submits to the office of the superintendent of public instruction, a plan to restore its minimum fund balance to no less than 8.5 percent of the school district's prior year's state apportionment; and

(ii) The office of the superintendent of public instruction approves the school district's plan to restore its minimum fund balance.

(b) A school district must restore its minimum fund balance to no less than 8.5 percent of the school district's prior year's state apportionment within twelve months of the office of the superintendent of public instruction's approval of the school district's plan.

(c) A school district may not spend below the minimum fund balance two years in a row.

(5) The office of the superintendent of public instruction shall include whether a school district has failed to replenish its minimum fund balance in the school district's financial health indicators. The office of the superintendent of public instruction may require a school district who has failed to replenish its minimum fund balance to withhold certain expenditures until the minimum fund balance is restored to no less than 8.5 percent of the school district's prior year's state apportionment.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.150 RCW 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 institutional education programs. 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 an institutional education allocation for school districts that offer institutional education programs.

(2)(a) 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.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for institutional education programs. The superintendent must also report state per-pupil allocations for each type of institutional education program listed in subsection (4) of this section. The superintendent must report this information in a user-friendly format on the main page of the office of the superintendent of public instruction's web site and on school district apportionment reports. School districts must include a link to the superintendent's per-pupil allocations report on the main page of the school district's web site. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for the institutional education programs listed in subsection (4) of this section.

(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 instructional education allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical institutional education programs serving students as provided in this section. The use of prototypical institutional education programs for the distribution formula does not constitute legislative intent that institutional education programs should be operated or structured in a similar fashion as the prototypes. Prototypical institutional education programs illustrate the level of resources needed to operate an institutional education program of a particular type and size, using commonly understood terms and inputs, such as various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the institutional education program prototypes based on the actual number of annual average full-time equivalent students in each institutional education program in the district to the extent that data is available.

(b) For the purposes of this section, prototypical institutional programs are defined as follows:

(i) A prototypical residential habilitation center has eight annual full-time equivalent students;

(ii) A prototypical long-term juvenile justice institution has one hundred twenty-five annual full-time equivalent students;

(iii) A prototypical community facility has seven annual full-time equivalent students;

(iv) A prototypical county juvenile detention center has twenty-five annual full-time equivalent students;

(v) A prototypical state correction facility has twenty-five annual full-time equivalent students;

(vi) A prototypical county or city jail has twenty-five annual full-time equivalent students; and

(vii) A prototypical residential mental health unit has one hundred twenty-five annual full-time equivalent students.

(4) The minimum allocation for each level of prototypical institutional education program shall include allocations for the following types of teachers and staff:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Residential Habilitation Center | Long-term Juvenile Institution | Community Detention Facility | County Detention Center | State Correction Facility | County or City Jail | Residential Mental Health Unit |
| Teachers | 1.20 | 16.67 | 1.20 | 3.00 | 3.00 | 3.00 | 20.00 |
| Principals | 0.15 | 1.59 | 0.10 | 0.50 | 0.50 | 0.50 | 1.59 |
| Counselors | 0.25 | 1.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Psychologists | 1.00 | 1.00 | 0.20 | 0.20 | 0.20 | 0.20 | 1.00 |
| Teaching assistants | 1.00 | 6.76 | 0.00 | 3.00 | 3.00 | 3.00 | 6.76 |
| Office support staff | 0.15 | 2.50 | 0.20 | 1.00 | 1.00 | 1.00 | 2.50 |

**--- END ---**