
SUBSTITUTE HOUSE BILL 2776

State of Washington

61st Legislature

2010 Regular Session

By House Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Maxwell, Dammeier, Carlyle, Finn, Anderson, Eddy, Nelson, Goodman, Orwall, Hunter, Simpson, Jacks, Kagi, Ormsby, Morrell, Probst, and Santos)

READ FIRST TIME 02/02/10.

1 AN ACT Relating to funding distribution formulas for K-12
2 education; amending RCW 28A.150.260, 28A.150.390, 28A.150.315,
3 43.41.398, 28A.160.192, 28A.150.410, and 28A.175.010; amending 2009 c
4 548 s 112 (uncodified); amending 2009 c 548 s 302 (uncodified);
5 amending 2009 c 548 s 805 (uncodified); adding a new section to chapter
6 28A.160 RCW; adding a new section to chapter 28A.290 RCW; adding a new
7 section to chapter 28A.400 RCW; adding a new section to chapter 28A.300
8 RCW; creating a new section; recodifying RCW 43.41.398; providing an
9 effective date; providing an expiration date; and declaring an
10 emergency.

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

12 NEW SECTION. **Sec. 1.** (1) It is the legislature's intent to
13 continue implementation of chapter 548, Laws of 2009, by adopting the
14 technical details of a new distribution formula for the instructional
15 program of basic education and authorizing a phase-in of implementation
16 of a new distribution formula for pupil transportation, both to take
17 effect September 1, 2011. Unless otherwise stated, the numeric values
18 adopted in section 2 of this act represent the translation of 2009-2010
19 state funding levels for the basic education act into the funding

1 factors of the prototypical school funding formula, based on the expert
2 advice and extensive work of the funding formula technical working
3 group established by the legislature for this purpose. The legislature
4 intends to continue to review and revise the formulas and may make
5 revisions as necessary for technical purposes and consistency in the
6 event of mathematical or other technical errors.

7 (2) It is also the legislature's intent to adopt an implementation
8 schedule for phasing-in enhancements to the baseline funding levels of
9 2009-10 beginning in the 2011-12 school year for pupil transportation,
10 class size allocations for grades kindergarten through three, full-day
11 kindergarten, and allocations for maintenance, supplies, and operating
12 costs.

13 (3) Finally, it is the legislature's intent to adjust the timelines
14 for other working groups so that their expertise and advice can be
15 received as soon as possible and to make technical adjustments to
16 certain provisions of chapter 548, Laws of 2009.

17 **Sec. 2.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to
18 read as follows:

19 The purpose of this section is to provide for the allocation of
20 state funding that the legislature deems necessary to support school
21 districts in offering the minimum instructional program of basic
22 education under RCW 28A.150.220. The allocation shall be determined as
23 follows:

24 (1) The governor shall and the superintendent of public instruction
25 may recommend to the legislature a formula for the distribution of a
26 basic education instructional allocation for each common school
27 district.

28 (2) The distribution formula under this section shall be for
29 allocation purposes only. Except as may be required under chapter
30 28A.165, 28A.180, 28A.185, or 28A.155 RCW, or federal laws and
31 regulations, nothing in this section requires school districts to use
32 basic education instructional funds to implement a particular
33 instructional approach or service. Nothing in this section requires
34 school districts to maintain a particular classroom teacher-to-student
35 ratio or other staff-to-student ratio or to use allocated funds to pay
36 for particular types or classifications of staff. Nothing in this

1 section entitles an individual teacher to a particular teacher planning
2 period.

3 (3)(a) To the extent the technical details of the formula have been
4 adopted by the legislature, the distribution formula for the basic
5 education instructional allocation shall be based on minimum staffing
6 and nonstaff costs the legislature deems necessary to support
7 instruction and operations in prototypical schools serving high,
8 middle, and elementary school students as provided in this section.
9 The use of prototypical schools for the distribution formula does not
10 constitute legislative intent that schools should be operated or
11 structured in a similar fashion as the prototypes. Prototypical
12 schools illustrate the level of resources needed to operate a school of
13 a particular size with particular types and grade levels of students
14 using commonly understood terms and inputs, such as class size, hours
15 of instruction, and various categories of school staff. It is the
16 intent that the funding allocations to school districts be adjusted
17 from the school prototypes based on the actual number of annual average
18 full-time equivalent students in each grade level at each school in the
19 district and not based on the grade-level configuration of the school
20 to the extent that data is available. The allocations shall be further
21 adjusted from the school prototypes with minimum allocations for small
22 schools and to reflect other factors identified in the omnibus
23 appropriations act.

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

26 (i) A prototypical high school has six hundred average annual full-
27 time equivalent students in grades nine through twelve;

28 (ii) A prototypical middle school has four hundred thirty-two
29 average annual full-time equivalent students in grades seven and eight;
30 and

31 (iii) A prototypical elementary school has four hundred average
32 annual full-time equivalent students in grades kindergarten through
33 six.

34 (c) The minimum allocation for each level of prototypical school
35 shall be based on the number of full-time equivalent classroom teachers
36 needed to provide instruction over the minimum required annual
37 instructional hours under RCW 28A.150.220 and provide at least one

1 teacher planning period per school day, and based on an average class
2 size as specified in the omnibus appropriations act. The omnibus
3 appropriations act shall at a minimum specify the following:

4 (i) Basic average class size ~~((+))~~ for:

5 (A) Grades kindergarten through three 25.23

6 (B) Grade four 27.00

7 (C) Grades five and six 27.00

8 (D) Grades seven and eight 28.53

9 (E) Grades nine through twelve 28.74

10 (ii) Basic average class size for grades kindergarten through three
11 shall be reduced each year beginning in the 2011-12 school year and
12 beginning with schools with the highest percent of students eligible
13 for free and reduced-price meals in the prior school year until the
14 following basic average class size is specified beginning in the 2015-
15 16 school year. 15.00

16 (iii) Average class size in schools where more than fifty percent
17 of the students are eligible for free and reduced-price meals, which
18 shall not exceed the average class sizes specified in (c)(i) and (ii)
19 of this subsection;

20 ~~((+iii))~~ (iv) Average class size for:

21 (A) Exploratory and preparatory career and technical education ~~((+))~~
22 in middle and high schools 26.57

23 (B) Preparatory career and technical education in skill
24 centers 22.76

25 (C) Laboratory science ~~((+))~~ 28.74

26 (D) Advanced placement ~~((+))~~ and international baccalaureate
27 courses ~~((+and~~

28 ~~(iv) Average class size in grades kindergarten through~~
29 ~~three.)) 28.74~~

30 (d) The minimum allocation for each level of prototypical school
31 shall include allocations for the following types of staff in addition
32 to classroom teachers:

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
	<u>School</u>	<u>School</u>	<u>School</u>

35 (i) Principals, including
36 assistant principals, and
37 other certificated building-level
38 administrators ~~((+))~~ 1.253 1.353 1.880

1	(ii) Teacher librarians,			
2	performing functions including			
3	information literacy, technology,			
4	and media to support school			
5	library media programs((+))	0.663	0.519	0.523
6	(iii) Student health services,			
7	a function that includes			
8	school nurses, whether			
9	certificated instructional			
10	or classified employee, and			
11	social workers((+))	0.135	0.068	0.118
12	(iv) Guidance counselors,			
13	performing functions including			
14	parent outreach and graduation			
15	advisor((+))	0.493	1.116	1.909
16	(v) (Professional development coaches;			
17	(vi))) Teaching assistance,			
18	which includes any aspect of			
19	educational instructional			
20	services provided by classified			
21	employees((+))	0.917	0.685	0.638
22	((vii))) <u>(vi)</u> Office support((, technology support,)			
23	and other noninstructional			
24	aides((+))	1.971	2.277	3.201
25	((viii))) <u>(vii)</u> Custodians((, warehouse,			
26	maintenance, laborer, and professional			
27	and technical education support			
28	employees; and)))	1.622	1.902	2.903
29	((ix))) <u>(viii)</u> Classified			
30	staff providing student and staff			
31	safety	0.077	0.090	0.138

32 (e) The distribution formula shall include staffing allocations to
33 school districts for career and technical education and skill center
34 administrative staff, as specified in the omnibus appropriations act.

35 (4)(a) The minimum allocation for each school district shall
36 include allocations per annual average full-time equivalent student for
37 the following materials, supplies, and operating costs, which shall be

1 adjusted annually for inflation from the following 2008-09 school year
2 funding values as specified in the omnibus appropriations act:

3 (~~Student~~)

4 (i) Technology ~~((+))~~ \$54.43

5 (ii) Utilities ~~((+))~~ and insurance \$147.90

6 (iii) Curriculum ~~((+))~~ and textbooks ~~((+))~~ \$58.44

7 (iv) Other supplies and library
8 materials ~~((+ and instructional supplies+))~~ \$124.07

9 (v) Instructional professional development
10 for both certificated and classified
11 staff ~~((+ other building level costs~~
12 including)) \$9.04

13 (vi) Facilities maintenance ~~((+ custodial, and))~~ \$73.27

14 (vii) Security ~~((+))~~ and central office
15 administration ~~((+))~~ \$50.76

16 (b) Beginning in the 2011-12 school year, the allocations based on
17 the funding values in (a) of this subsection shall be increased
18 annually after being adjusted for inflation until the following 2007-08
19 school year funding values, adjusted for inflation, are provided in the
20 2013-14 school year, after which the funding values shall be adjusted
21 annually for inflation as specified in the omnibus appropriations act:

22 (i) Technology \$113.80

23 (ii) Utilities and insurance \$309.21

24 (iii) Curriculum and textbooks \$122.17

25 (iv) Other supplies and library materials \$259.39

26 (v) Instructional professional development for both
27 certificated and classified staff \$18.89

28 (vi) Facilities maintenance \$153.18

29 (vii) Security and central office administration \$106.12

30 (c) The annual average full-time equivalent student amounts in (a)
31 and (b) of this subsection shall be ~~((enhanced))~~ multiplied by the
32 following minimum percentages based on full-time equivalent student
33 enrollment in the following courses:

34 (i) Exploratory career and technical education courses for students
35 in grades seven through twelve ~~((+ laboratory science courses for~~
36 students in grades nine through twelve+)) 247.54%

37 (ii) Preparatory career and technical education courses for

1 students in grades nine through twelve offered in a high school(~~(+~~
2 and))247.54%

3 (iii) Preparatory career and technical education courses for
4 students in grades eleven and twelve offered through a skill
5 center(~~(-~~) 224.65%

6 (5) The allocations provided under subsections (3) and (4) of this
7 section shall be enhanced as follows to provide additional allocations
8 for classroom teachers and maintenance, supplies, and operating costs:

9 (a) To provide supplemental instruction and services for
10 underachieving students through the learning assistance program under
11 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
12 prior year enrollment and prior year percent of students in each school
13 who are eligible for free and reduced-price meals. The minimum
14 allocation for the learning assistance program shall provide (~~an~~
15 ~~extended school day and extended school year~~) the following resources
16 for each level of prototypical school (~~and a per student allocation~~
17 ~~for maintenance, supplies, and operating costs.~~), on a statewide
18 average:

19 Instructional hours per week in a
20 class size of fifteen 1.5156

21 (b) To provide supplemental instruction and services for students
22 whose primary language is other than English, allocations shall be
23 based on the number of students in each school who are eligible for and
24 enrolled in the transitional bilingual instruction program under RCW
25 28A.180.010 through 28A.180.080. The minimum allocation for each level
26 of prototypical school shall provide (~~for supplemental instruction~~
27 ~~based on percent of the school day a student is assumed to receive~~
28 ~~supplemental instruction and a per student allocation for maintenance,~~
29 ~~supplies, and operating costs.~~), on a statewide average, the following
30 resources:

31 Instructional hours per week in a
32 class size of fifteen 4.778

33 (6) The allocations provided under subsections (3) and (4) of this
34 section shall be enhanced to provide additional allocations to support
35 programs for highly capable students under RCW 28A.185.010 through
36 28A.185.030, based on two and three hundred fourteen one-thousandths
37 percent of each school district's full-time equivalent enrollment. The
38 minimum allocation for the programs shall provide (~~an extended school~~

1 ~~day and extended school year))~~ the following resources for each level
2 of prototypical school (~~and a per student allocation for maintenance,~~
3 ~~supplies, and operating costs.~~), on a statewide average:

4 Instructional hours per week in a
5 class size of fifteen 2.159

6 (7) The allocations under subsections (3)(b), (c)(i) and (ii), and
7 (d), (4)(a) and (b), (~~and~~) (8), and (9) of this section shall be
8 enhanced as provided under RCW 28A.150.390 on an excess cost basis to
9 provide supplemental instructional resources for students with
10 disabilities.

11 (8) The distribution formula shall include minimum staffing
12 allocations per one thousand annual average full-time equivalent
13 students enrolled in grades kindergarten through twelve in the district
14 for the following district-wide support activities:

15 (a) Technology support 0.615

16 (b) Facilities maintenance and grounds 1.776

17 (c) Warehouse, laborers, and mechanics 0.325

18 (9) The distribution formula shall include allocations to school
19 districts to support certificated and classified staffing of central
20 office administration. The minimum staffing units allocation shall be
21 calculated as (~~a percentage, identified in the omnibus appropriations~~
22 ~~act,~~) five and three-tenths percent of the total staffing units
23 allocations (~~for staff~~) under subsections (3)(c)(i) and (ii) and (d)
24 and (~~(+6)~~) (8) of this section for all schools in the district.

25 (~~(+9)~~) (10)(a) For the purposes of allocations for prototypical
26 high schools and middle schools under subsections (3) and (5) of this
27 section that are based on the percent of students in the school who are
28 eligible for free and reduced-price meals, the actual percent of such
29 students in a school shall be adjusted by a factor identified in the
30 omnibus appropriations act to reflect underreporting of free and
31 reduced-price meal eligibility among middle and high school students.

32 (b) Allocations or enhancements provided under subsections (3) and
33 (4) of this section for exploratory and preparatory career and
34 technical education courses shall be provided only for courses approved
35 by the office of the superintendent of public instruction under chapter
36 28A.700 RCW.

37 (~~(+10)~~) (11)(a) This formula for distribution of basic education

1 funds shall be reviewed biennially by the superintendent and governor.
2 The recommended formula shall be subject to approval, amendment or
3 rejection by the legislature.

4 (b) In the event the legislature rejects the distribution formula
5 recommended by the governor, without adopting a new distribution
6 formula, the distribution formula for the previous school year shall
7 remain in effect.

8 (c) The enrollment of any district shall be the annual average
9 number of full-time equivalent students and part-time students as
10 provided in RCW 28A.150.350, enrolled on the first school day of each
11 month, including students who are in attendance pursuant to RCW
12 28A.335.160 and 28A.225.250 who do not reside within the servicing
13 school district. The definition of full-time equivalent student shall
14 be determined by rules of the superintendent of public instruction and
15 shall be included as part of the superintendent's biennial budget
16 request. The definition shall be based on the minimum instructional
17 hour offerings required under RCW 28A.150.220. Any revision of the
18 present definition shall not take effect until approved by the house
19 ways and means committee and the senate ways and means committee.

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

23 **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to
24 read as follows:

25 (1) The superintendent of public instruction shall submit to each
26 regular session of the legislature during an odd-numbered year a
27 programmed budget request for special education programs for students
28 with disabilities. Funding for programs operated by local school
29 districts shall be on an excess cost basis from appropriations provided
30 by the legislature for special education programs for students with
31 disabilities and shall take account of state funds accruing through RCW
32 28A.150.260 (3)(b), (c)(i) and (ii), and (d), (4)(a) and (b), (~~and~~)
33 (8) (~~and federal medical assistance and private funds accruing under~~
34 ~~RCW 74.09.5249 through 74.09.5253 and 74.09.5254 through 74.09.5256~~),
35 and (9).

36 (2) The excess cost allocation to school districts shall be based
37 on the following:

1 (a) A district's annual average headcount enrollment of students
2 ages birth through four and those five year olds not yet enrolled in
3 kindergarten who are eligible for and enrolled in special education,
4 multiplied by the district's base allocation per full-time equivalent
5 student, multiplied by 1.15; and

6 (b) A district's annual average full-time equivalent basic
7 education enrollment, multiplied by the district's funded enrollment
8 percent, multiplied by the district's base allocation per full-time
9 equivalent student, multiplied by 0.9309.

10 (3) As used in this section:

11 (a) "Base allocation" means the total state allocation to all
12 schools in the district generated by the distribution formula under RCW
13 28A.150.260 (3)(b), (c)(i) and (ii), and (d), (4)(a) and (b), (~~and~~)
14 (8), and (9), to be divided by the district's full-time equivalent
15 enrollment.

16 (b) "Basic education enrollment" means enrollment of resident
17 students including nonresident students enrolled under RCW 28A.225.225
18 and students from nonhigh districts enrolled under RCW 28A.225.210 and
19 excluding students residing in another district enrolled as part of an
20 interdistrict cooperative program under RCW 28A.225.250.

21 (c) "Enrollment percent" means the district's resident special
22 education annual average enrollment, excluding students ages birth
23 through four and those five year olds not yet enrolled in kindergarten,
24 as a percent of the district's annual average full-time equivalent
25 basic education enrollment.

26 (d) "Funded enrollment percent" means the lesser of the district's
27 actual enrollment percent or twelve and seven-tenths percent.

28 **Sec. 4.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to
29 read as follows:

30 (1) Beginning with the 2007-08 school year, funding for voluntary
31 all-day kindergarten programs shall be phased-in beginning with schools
32 with the highest poverty levels, defined as those schools with the
33 highest percentages of students qualifying for free and reduced-price
34 lunch support in the prior school year. Beginning with the 2011-12
35 school year, funding shall continue to be phased-in incrementally each
36 year until full statewide implementation of all-day kindergarten is
37 achieved in the 2017-18 school year. Once a school receives funding

1 for the all-day kindergarten program, that school shall remain eligible
2 for funding in subsequent school years regardless of changes in the
3 school's percentage of students eligible for free and reduced-price
4 lunches as long as other program requirements are fulfilled.
5 Additionally, schools receiving all-day kindergarten program support
6 shall agree to the following conditions:

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

8 (b) Provide a curriculum that offers a rich, varied set of
9 experiences that assist students in:

10 (i) Developing initial skills in the academic areas of reading,
11 mathematics, and writing;

12 (ii) Developing a variety of communication skills;

13 (iii) Providing experiences in science, social studies, arts,
14 health and physical education, and a world language other than English;

15 (iv) Acquiring large and small motor skills;

16 (v) Acquiring social and emotional skills including successful
17 participation in learning activities as an individual and as part of a
18 group; and

19 (vi) Learning through hands-on experiences;

20 (c) Establish learning environments that are developmentally
21 appropriate and promote creativity;

22 (d) Demonstrate strong connections and communication with early
23 learning community providers; and

24 (e) Participate in kindergarten program readiness activities with
25 early learning providers and parents.

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

1 **Sec. 5.** 2009 c 548 s 112 (uncodified) is amended to read as
2 follows:

3 (1) The legislature intends to continue to redefine the
4 instructional program of education under RCW 28A.150.220 that fulfills
5 the obligations and requirements of Article IX of the state
6 Constitution. The funding formulas under RCW 28A.150.260 to support
7 the instructional program shall be implemented to the extent the
8 technical details of the formula have been established and according to
9 an implementation schedule to be adopted by the legislature. The
10 object of the schedule is to assure that any increases in funding
11 allocations are timely, predictable, and occur concurrently with any
12 increases in program or instructional requirements. It is the intent
13 of the legislature that no increased programmatic or instructional
14 expectations be imposed upon schools or school districts without an
15 accompanying increase in resources as necessary to support those
16 increased expectations.

17 (2) The office of financial management, with assistance and support
18 from the office of the superintendent of public instruction, shall
19 convene a technical working group to:

20 (a) Develop the details of the funding formulas under RCW
21 28A.150.260;

22 (b) Recommend to the legislature an implementation schedule for
23 phasing-in any increased program or instructional requirements
24 concurrently with increases in funding for adoption by the legislature;
25 and

26 (c) Examine possible sources of revenue to support increases in
27 funding allocations and present options to the legislature and the
28 quality education council created in (~~section 114 of this act~~) RCW
29 28A.290.010 for consideration.

30 (3) The working group shall include representatives of the
31 legislative evaluation and accountability program committee, school
32 district and educational service district financial managers, the
33 Washington association of school business officers, the Washington
34 education association, the Washington association of school
35 administrators, the association of Washington school principals, the
36 Washington state school directors' association, the public school
37 employees of Washington, and other interested stakeholders with

1 expertise in education finance. The working group may convene advisory
2 subgroups on specific topics as necessary to assure participation and
3 input from a broad array of diverse stakeholders.

4 (4) The working group shall be monitored and overseen by the
5 legislature and the quality education council established in (~~section~~
6 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its
7 recommendations to the legislature by December 1, 2009.

8 (5) After the 2009 report to the legislature, the office of
9 financial management and the office of the superintendent of public
10 instruction shall periodically reconvene the working group to monitor
11 and provide advice on further development and implementation of the
12 funding formulas under RCW 28A.150.260 and provide technical assistance
13 to the ongoing work of the quality education council.

14 **Sec. 6.** 2009 c 548 s 302 (uncodified) is amended to read as
15 follows:

16 (1) Beginning (~~July~~) April 1, 2010, the office of financial
17 management, with assistance and support from the office of the
18 superintendent of public instruction, shall convene a technical working
19 group to develop options for a new system of supplemental school
20 funding through local school levies and local effort assistance.

21 (2) The working group shall consider the impact on overall school
22 district revenues of the new basic education funding system established
23 under (~~this act~~) chapter 548, Laws of 2009 and shall recommend a
24 phase-in plan that ensures that no school district suffers a decrease
25 in funding from one school year to the next due to implementation of
26 the new system of supplemental funding.

27 (3) The working group shall also:

28 (a) Examine local school district capacity to address facility
29 needs associated with phasing-in full-day kindergarten across the state
30 and reducing class size in kindergarten through third grade; and

31 (b) Provide the quality education council with analysis on the
32 potential use of local funds that may become available for redeployment
33 and redirection as a result of increased state funding allocations for
34 pupil transportation and maintenance, supplies, and operating costs.

35 (4) The working group shall be composed of representatives from the
36 department of revenue, the legislative evaluation and accountability
37 program committee, school district and educational service district

1 financial managers, and representatives of the Washington association
2 of school business officers, the Washington education association, the
3 Washington association of school administrators, the association of
4 Washington school principals, the Washington state school directors'
5 association, the public school employees of Washington, and other
6 interested stakeholders with expertise in education finance. The
7 working group may convene advisory subgroups on specific topics as
8 necessary to assure participation and input from a broad array of
9 diverse stakeholders.

10 ((+4)) (5) The local funding working group shall be monitored and
11 overseen by the legislature and by the quality education council
12 created in ((section 114 of this act)) RCW 28A.290.010. The working
13 group shall report to the legislature ((December 1)) June 30, 2011.

14 **Sec. 7.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to
15 read as follows:

16 (1) The legislature recognizes that providing students with the
17 opportunity to access a world-class educational system depends on our
18 continuing ability to provide students with access to world-class
19 educators. The legislature also understands that continuing to attract
20 and retain the highest quality educators will require increased
21 investments. The legislature intends to enhance the current salary
22 allocation model and recognizes that changes to the current model
23 cannot be imposed without great deliberation and input from teachers,
24 administrators, and classified employees. Therefore, it is the intent
25 of the legislature to begin the process of developing an enhanced
26 salary allocation model that is collaboratively designed to ensure the
27 rationality of any conclusions regarding what constitutes adequate
28 compensation.

29 (2) Beginning July 1, 2011, the office of the superintendent of
30 public instruction, in collaboration with the office of financial
31 management, shall convene a technical working group to recommend the
32 details of an enhanced salary allocation model that aligns state
33 expectations for educator development and certification with the
34 compensation system and establishes recommendations for a concurrent
35 implementation schedule. In addition to any other details the
36 technical working group deems necessary, the technical working group
37 shall make recommendations on the following:

1 (a) How to reduce the number of tiers within the existing salary
2 allocation model;

3 (b) How to account for labor market adjustments;

4 (c) How to account for different geographic regions of the state
5 where districts may encounter difficulty recruiting and retaining
6 teachers;

7 (d) The role of and types of bonuses available;

8 (e) Ways to accomplish salary equalization over a set number of
9 years; and

10 (f) Initial fiscal estimates for implementing the recommendations
11 including a recognition that staff on the existing salary allocation
12 model would have the option to grandfather in permanently to the
13 existing schedule.

14 (3) As part of its work, the technical working group shall conduct
15 or contract for a preliminary comparative labor market analysis of
16 salaries and other compensation for school district employees to be
17 conducted and shall include the results in any reports to the
18 legislature. For the purposes of this subsection, "salaries and other
19 compensation" includes average base salaries, average total salaries,
20 average employee basic benefits, and retirement benefits.

21 (4) The analysis required under subsection (1) of this section
22 must:

23 (a) Examine salaries and other compensation for teachers, other
24 certificated instructional staff, principals, and other building-level
25 certificated administrators, and the types of classified employees for
26 whom salaries are allocated;

27 (b) Be calculated at a statewide level that identifies labor
28 markets in Washington through the use of data from the United States
29 bureau of the census and the bureau of labor statistics; and

30 (c) Include a comparison of salaries and other compensation to the
31 appropriate labor market for at least the following subgroups of
32 educators: Beginning teachers and types of educational staff
33 associates.

34 (5) The working group shall include representatives of the
35 department of personnel, the professional educator standards board, the
36 office of the superintendent of public instruction, the Washington
37 education association, the Washington association of school
38 administrators, the association of Washington school principals, the

1 Washington state school directors' association, the public school
2 employees of Washington, and other interested stakeholders with
3 appropriate expertise in compensation related matters. The working
4 group may convene advisory subgroups on specific topics as necessary to
5 assure participation and input from a broad array of diverse
6 stakeholders.

7 (6) The working group shall be monitored and overseen by the
8 legislature and the quality education council created in RCW
9 28A.290.010. The working group shall make an initial report to the
10 legislature by (~~December 1~~) June 30, 2012, and shall include in its
11 report recommendations for whether additional further work of the group
12 is necessary.

13 **Sec. 8.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to
14 read as follows:

15 (1) The superintendent of public instruction shall phase-in the
16 implementation of the distribution formula under this chapter for
17 allocating state funds to school districts for the transportation of
18 students to and from school. The phase-in shall (~~be according to the~~
19 ~~implementation schedule adopted by the legislature and shall~~) begin no
20 later than the (~~2013-14~~) 2011-12 school year and be fully implemented
21 by the 2013-14 school year.

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

29 (b) The formula must allocate funds to school districts based on
30 the average predicted costs of transporting students to and from
31 school, using a regression analysis.

32 (2) During the phase-in period, funding provided to school
33 districts for student transportation operations shall be distributed on
34 the following basis:

35 (a) Annually, each school district shall receive the lesser of the
36 previous school year's pupil transportation operations allocation, or
37 the total of allowable pupil transportation expenditures identified on

1 the previous school year's final expenditure report to the state plus
2 district indirect expenses using the state recovery rate identified by
3 the superintendent; and

4 (b) Annually, any funds appropriated by the legislature in excess
5 of the maintenance level funding amount for student transportation
6 shall be distributed among school districts on a prorated basis using
7 the difference between the amount identified in (a) of this subsection
8 and the amount determined under the formula in RCW 28A.160.180.

9 ~~((3) The superintendent shall develop, implement, and provide a
10 copy of the rules specifying the student transportation reporting
11 requirements to the legislature and school districts no later than
12 December 1, 2009.~~

13 ~~(4) Beginning in December 2009, and continuing until December 2014,
14 the superintendent shall provide quarterly updates and progress reports
15 to the fiscal committees of the legislature on the implementation and
16 testing of the distribution formula.))~~

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 28A.160
18 RCW to read as follows:

19 (1) The superintendent of public instruction shall develop,
20 implement, and provide a copy of the rules specifying the student
21 transportation reporting requirements to the legislature and school
22 districts no later than December 1, 2010.

23 (2) Beginning in December 2010, and continuing until December 2014,
24 the superintendent shall provide quarterly updates and progress reports
25 to the fiscal committees of the legislature on the implementation and
26 testing of the distribution formula.

27 (3) This section expires June 30, 2015.

28 **Sec. 10.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to
29 read as follows:

30 (1) The legislature shall establish for each school year in the
31 appropriations act a statewide salary allocation schedule, for
32 allocation purposes only, to be used to distribute funds for basic
33 education certificated instructional staff salaries under RCW
34 28A.150.260. For the purposes of this section, the staff allocations
35 for classroom teachers, teacher librarians, guidance counselors, and

1 student health services staff under RCW 28A.150.260 are considered
2 allocations for certificated instructional staff.

3 (2) Salary allocations for state-funded basic education
4 certificated instructional staff shall be calculated by the
5 superintendent of public instruction by determining the district's
6 average salary for certificated instructional staff, using the
7 statewide salary allocation schedule and related documents, conditions,
8 and limitations established by the omnibus appropriations act.

9 (3) Beginning January 1, 1992, no more than ninety college quarter-
10 hour credits received by any employee after the baccalaureate degree
11 may be used to determine compensation allocations under the state
12 salary allocation schedule and LEAP documents referenced in the omnibus
13 appropriations act, or any replacement schedules and documents, unless:

14 (a) The employee has a master's degree; or

15 (b) The credits were used in generating state salary allocations
16 before January 1, 1992.

17 (4) Beginning in the 2007-08 school year, the calculation of years
18 of service for occupational therapists, physical therapists, speech-
19 language pathologists, audiologists, nurses, social workers,
20 counselors, and psychologists regulated under Title 18 RCW may include
21 experience in schools and other nonschool positions as occupational
22 therapists, physical therapists, speech-language pathologists,
23 audiologists, nurses, social workers, counselors, or psychologists.
24 The calculation shall be that one year of service in a nonschool
25 position counts as one year of service for purposes of this chapter, up
26 to a limit of two years of nonschool service. Nonschool years of
27 service included in calculations under this subsection shall not be
28 applied to service credit totals for purposes of any retirement benefit
29 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
30 system benefits.

31 **Sec. 11.** RCW 28A.175.010 and 2005 c 207 s 3 are each amended to
32 read as follows:

33 Each school district shall account for the educational progress of
34 each of its students. To achieve this, school districts shall be
35 required to report annually to the superintendent of public
36 instruction:

1 (1) For students enrolled in each of a school district's high
2 school programs:

3 (a) The number of students who graduate in fewer than four years;
4 (b) The number of students who graduate in four years;
5 (c) The number of students who remain in school for more than four
6 years but who eventually graduate and the number of students who remain
7 in school for more than four years but do not graduate;
8 (d) The number of students who transfer to other schools;
9 (e) The number of students in the ninth through twelfth grade who
10 drop out of school over a four-year period; and
11 (f) The number of students whose status is unknown.

12 (2) Dropout rates of students in each of the grades seven through
13 twelve.

14 (3) Dropout rates for student populations in each of the grades
15 seven through twelve by:

16 (a) Ethnicity;
17 (b) Gender;
18 (c) Socioeconomic status; and
19 (d) Disability status.

20 (4) The causes or reasons, or both, attributed to students for
21 having dropped out of school in grades seven through twelve.

22 (5) The superintendent of public instruction shall adopt rules
23 under chapter 34.05 RCW to assure uniformity in the information
24 districts are required to report under subsections (1) through (4) of
25 this section. In developing rules, the superintendent of public
26 instruction shall consult with school districts, including
27 administrative and counseling personnel, with regard to the methods
28 through which information is to be collected and reported.

29 (6) In reporting on the causes or reasons, or both, attributed to
30 students for having dropped out of school, school building officials
31 shall, to the extent reasonably practical, obtain such information
32 directly from students. In lieu of obtaining such information directly
33 from students, building principals and counselors shall identify the
34 causes or reasons, or both, based on their professional judgment.

35 (7) The superintendent of public instruction shall report annually
36 to the legislature the information collected under subsections (1)
37 through (4) of this section.

1 (8) The Washington state institute for public policy shall
2 calculate an annual estimate of the savings to taxpayers resulting from
3 any improvement compared to the prior school year in the extended
4 graduation rate, as calculated by the superintendent of public
5 instruction. The superintendent shall include the estimate from the
6 institute in an appendix of the report required under subsection (7) of
7 this section, beginning with the 2010 report.

8 NEW SECTION. Sec. 12. A new section is added to chapter 28A.300
9 RCW to read as follows:

10 The office of the superintendent of public instruction shall
11 implement and maintain an internet-based portal that provides ready
12 public access to the state's prototypical school funding model for
13 basic education under RCW 28A.150.260. The portal must provide
14 citizens the opportunity to view, for each local school building, the
15 staffing levels and other prototypical school funding elements that are
16 assumed under the state funding formula. The portal must also provide
17 a matrix displaying how individual school districts are deploying those
18 same state resources through their allocation of staff and other
19 resources to school buildings, so that citizens are able to compare the
20 state assumptions to district allocation decisions for each local
21 school building.

22 **Sec. 13.** 2009 c 548 s 805 (uncodified) is amended to read as
23 follows:

24 Sections 304 through 311 of this act take effect September 1,
25 ((2013)) 2011.

26 NEW SECTION. Sec. 14. 2009 c 548 s 112, as amended by section 5
27 of this act, is codified as a section in chapter 28A.290 RCW.

28 NEW SECTION. Sec. 15. RCW 43.41.398 is recodified as a section in
29 chapter 28A.400 RCW.

30 NEW SECTION. Sec. 16. Sections 2, 3, 4, 8, and 10 of this act
31 take effect September 1, 2011.

1 NEW SECTION. **Sec. 17.** Section 6 of this act is necessary for the
2 immediate preservation of the public peace, health, or safety, or
3 support of the state government and its existing public institutions,
4 and takes effect immediately.

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