



1 student spending adjusted for cost-of-living, and below the national  
2 average on teacher salaries. The state salary allocation for all  
3 categories of K-12 employees does not reflect districts' actual costs.

4 In 1993, the state enacted the education reform act. That act made  
5 a significant change in educational requirements to reflect the state's  
6 commitment to bring all students to higher academic standards within a  
7 world-class, internationally competitive public school system.  
8 Although the state set high standards for students and established an  
9 assessment and accountability system for schools and districts, the  
10 state did not provide the funding that districts needed to bring all  
11 students to the new, higher standards.

12 The purpose of this act is to establish a new funding system for  
13 the state's public schools. Under this act, over the next six years  
14 the state will provide adequate resources for school districts to  
15 maintain educational programs that give all students the opportunity to  
16 meet the state's educational standards. The new system will be more  
17 transparent and will allow greater flexibility to districts to  
18 determine which educational programs best meet the needs of their  
19 students. Districts will have more flexibility in spending state funds  
20 but will be held accountable to meet designated performance outcomes  
21 for all of their students. School districts and schools that do not  
22 meet designated performance outcomes will receive progressive levels of  
23 support and assistance with less flexibility as they work to improve  
24 their student outcomes.

25 This act creates a permanent commission to oversee the new system  
26 and make recommendations to the legislature each year on the funding  
27 needed to meet the state's definition of basic education and to review  
28 and update the definition of basic education as needed.

29 **Sec. 102.** RCW 28A.150.210 and 2007 c 400 s 1 are each amended to  
30 read as follows:

31 The goal of the basic education act for the schools of the state of  
32 Washington set forth in this chapter shall be to provide students with  
33 the opportunity to become responsible and respectful global citizens,  
34 to contribute to their economic well-being and that of their families  
35 and communities, to explore and understand different perspectives, and  
36 to enjoy productive and satisfying lives. Additionally, the state of  
37 Washington intends to provide for a public school system that is able

1 to evolve and adapt in order to better focus on strengthening the  
2 educational achievement of all students, which includes high  
3 expectations for all students and gives all students the opportunity to  
4 achieve personal and academic success. To these ends, the goals of  
5 each school district and each school, with the involvement of parents  
6 and community members, shall be to provide opportunities for every  
7 student to develop the knowledge and skills essential to:

8 (1) Read with comprehension, write effectively, and communicate  
9 successfully in a variety of ways and settings and with a variety of  
10 audiences;

11 (2) Know and apply the core concepts and principles of mathematics;  
12 social, physical, and life sciences; civics and history, including  
13 different cultures and participation in representative government;  
14 geography; arts; and health and fitness;

15 (3) Think analytically, logically, and creatively, and to integrate  
16 different experiences and knowledge to form reasoned judgments and  
17 solve problems; and

18 (4) Understand the importance of work and finance and how  
19 performance, effort, and decisions directly affect future career and  
20 educational opportunities.

21 **Sec. 103.** RCW 28A.150.220 and 1993 c 371 s 2 are each amended to  
22 read as follows:

23 (1) (~~Satisfaction of the basic education program requirements~~)  
24 The program established to provide the basic education for regular  
25 students identified in RCW 28A.150.210 shall be (~~considered to be~~)  
26 implemented by the following (~~program~~):

27 (a) Until the 2013-14 school year, each school district not  
28 receiving allocations for full-day kindergarten pursuant to RCW  
29 28A.150.315 shall make available to students enrolled in kindergarten  
30 at least a total instructional offering of four hundred fifty hours.  
31 Districts receiving funding for full-day kindergarten pursuant to RCW  
32 28A.150.315 shall make available to students enrolled in kindergarten  
33 at least a total instructional offering of one thousand hours. The  
34 program shall include instruction in the essential academic learning  
35 requirements under RCW (~~28A.630.885~~) 28A.230.095 and such other  
36 subjects and such activities as the school district shall determine to

1 be appropriate for the education of the school district's students  
2 enrolled in such program, and comport with the program requirements of  
3 RCW 28A.150.315;

4 (b) Each school district shall make available to students enrolled  
5 in grades one through twelve, at least a district-wide annual average  
6 total instructional hour offering of one thousand hours. The state  
7 board of education may define alternatives to classroom instructional  
8 time for students in grades nine through twelve enrolled in alternative  
9 learning experiences. The state board of education shall establish  
10 rules to determine annual average instructional hours for districts  
11 including fewer than twelve grades. The program shall include the  
12 essential academic learning requirements under RCW ((~~28A.630.885~~)  
13 28A.230.095 and such other subjects and such activities as the school  
14 district shall determine to be appropriate for the education of the  
15 school district's students enrolled in such group;

16 (c) If the essential academic learning requirements include a  
17 requirement of languages other than English, the requirement may be met  
18 by students receiving instruction in one or more American Indian  
19 languages.

20 (2) Nothing contained in subsection (1) of this section shall be  
21 construed to require individual students to attend school for any  
22 particular number of hours per day or to take any particular courses.

23 (3) Each school district's kindergarten through twelfth grade basic  
24 educational program shall be accessible to all students who are five  
25 years of age, as provided by RCW 28A.225.160, and less than twenty-one  
26 years of age and shall consist of a minimum of one hundred eighty  
27 school days per school year in such grades as are conducted by a school  
28 district, and one hundred eighty half days or full days of instruction,  
29 or equivalent, in kindergarten in accordance with subsection (1)(a) of  
30 this section and RCW 28A.150.315: PROVIDED, That effective May 1,  
31 1979, a school district may schedule the last five school days of the  
32 one hundred and eighty day school year for noninstructional purposes in  
33 the case of students who are graduating from high school, including,  
34 but not limited to, the observance of graduation and early release from  
35 school upon the request of a student, and all such students may be  
36 claimed as a full-time equivalent student to the extent they could  
37 otherwise have been so claimed for the purposes of RCW 28A.150.250 and  
38 28A.150.260.

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

5 **Sec. 104.** RCW 28A.150.315 and 2007 c 400 s 2 are each amended to  
6 read as follows:

7 (1) Beginning with the 2007-08 school year, funding for voluntary  
8 all-day kindergarten programs shall be phased-in beginning with schools  
9 with the highest poverty levels, defined as those schools with the  
10 highest percentages of students qualifying for free and reduced-price  
11 lunch support in the prior school year. The phase-in shall be  
12 completed by the 2012-13 school year. Once a school receives funding  
13 for the all-day kindergarten program, that school shall remain eligible  
14 for funding in subsequent school years regardless of changes in the  
15 school's percentage of students eligible for free and reduced-price  
16 lunches as long as other program requirements are fulfilled.  
17 Additionally, schools receiving all-day kindergarten program support  
18 shall agree to the following conditions:

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

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

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

24 (ii) Developing a variety of communication skills;

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

27 (iv) Acquiring large and small motor skills;

28 (v) Acquiring social and emotional skills including successful  
29 participation in learning activities as an individual and as part of a  
30 group; and

31 (vi) Learning through hands-on experiences;

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

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

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

1 (2) Subject to funds appropriated for this purpose, the  
2 superintendent of public instruction shall designate one or more school  
3 districts to serve as resources and examples of best practices in  
4 designing and operating a high-quality all-day kindergarten program.  
5 Designated school districts shall serve as lighthouse programs and  
6 provide technical assistance to other school districts in the initial  
7 stages of implementing an all-day kindergarten program. Examples of  
8 topics addressed by the technical assistance include strategic  
9 planning, developing the instructional program and curriculum, working  
10 with early learning providers to identify students and communicate with  
11 parents, and developing kindergarten program readiness activities.

12 (3) ~~((Any))~~ During the phase-in period, funds allocated to support  
13 all-day kindergarten programs under this section shall ~~((not))~~ be  
14 considered as basic education funding in the schools allocated such  
15 funds. When fully implemented in the 2012-13 school year, all-day  
16 kindergarten shall be part of basic education.

17 (4) For purposes of this section, "voluntary all-day kindergarten"  
18 means that in districts offering both all-day or half-day kindergarten  
19 parents may choose either a half-day or all-day kindergarten program  
20 for their children.

21 **Sec. 105.** RCW 28A.150.250 and 1990 c 33 s 107 are each amended to  
22 read as follows:

23 From those funds made available by the legislature for the current  
24 use of the common schools, the superintendent of public instruction  
25 shall distribute annually as provided in RCW 28A.510.250 to each school  
26 district of the state operating a program approved by the state board  
27 of education an amount which, when combined with an appropriate portion  
28 of such locally available revenues, other than receipts from federal  
29 forest revenues distributed to school districts pursuant to RCW  
30 28A.520.010 and 28A.520.020, as the superintendent of public  
31 instruction may deem appropriate for consideration in computing state  
32 equalization support, excluding excess property tax levies, will  
33 constitute a basic education allocation in dollars for each annual  
34 average full-time equivalent student enrolled, based upon one full  
35 school year of one hundred eighty days, except that for kindergartens  
36 one full school year shall be one hundred eighty full or half days of

1 instruction, or the equivalent as provided in RCW 28A.150.220 and  
2 28A.150.315.

3 ~~((Basic education shall be considered to be fully funded by those~~  
4 ~~amounts of dollars appropriated by the legislature pursuant to RCW~~  
5 ~~28A.150.250 and 28A.150.260 to fund those program requirements~~  
6 ~~identified in RCW 28A.150.220 in accordance with the formula and ratios~~  
7 ~~provided in RCW 28A.150.260 and those amounts of dollars appropriated~~  
8 ~~by the legislature to fund the salary requirements of RCW 28A.150.100~~  
9 ~~and 28A.150.410.))~~

10 Operation of a program approved by the state board of education,  
11 for the purposes of this section, shall include a finding that the  
12 ratio of students per classroom teacher in grades kindergarten through  
13 three is not greater than the ratio of students per classroom teacher  
14 in grades four and above for such district: PROVIDED, That for the  
15 purposes of this section, "classroom teacher" shall be defined as an  
16 instructional employee possessing at least a provisional certificate,  
17 but not necessarily employed as a certificated employee, whose primary  
18 duty is the daily educational instruction of students: PROVIDED  
19 FURTHER, That the state board of education shall adopt rules and  
20 regulations to insure compliance with the student/teacher ratio  
21 provisions of this section, and such rules and regulations shall allow  
22 for exemptions for those special programs and/or school districts which  
23 may be deemed unable to practicably meet the student/teacher ratio  
24 requirements of this section by virtue of a small number of students.

25 If a school district's basic education program fails to meet the  
26 basic education requirements enumerated in RCW 28A.150.250,  
27 28A.150.260, and 28A.150.220, the state board of education shall  
28 require the superintendent of public instruction to withhold state  
29 funds in whole or in part for the basic education allocation until  
30 program compliance is assured: PROVIDED, That the state board of  
31 education may waive this requirement in the event of substantial lack  
32 of classroom space.

33 **Sec. 106.** RCW 28A.150.260 and 2006 c 263 s 322 are each amended to  
34 read as follows:

35 The basic education allocation for each annual average full-time  
36 equivalent student shall be determined in accordance with the following  
37 procedures:

1 (1) The governor shall and the superintendent of public instruction  
2 may recommend to the legislature a formula based on a ratio of students  
3 to staff for the distribution of a basic education allocation for each  
4 annual average full-time equivalent student enrolled in a common  
5 school. The distribution formula shall have the primary objective of  
6 equalizing educational opportunities and shall provide appropriate  
7 recognition of the following costs among the various districts within  
8 the state:

9 (a) Certificated instructional staff and their related costs;

10 (b) Certificated administrative staff and their related costs;

11 (c) Classified staff and their related costs;

12 (d) Nonsalary costs;

13 (e) Extraordinary costs, including school facilities, of remote and  
14 necessary schools as judged by the superintendent of public  
15 instruction, with recommendations from the school facilities citizen  
16 advisory panel under RCW 28A.525.025, and small high schools, including  
17 costs of additional certificated and classified staff. Allocations for  
18 extraordinary costs of small school districts shall be increased to  
19 reflect increased staff allocations commencing in the 2009-10 school  
20 year and thereafter; and

21 (f) The attendance of students pursuant to RCW 28A.335.160 and  
22 28A.225.250 who do not reside within the servicing school district.

23 (2) Basic nonemployee-related costs allocations specified in the  
24 omnibus appropriations act for the 2009-10 school year shall be  
25 increased by twelve and four-tenths percent above maintenance level and  
26 twenty-three and seven-tenths percent for the 2010 school year.  
27 Subsequent school year increases shall be based on recommendations of  
28 the commission for quality education in Washington, established  
29 pursuant to section 202 of this act, to the extent adopted by the  
30 legislature and the governor.

31 ~~(3)(a) ((This formula for distribution of basic education funds~~  
32 ~~shall be reviewed biennially by the superintendent and governor. The~~  
33 ~~recommended formula shall be subject to approval, amendment or~~  
34 ~~rejection by the legislature.))~~ The formula shall be for allocation  
35 purposes only. While the legislature intends that the allocations for  
36 additional instructional staff be used to increase the ratio of such  
37 staff to students, nothing in this section shall require districts to  
38 reduce the number of administrative staff below existing levels.

1           (b) For the 2009-10 school year, the formula adopted by the  
2 legislature shall reflect the following ratios at a minimum: (i)  
3 ((~~Forty-nine~~)) Fifty-six and thirty-seven one-hundredths certificated  
4 instructional staff to one thousand annual average full-time equivalent  
5 students enrolled in grades kindergarten through three; (ii) ((~~forty-~~  
6 ~~six~~)) forty-seven and seven one-hundredths certificated instructional  
7 staff to one thousand annual average full-time equivalent students in  
8 grades four through twelve; (iii) four certificated administrative  
9 staff to one thousand annual average full-time equivalent students in  
10 grades kindergarten through twelve; and (iv) ((~~sixteen and sixty-~~  
11 ~~seven~~)) seventeen and twenty-one one-hundredths classified personnel to  
12 one thousand annual average full-time equivalent students enrolled in  
13 grades kindergarten through twelve.

14           (c) ~~((In the event the legislature rejects the distribution formula~~  
15 ~~recommended by the governor, without adopting a new distribution~~  
16 ~~formula, the distribution formula for the previous school year shall~~  
17 ~~remain in effect: PROVIDED, That)) For the 2010-11 school year, the  
18 formula adopted by the legislature shall reflect the following ratios  
19 at a minimum: (i) Fifty-nine and fifty-six one-hundredths certificated  
20 instructional staff to one thousand annual average full-time equivalent  
21 students enrolled in grades kindergarten through three; (ii) forty-  
22 eight and fourteen one-hundredths certificated instructional staff to  
23 one thousand annual average full-time equivalent students in grades  
24 four through twelve; (iii) four certificated administrative staff to  
25 one thousand annual average full-time equivalent students in grades  
26 kindergarten through twelve; and (iv) seventeen and forty-one one-  
27 hundredths classified personnel to one thousand annual average full-  
28 time equivalent students enrolled in grades kindergarten through  
29 twelve.~~

30           (d) The distribution formula developed pursuant to this section  
31 shall be for state apportionment and equalization purposes only and  
32 shall not be construed as mandating specific operational functions of  
33 local school districts other than those program requirements identified  
34 in RCW 28A.150.220 and 28A.150.100. The enrollment of any district  
35 shall be the annual average number of full-time equivalent students and  
36 part time students as provided in RCW 28A.150.350, enrolled on the  
37 first school day of each month and shall exclude full-time equivalent  
38 students with disabilities recognized for the purposes of allocation of

1 state funds for programs under RCW 28A.155.010 through 28A.155.100.  
2 The definition of full-time equivalent student shall be determined by  
3 rules of the superintendent of public instruction: PROVIDED, That the  
4 definition shall be included as part of the superintendent's biennial  
5 budget request: PROVIDED, FURTHER, That any revision of the present  
6 definition shall not take effect until approved by the house  
7 appropriations committee and the senate ways and means committee:  
8 PROVIDED, FURTHER, That the office of financial management shall make  
9 a monthly review of the superintendent's reported full-time equivalent  
10 students in the common schools in conjunction with RCW 43.62.050.

11 ~~((+3))~~ (4)(a) Certificated instructional staff shall include those  
12 persons employed by a school district who are nonsupervisory employees  
13 within the meaning of RCW 41.59.020(8): PROVIDED, That in exceptional  
14 cases, people of unusual competence but without certification may teach  
15 students so long as a certificated person exercises general  
16 supervision: PROVIDED, FURTHER, That the hiring of such classified  
17 people shall not occur during a labor dispute and such classified  
18 people shall not be hired to replace certificated employees during a  
19 labor dispute.

20 (b) Certificated administrative staff shall include all those  
21 persons who are chief executive officers, chief administrative  
22 officers, confidential employees, supervisors, principals, or assistant  
23 principals within the meaning of RCW 41.59.020(4).

24 (5) This section expires August 31, 2011.

25 NEW SECTION. Sec. 107. A new section is added to chapter 28A.150  
26 RCW to read as follows:

27 (1) A 2008 comparative wage analysis conducted by the Washington  
28 institute for public policy that compared educator wages with  
29 noneducator wages found that the prevailing wages for Washington's K-12  
30 teachers and classified staff were below comparable labor market wages.

31 (2) Pending completion of a comparable wage analysis by the  
32 commission for quality education in Washington as established by  
33 section 202 of this act, staff salary allocations required by RCW  
34 28A.150.260(1) (a), (b), and (c) shall be increased above the cost-of-  
35 living adjustments required by RCW 28A.400.205 (Initiative Measure No.  
36 732, chapter 4, Laws of 2001) by three percent for the 2009-10 school  
37 year and two percent for the 2010-11 school year. Subsequent school

1 year salary adjustments, in addition to those required under RCW  
2 28A.150.260, shall be made based on recommendations of the commission  
3 for quality education in Washington as approved by the governor and the  
4 legislature.

5 NEW SECTION. **Sec. 108.** A new section is added to chapter 28A.150  
6 RCW to read as follows:

7 For the 2011-12 school year and thereafter, it is expected that the  
8 legislature will adopt a replacement basic education allocation formula  
9 based on its consideration of recommendations of the commission for  
10 quality education in Washington pursuant to section 203 of this act  
11 that is based on prototype schools and includes funding for the regular  
12 education of students, special education, bilingual, and learning  
13 assistance.

14 **Sec. 109.** RCW 28A.150.370 and 1995 c 335 s 102 and 1995 c 77 s 5  
15 are each reenacted and amended to read as follows:

16 In addition to those state funds provided to school districts for  
17 the regular basic education of students under RCW 28A.150.260, the  
18 legislature shall appropriate ancillary basic education funds for:  
19 Pupil transportation, in accordance with this chapter, RCW 28A.160.150  
20 through 28A.160.210, 28A.300.035, 28A.300.170, and 28A.500.010~~((, and~~  
21 ~~for))~~; special education programs for students with disabilities, in  
22 accordance with RCW 28A.155.010 through 28A.155.100; learning  
23 assistance in accordance with RCW 28A.165.005 through 28A.165.900; and  
24 bilingual instruction in accordance with RCW 28A.180.080. The  
25 legislature may appropriate funds to be distributed to school districts  
26 for population factors such as urban costs, enrollment fluctuations,  
27 and for special programs~~((,))~~ including, but not limited to,  
28 ~~((vocational-technical institutes,))~~ compensatory programs, ~~((bilingual~~  
29 ~~education,))~~ urban, rural, racial, and disadvantaged programs, programs  
30 for gifted students, and other special programs. Beginning with the  
31 2011-12 school year and thereafter, allocations for the purposes and  
32 programs in this section may be made as separate categorical program  
33 appropriations or combined in a foundation formula that also includes  
34 the basic education allocation in accordance with RCW 28A.150.260.

1           **Sec. 110.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to  
2 read as follows:

3           (1) The state legislature shall, at each regular session in an odd-  
4 numbered year, appropriate from the state general fund for the current  
5 use of the common schools such amounts as needed for state support to  
6 the common schools during the ensuing biennium as provided in this  
7 chapter, chapter 28A.165 RCW, and RCW 28A.160.150 through 28A.160.210,  
8 28A.180.080, 28A.300.170, and 28A.500.010.

9           (2) Through the 2010-11 school year, the state legislature shall  
10 also, at each regular session in an odd-numbered year, appropriate from  
11 the student achievement fund and education construction fund solely for  
12 the purposes of and in accordance with the provisions of the student  
13 achievement act during the ensuing biennium. Beginning with the  
14 2011-12 school year, the legislature may incorporate the student  
15 achievement fund into a new foundation formula pursuant to the  
16 recommendations of the commission for quality education in Washington  
17 created in section 202 of this act.

18           **Sec. 111.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to  
19 read as follows:

20           (1) The legislature shall establish for each school year in the  
21 appropriations act a statewide salary allocation schedule, for  
22 allocation purposes only, to be used to distribute funds for basic  
23 education certificated instructional staff salaries under RCW  
24 28A.150.260.

25           (2) Salary allocations for state-funded basic education  
26 certificated instructional staff shall be calculated by the  
27 superintendent of public instruction by determining the district's  
28 average salary for certificated instructional staff, using the  
29 statewide salary allocation schedule and related documents, conditions,  
30 and limitations established by the omnibus appropriations act.

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

36           (a) The employee has a masters degree; or

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

3 (4)(a) The certificated instructional staff base salary specified  
4 for each district in the omnibus appropriations act pursuant to  
5 subsection (1) of this section shall include allocations for a minimum  
6 of three and two-tenths learning improvement days in the 2009-10 school  
7 year and a minimum of four and three-tenths learning improvement days  
8 in the 2010-11 school year. It is intended that for ensuing school  
9 years, additional learning improvement days, including amounts  
10 available under Initiative Measure No. 728, shall be phased-in by the  
11 legislature considering the recommendations of the commission for  
12 quality education in Washington under section 202 of this act.

13 (b) A school district is eligible for the learning improvement day  
14 funds only if the learning improvement days have been added to the one  
15 hundred eighty-day contract year. If fewer days are added, the  
16 additional learning improvement allocation shall be adjusted  
17 accordingly. The additional days shall be limited to specific  
18 activities identified in the state-required school improvement plan  
19 related to improving student learning that are consistent with  
20 education reform implementation and shall be considered part of the  
21 basic education allocation. The principal in each school shall assure  
22 that the days are used to provide the necessary school-wide, all-staff  
23 professional development that is tied directly to the school  
24 improvement plan. The school principal and the district superintendent  
25 shall maintain documentation as to their approval of these activities.  
26 The length of a learning improvement day shall not be less than the  
27 length of a full day under the base contract. The superintendent of  
28 public instruction shall ensure that school districts adhere to the  
29 intent and purposes of this subsection.

30 (5) Beginning in the 2007-08 school year, the calculation of years  
31 of service for occupational therapists, physical therapists, speech-  
32 language pathologists, audiologists, nurses, social workers,  
33 counselors, and psychologists regulated under Title 18 RCW may include  
34 experience in schools and other nonschool positions as occupational  
35 therapists, physical therapists, speech-language pathologists,  
36 audiologists, nurses, social workers, counselors, or psychologists.  
37 The calculation shall be that one year of service in a nonschool  
38 position counts as one year of service for purposes of this chapter, up

1 to a limit of two years of nonschool service. Nonschool years of  
2 service included in calculations under this subsection shall not be  
3 applied to service credit totals for purposes of any retirement benefit  
4 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement  
5 system benefits.

6 **Sec. 112.** RCW 28A.160.150 and 1996 c 279 s 1 are each amended to  
7 read as follows:

8 Funds allocated for transportation costs shall be (~~in addition to~~  
9 ~~the~~) an additional basic education allocation. The distribution  
10 formula developed in RCW 28A.160.150 through 28A.160.180 shall be for  
11 allocation purposes only and shall not be construed as mandating  
12 specific levels of pupil transportation services by local districts.  
13 Operating costs as determined under RCW 28A.160.150 through 28A.160.180  
14 shall be funded at one hundred percent or as close thereto as  
15 reasonably possible for transportation of an eligible student to and  
16 from school as defined in RCW 28A.160.160(3). In addition, funding  
17 shall be provided for transportation services for students living  
18 within one radius mile from school as determined under RCW  
19 28A.160.180(2).

20 **Sec. 113.** RCW 28A.165.055 and 2008 c 321 s 10 are each amended to  
21 read as follows:

22 (1)(a) Each school district with an approved program is eligible  
23 for state funds provided for the learning assistance program. The  
24 funds shall be appropriated for the learning assistance program in  
25 accordance with the biennial appropriations act. The distribution  
26 formula is for school district allocation purposes only. The  
27 distribution formula shall be based on one or more family income  
28 factors measuring economic need.

29 (b) The allocation per student specified in the omnibus  
30 appropriations act shall be increased from the three and forty-six one-  
31 hundredths certificated instructional staff per thousand eligible  
32 students in the 2008-09 school year to five and twenty-six one-  
33 hundredths certificated instructional staff per thousand eligible  
34 students in the 2009-10 school year and to seven and six one-hundredths  
35 certificated instructional staff per thousand eligible students in the  
36 2011-12 school year. Subsequent school year increases shall be based

1 on recommendations of the commission for quality education in  
2 Washington, pursuant to section 203 of this act, to the extent adopted  
3 by the legislature and the governor.

4 (2) In addition to the funds allocated to eligible school districts  
5 on the basis of family income factors, enhanced funds shall be  
6 allocated for school districts where more than twenty percent of  
7 students are eligible for and enrolled in the transitional bilingual  
8 instruction program under chapter 28A.180 RCW as provided in this  
9 subsection. The enhanced funding provided in this subsection shall  
10 take effect beginning in the 2008-09 school year.

11 (a) If, in the prior school year, a district's percent of October  
12 headcount student enrollment in grades kindergarten through twelve who  
13 are enrolled in the transitional bilingual instruction program, based  
14 on an average of the program headcount taken in October and May,  
15 exceeds twenty percent, twenty percent shall be subtracted from the  
16 district's percent transitional bilingual instruction program  
17 enrollment and the resulting percent shall be multiplied by the  
18 district's kindergarten through twelve annual average full-time  
19 equivalent enrollment for the prior school year.

20 (b) The number calculated under (a) of this subsection shall be the  
21 number of additional funded students for purposes of this subsection,  
22 to be multiplied by the per-funded student allocation rates specified  
23 in the omnibus appropriations act.

24 (c) School districts are only eligible for the enhanced funds under  
25 this subsection if their percentage of October headcount enrollment in  
26 grades kindergarten through twelve eligible for free or reduced-price  
27 lunch exceeded forty percent in the prior school year.

28 **Sec. 114.** RCW 28A.180.080 and 1995 c 335 s 601 are each amended to  
29 read as follows:

30 The superintendent of public instruction shall prepare and submit  
31 biennially to the governor and the legislature a budget request for  
32 bilingual instruction programs. Through the 2010-11 school year,  
33 moneys appropriated by the legislature for the purposes of RCW  
34 28A.180.010 through 28A.180.080 shall be allocated by the  
35 superintendent of public instruction to school districts for the sole  
36 purpose of operating an approved bilingual instruction program;  
37 priorities for funding shall exist for the early elementary grades.

1 Beginning with the 2011-12 school year, funding for bilingual  
2 instruction programs may be combined into a foundation formula pursuant  
3 to RCW 28A.150.370. No moneys shall be allocated pursuant to this  
4 section to fund more than three school years of bilingual instruction  
5 for each eligible pupil within a district: PROVIDED, That such moneys  
6 may be allocated to fund more than three school years of bilingual  
7 instruction for any pupil who fails to demonstrate improvement in  
8 English language skills adequate to remove impairment of learning when  
9 taught only in English. The superintendent of public instruction shall  
10 set standards and approve a test for the measurement of such English  
11 language skills.

12 **PART 2**

13 **TWO-WAY ACCOUNTABILITY AND THE COMMISSION FOR**  
14 **QUALITY EDUCATION IN WASHINGTON**

15 NEW SECTION. **Sec. 201.** A new section is added to chapter 28A.150  
16 RCW to read as follows:

17 State funding formulas have evolved over time to accommodate a  
18 variety of factors but have not been updated routinely based on changes  
19 in current conditions including changes in the cost-of-living, economic  
20 circumstances, or findings on best practices of student instruction,  
21 and school management and leadership. Regular updates would reflect  
22 new data aligning state funding with the resources students and schools  
23 need to meet state standards.

24 A system in which the state and school districts share  
25 accountability for achieving state educational standards requires new  
26 mechanisms that will clearly define the relationship of expectations  
27 for the state, school districts, and schools.

28 A commission is established, pursuant to section 202 of this act,  
29 that is accountable to the legislature and the governor with duties and  
30 responsibilities as specified in section 203 of this act. This  
31 commission will devote the necessary time and energy to making reasoned  
32 and rational determinations of educational needs and expected  
33 performance, make budget and policy recommendations to the legislature  
34 and governor, and evaluate the overall functioning of the public  
35 schools to optimize system efficiency and effectiveness.

1        NEW SECTION.    **Sec. 202.**    A new section is added to chapter 28A.150  
2    RCW to read as follows:

3        (1) The commission for quality education in Washington is created.

4        (2) The commission shall be composed of eleven members who are  
5    residents of the state of Washington as follows:

6        (a) Five shall be members representing the educational system  
7    appointed by the governor;

8        (b) The superintendent of public instruction; and

9        (c) Five other members appointed by the governor.

10       (3)(a) In order to establish staggered terms, initial appointments  
11    shall be for terms from one to four years in length, with the terms  
12    expiring on the second Monday of January of the applicable year. As  
13    the terms of the first appointees expire or vacancies on the commission  
14    occur, the governor shall appoint or reappoint members of the  
15    commission to complete the initial terms or to four-year terms, as  
16    appropriate.

17       (b) Appointees must be individuals who have demonstrated interest  
18    in public schools and are supportive of educational improvement, have  
19    a positive record of service, and who will devote sufficient time to  
20    the responsibilities of the commission.

21       (c) All gubernatorial appointments to the commission are subject to  
22    confirmation by the senate.

23       (d) With the exception of the superintendent of public instruction,  
24    no person may serve as a member of the commission for more than two  
25    consecutive full four-year terms.

26       (4) The governor may remove an appointed member of the commission  
27    for neglect of duty, misconduct, malfeasance, or misfeasance in office,  
28    or for incompetent or unprofessional conduct as defined in chapter  
29    18.130 RCW. In such a case, the governor shall file with the secretary  
30    of state a statement of the causes for and the order of removal from  
31    office, and the secretary of state shall send a certified copy of the  
32    statement of causes for and order of removal to the last known post  
33    office address of the member.

34       (5)(a) The chair of the commission shall be elected by a majority  
35    vote of the members of the commission. The chair of the commission  
36    shall serve a term of two years, and may be reelected to an additional  
37    term. A member of the commission may not serve as chair for more than  
38    two consecutive terms.

1 (b) Six voting members of the commission constitute a quorum for  
2 the transaction of business.

3 (6) Members of the commission appointed by the governor who are not  
4 public employees shall be compensated in accordance with RCW 43.03.265  
5 and shall be reimbursed for travel expenses incurred in carrying out  
6 the duties of the commission in accordance with RCW 43.03.050 and  
7 43.03.060.

8 NEW SECTION. **Sec. 203.** A new section is added to chapter 28A.150  
9 RCW to read as follows:

10 (1) In addition to any other powers and duties as provided by law,  
11 the commission shall:

12 (a) Determine annually the resources necessary to make ample  
13 provision for the education of all Washington public education students  
14 by creating and updating prototype schools that represent hypothetical  
15 models of schools that could achieve all basic education standards  
16 effectively and at specified levels. These prototypes shall contain  
17 detailed specifications of the programs, staffing, and resources  
18 sufficient to enable all students to meet state and federal standards  
19 and to offer a program of education consistent with state and federal  
20 mandates, rules, and regulations;

21 (b) Review the results of each legislative session pertaining to  
22 actions that have a potential fiscal impact on public schools. For  
23 each such action, the commission shall determine the fiscal impact and  
24 incorporate into the prototype schools sufficient resources to comply  
25 with all enacted laws, regulations, and rules;

26 (c) Apply a set of adjustments to the prototype schools that take  
27 into account variations in the cost of educating students to basic  
28 education standards by school size, region, family income level, and  
29 other relevant student demographic factors;

30 (d) Conduct a comparative labor market analysis every two years of  
31 salaries and other compensation for school district employees in  
32 Washington:

33 (i) That examines salaries and other compensation for teachers,  
34 other certificated instructional staff, principals and other building-  
35 level certificated administrators, and the types of classified school  
36 employees for whom salaries are allocated;

1 (ii) That is calculated at a statewide level and that identifies  
2 labor markets in Washington through the use of data from the United  
3 States bureau of the census and the bureau of labor statistics;

4 (iii) That also includes a comparison of salaries and other  
5 compensation to the appropriate labor market for at least the following  
6 subgroups of educators:

7 (A) Beginning teachers; and

8 (B) Types of educational staff associates;

9 (iv) For the purposes of this subsection (1)(d), "salaries and  
10 other compensation" includes average base salaries, average total  
11 salaries, average employee basic benefits, and retirement benefits;

12 (e) Identify a comprehensive set of performance indicators that can  
13 be quantified and collected longitudinally in order to track the  
14 performance of Washington schools along a number of key dimensions that  
15 represent basic education standards for schooling, including but not  
16 necessarily limited to student performance, and review the results from  
17 the data collected on each of the performance indicators and issue a  
18 report to the governor and the legislature by December 1st of each year  
19 assessing the performance of Washington schools relative to basic  
20 education standards. The assessment shall take into account the  
21 resources provided in relation to the performance achieved;

22 (f) Develop a means to calculate expected performance of Washington  
23 schools relative to basic education standards when provided full  
24 funding at the level identified by the prototype schools and at funding  
25 levels below full funding. The purpose is to establish appropriate  
26 performance expectations for schools in relation to funding provided.  
27 If funding provided is less than that identified as necessary to  
28 accomplish basic education standards, the expectations for schools  
29 shall be adjusted accordingly;

30 (g) Determine annually the projected performance of Washington  
31 schools in relation to the proportion of full funding provided to  
32 schools for basic education and forecast future expected performance of  
33 Washington schools at varying funding levels from less than full  
34 funding sufficient to meet basic education standards to full funding.  
35 By December 1, 2010, and each year thereafter, the commission shall  
36 submit a report of the findings to the governor, legislature, the  
37 superintendent of public instruction, and the state board of education;

1 (h) Review existing data sources and identify additional data  
2 necessary to determine the relation between funding and achievement of  
3 basic education standards. In the process of developing this  
4 relational model, the commission shall identify areas where additional  
5 data are necessary and make recommendations to the governor and  
6 legislature regarding the nature and functioning of a comprehensive  
7 data system to support accurate determinations of school funding needs  
8 and projected performance expectations. By December 1, 2010, and each  
9 year thereafter, the commission shall recommend new data sources  
10 necessary to improve the accuracy of resource and performance estimates  
11 along with ways to improve existing data sources so that they yield  
12 more precise, useful information that improves the descriptive and  
13 predictive capabilities of commission models;

14 (i) By December 1, 2010, and each year thereafter, issue a  
15 technical report to the governor, the superintendent of public  
16 instruction, and appropriate legislative committees. This report shall  
17 document the level of funding necessary to meet all state and federal  
18 standards and basic education requirements and related mandates,  
19 compare this to the current and projected levels of funding for  
20 education, and consider scenarios that describe the impact of various  
21 funding levels on the performance of the educational system;

22 (j) Conduct feasibility studies and analyses to determine the  
23 proportion of the student population that can be expected to achieve  
24 any given performance standard in order to establish the performance  
25 levels schools are expected to meet.

26 (i) The studies in this subsection (1)(j) shall take into account  
27 factors beyond the school's ability to control that might prevent a  
28 student from reaching a performance level or achieving a performance  
29 standard. Examples include students who may have physiological or  
30 cognitive limitations not amenable to instructional intervention, the  
31 proportion of students who at any given time may be unable to engage in  
32 schooling for any of a range of reasons, or any groups of students that  
33 could not be expected to reach a performance standard for reasons such  
34 as having not attended school in Washington long enough to have learned  
35 any of the tested material or to have learned English well enough to  
36 understand material being tested or the test questions themselves.

37 (ii) Before each legislative session, the commission shall review  
38 and update the identified assumptions about the structural limitations

1 inherent in the student population that prevent all students from  
2 achieving target performance levels based on any new evidence or  
3 examples of programs that demonstrated actual performance of students  
4 with special conditions;

5 (k) By December 1, 2010, and each year thereafter, prepare and  
6 release a nontechnical report to the general public highlighting  
7 progress or issues in funding to the level identified by the commission  
8 as necessary to fulfill constitutional obligations. This report shall  
9 contain analyses of the potential reasons Washington schools were  
10 achieving expected performance levels or failing to do so; and

11 (1) To assist in preparing the various reports, use advisory  
12 committees and technical panels composed of educators and members of  
13 the private and public sector with expertise on systems analysis and  
14 data-driven outcomes measurement systems.

15 (2) The office of the superintendent of public instruction shall  
16 provide staff for the commission. The office of the superintendent of  
17 public instruction shall maintain web pages for the commission.

18 NEW SECTION. **Sec. 204.** A new section is added to chapter 28A.150  
19 RCW to read as follows:

20 The legislature may fund K-12 at levels other than those identified  
21 by the commission for quality education in Washington. The legislature  
22 must issue a report not later than August 1st of each year, detailing  
23 the degree to which appropriated amounts for public schools differ from  
24 recommendation of the commission for quality education in Washington  
25 and the implications and ramifications of the differences on the  
26 performance of students, schools, and school districts.

27 **PART 3**  
28 **ACCOUNTABILITY AND EXPECTATIONS OF A SUCCESSFULLY**  
29 **FUNCTIONING FULLY FUNDED K-12 EDUCATION SYSTEM**

30 NEW SECTION. **Sec. 301.** State expectations of school districts  
31 need to transition from input and seat time variables to accountability  
32 for performance based on multiple measures of achievement, including  
33 assessment results, on-time graduation rates, grade progression, and  
34 attendance. Districts would then be responsible for providing  
35 effective educational opportunities to students in proportion to the

1 state funding provided. Districts exercise local control over how to  
2 best meet the state's performance objectives and accountability  
3 requirements.

4 Struggling schools and school districts should receive progressive  
5 levels of support and assistive measures after a thorough diagnosis is  
6 undertaken to determine the reasons they are struggling. The objective  
7 is to improve these schools and districts so that they are capable of  
8 meeting state standards.

9 By December 1, 2010, the state board of education, the  
10 superintendent of public instruction, and the professional educator  
11 standards board shall report to the governor and the legislature on  
12 ways to measure and implement the following accountability measures:

13 (1) Students:

14 (a) Should enter kindergarten and each subsequent grade level ready  
15 to learn;

16 (b) Are connected to school and engaged in academics and  
17 extracurricular programs;

18 (c) Should reach designated performance standards through  
19 successful completion of academic programs as measured by multiple  
20 assessments at rates established by the commission for quality  
21 education in Washington; and

22 (d) Should progress from grade to grade and graduate on time from  
23 high school at least at rates predicted by the commission for quality  
24 education in Washington based on state funding levels.

25 (2) Classroom practices: Whether curricula and instruction are  
26 aligned with state education standards and are designed to incorporate  
27 effective instructional methods.

28 (3) Teachers:

29 (a) Should possess the content knowledge base, technical skills,  
30 and human relations capabilities to enable students to meet specified  
31 learning requirements; and

32 (b) Are responsible for addressing student learning needs.

33 (4) Schools:

34 (a) Are organized in ways that facilitate student learning;

35 (b) Involve parents and community members;

36 (c) Demonstrate the ability to adapt to changes in the  
37 characteristics of the student population;

- 1 (d) Create a culture based on the belief that all students can
- 2 learn and that all willing students can achieve state learning
- 3 requirements;
- 4 (e) Provide a safe and orderly learning environment;
- 5 (f) Use data and analysis to improve instructional programs; and
- 6 (g) Address the needs of the support staff.
- 7 (5) Central administration:
- 8 (a) Is accountable to the school board for management and operation
- 9 of the district and for achievement of specified performance standards
- 10 related to student learning;
- 11 (b) Supports student learning needs by making strategic and
- 12 operational decisions based on improving student learning;
- 13 (c) Manages long-range strategic and operational plans;
- 14 (d) Ensures that laws, policies, procedures, and contracts are
- 15 followed; and
- 16 (e) Advocates for student and staff needs.
- 17 (6) Local school boards:
- 18 (a) Set long-range policy strategies and purposes;
- 19 (b) Hold school administrators accountable for achieving designated
- 20 goals;
- 21 (c) Set policies that establish the conditions under which learning
- 22 can take place and performance standards can be achieved; and
- 23 (d) Monitor district operation and adherence to state, state board
- 24 of education, and office of the superintendent of public instruction
- 25 policies.
- 26 (7) Executive branch:
- 27 (a) Appoints and provides resources for the commission for quality
- 28 education in Washington;
- 29 (b) Develops a biennial education budget consistent with commission
- 30 for quality education in Washington guidelines; and
- 31 (c) Forwards recommendations for revisions and adjustments to basic
- 32 education definition to the legislature.
- 33 (8) Legislative branch:
- 34 (a) Supports basic education by providing ample, stable, and
- 35 equitable funding;
- 36 (b) Reviews its definition of basic education to maintain currency;
- 37 (c) Establishes state education performance standards; and
- 38 (d) Sets accountability expectations for schools.

1 **PART 4**

2 **RESOURCES FOR IMPLEMENTING FULL FUNDING OF BASIC EDUCATION**

3 NEW SECTION. **Sec. 401.** A new section is added to chapter 43.79  
4 RCW to read as follows:

5 (1) The full funding of basic education account is created in the  
6 state treasury. Moneys in the account may be spent only after  
7 appropriation. All receipts from section 402 of this act and RCW  
8 84.52.043(1)(b) shall be deposited into the account. The funds may be  
9 expended only for the following purposes:

10 (a) To improve certificated instructional and classified staff per-  
11 student ratios in state basic education allocation formulas above  
12 maintenance levels in each succeeding school year;

13 (b) To increase funding for nonemployee-related costs in basic  
14 education formulas above maintenance level amounts in each succeeding  
15 school year;

16 (c) To phase-in full-day kindergarten for additional schools above  
17 levels funded in the 2008-09 school year in the omnibus appropriations  
18 act, chapter 329, Laws of 2008;

19 (d) To fund the increased costs above maintenance level of  
20 implementing a new pupil transportation formula;

21 (e) To increase the percentage of local school district maintenance  
22 and operation levy revenue equalized through local effort assistance  
23 above the twelve percent rate specified in RCW 28A.500.020.

24 (2) Full funding of basic education account funds shall not be used  
25 for state maintenance level budget adjustments from one school year to  
26 the next and shall be used only for formula improvements in each  
27 succeeding year as specified in subsection (1)(a) through (e) of this  
28 section.

29 NEW SECTION. **Sec. 402.** A new section is added to chapter 43.79  
30 RCW to read as follows:

31 By September 30, 2009, and by September 30th of each odd-numbered  
32 year thereafter, if the prior fiscal biennium's general state revenues  
33 exceed the previous fiscal biennium's revenues by more than five  
34 percent, subject to appropriation by the legislature, the state  
35 treasurer shall transfer fifty percent of the amount over five percent  
36 to the full funding of basic education account.

1       **Sec. 403.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to  
2 read as follows:

3       Within and subject to the limitations imposed by RCW 84.52.050 as  
4 amended, the regular ad valorem tax levies upon real and personal  
5 property by the taxing districts hereafter named shall be as follows:

6       (1) Levies of the senior taxing districts shall be as follows: (a)  
7 The levy by the state shall not exceed three dollars and (~~sixty~~)  
8 thirty-five cents per thousand dollars of assessed value adjusted to  
9 the state equalized value in accordance with the indicated ratio fixed  
10 by the state department of revenue to be used exclusively for the  
11 support of the common schools; (b) the full funding for basic education  
12 levy by the state shall not exceed twenty-five cents per thousand  
13 dollars of assessed value adjusted to the state equalized value in  
14 accordance with the indicated ratio fixed by the state department of  
15 revenue to be used exclusively to support the purposes in section 401  
16 of this act; (c) the levy by any county shall not exceed one dollar and  
17 eighty cents per thousand dollars of assessed value; (~~(e)~~) (d) the  
18 levy by any road district shall not exceed two dollars and twenty-five  
19 cents per thousand dollars of assessed value; and (~~(d)~~) (e) the levy  
20 by any city or town shall not exceed three dollars and thirty-seven and  
21 one-half cents per thousand dollars of assessed value. However any  
22 county is hereby authorized to increase its levy from one dollar and  
23 eighty cents to a rate not to exceed two dollars and forty-seven and  
24 one-half cents per thousand dollars of assessed value for general  
25 county purposes if the total levies for both the county and any road  
26 district within the county do not exceed four dollars and five cents  
27 per thousand dollars of assessed value, and no other taxing district  
28 has its levy reduced as a result of the increased county levy.

29       (2) The aggregate levies of junior taxing districts and senior  
30 taxing districts, other than the state, shall not exceed five dollars  
31 and ninety cents per thousand dollars of assessed valuation. The term  
32 "junior taxing districts" includes all taxing districts other than the  
33 state, counties, road districts, cities, towns, port districts, and  
34 public utility districts. The limitations provided in this subsection  
35 shall not apply to: (a) Levies at the rates provided by existing law  
36 by or for any port or public utility district; (b) excess property tax  
37 levies authorized in Article VII, section 2 of the state Constitution;  
38 (c) levies for acquiring conservation futures as authorized under RCW

1 84.34.230; (d) levies for emergency medical care or emergency medical  
2 services imposed under RCW 84.52.069; (e) levies to finance affordable  
3 housing for very low-income housing imposed under RCW 84.52.105; (f)  
4 the portions of levies by metropolitan park districts that are  
5 protected under RCW 84.52.120; (g) levies imposed by ferry districts  
6 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW  
7 84.52.135; and (i) the portions of levies by fire protection districts  
8 that are protected under RCW 84.52.125.

9 **Sec. 404.** RCW 84.55.005 and 2007 sp.s. c 1 s 1 are each amended to  
10 read as follows:

11 As used in this chapter:

12 (1) "Inflation" means the percentage change in the implicit price  
13 deflator for personal consumption expenditures for the United States as  
14 published for the most recent twelve-month period by the bureau of  
15 economic analysis of the federal department of commerce in September of  
16 the year before the taxes are payable;

17 (2) "Limit factor" means:

18 (a) For taxing districts with a population of less than ten  
19 thousand in the calendar year prior to the assessment year, one hundred  
20 one percent;

21 (b) For taxing districts for which a limit factor is authorized  
22 under RCW 84.55.0101, the lesser of the limit factor authorized under  
23 that section or one hundred one percent;

24 (c) For all other districts, the lesser of one hundred one percent  
25 or one hundred percent plus inflation; and

26 (3) "Regular property taxes" has the meaning given it in RCW  
27 84.04.140, except that it does not include tax levies under RCW  
28 84.52.043(1)(b).

29 **PART 5**

30 **MISCELLANEOUS PROVISIONS**

31 **Sec. 501.** RCW 84.52.0531 and 2006 c 119 s 2 are each amended to  
32 read as follows:

33 The maximum dollar amount which may be levied by or for any school  
34 district for maintenance and operation support under the provisions of  
35 RCW 84.52.053 shall be determined as follows:

1 (1) For excess levies for collection in calendar year 1997, the  
2 maximum dollar amount shall be calculated pursuant to the laws and  
3 rules in effect in November 1996.

4 (2) For excess levies for collection in calendar year 1998 and  
5 thereafter, the maximum dollar amount shall be the sum of (a) plus or  
6 minus (b) and (c) of this subsection minus (d) of this subsection:

7 (a) The district's levy base as defined in subsections (3) and (4)  
8 of this section multiplied by the district's maximum levy percentage as  
9 defined in subsection (5) of this section;

10 (b) For districts in a high/nonhigh relationship, the high school  
11 district's maximum levy amount shall be reduced and the nonhigh school  
12 district's maximum levy amount shall be increased by an amount equal to  
13 the estimated amount of the nonhigh payment due to the high school  
14 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
15 commencing the year of the levy;

16 (c) For districts in an interdistrict cooperative agreement, the  
17 nonresident school district's maximum levy amount shall be reduced and  
18 the resident school district's maximum levy amount shall be increased  
19 by an amount equal to the per pupil basic education allocation included  
20 in the nonresident district's levy base under subsection (3) of this  
21 section multiplied by:

22 (i) The number of full-time equivalent students served from the  
23 resident district in the prior school year; multiplied by:

24 (ii) The serving district's maximum levy percentage determined  
25 under subsection (5) of this section; increased by:

26 (iii) The percent increase per full-time equivalent student as  
27 stated in the state basic education appropriation section of the  
28 biennial budget between the prior school year and the current school  
29 year divided by fifty-five percent;

30 (d) The district's maximum levy amount shall be reduced by the  
31 maximum amount of state matching funds for which the district is  
32 eligible under RCW 28A.500.010.

33 (3) For excess levies for collection in calendar year 2005 and  
34 thereafter, a district's levy base shall be the sum of allocations in  
35 (a) through (c) of this subsection received by the district for the  
36 prior school year and the amounts determined under subsection (4) of  
37 this section, including allocations for compensation increases, plus  
38 the sum of such allocations multiplied by the percent increase per

1 full-time equivalent student as stated in the state basic education  
2 appropriation section of the biennial budget between the prior school  
3 year and the current school year and divided by fifty-five percent. A  
4 district's levy base shall not include local school district property  
5 tax levies or other local revenues, or state and federal allocations  
6 not identified in (a) through (c) of this subsection.

7 (a) The district's basic education allocation for the regular  
8 education of students as determined pursuant to RCW 28A.150.250,  
9 28A.150.260, and 28A.150.350;

10 (b) State and federal categorical allocations for the following  
11 programs:

12 (i) Pupil transportation;

13 (ii) Special education;

14 (iii) Bilingual education;

15 (iv) Education of highly capable students;

16 ~~((+iv))~~ (v) Compensatory education, including but not limited to  
17 learning assistance, migrant education, Indian education, and refugee  
18 programs ~~(, and bilingual education)~~;

19 ~~((+v))~~ (vi) Food services; and

20 ~~((+vi))~~ (vii) Statewide block grant programs; and

21 (c) Any other federal allocations for elementary and secondary  
22 school programs, including direct grants, other than federal impact aid  
23 funds and allocations in lieu of taxes.

24 (4) For levy collections in calendar years 2005 through 2011, in  
25 addition to the allocations included under subsection (3)(a) through  
26 (c) of this section, a district's levy base shall also include the  
27 following:

28 (a) The difference between the allocation the district would have  
29 received in the current school year had RCW 84.52.068 not been amended  
30 by chapter 19, Laws of 2003 1st sp. sess. and the allocation the  
31 district received in the current school year pursuant to RCW 84.52.068.  
32 The office of the superintendent of public instruction shall offset the  
33 amount added to a district's levy base pursuant to this subsection  
34 (4)(a) by any additional per student allocations included in a  
35 district's levy base pursuant to the enactment of an initiative to the  
36 people subsequent to June 10, 2004; and

37 (b) The difference between the allocations the district would have  
38 received the prior school year had RCW 28A.400.205 not been amended by

1 chapter 20, Laws of 2003 1st sp. sess. and the allocations the district  
2 actually received the prior school year pursuant to RCW 28A.400.205.  
3 The office of the superintendent of public instruction shall offset the  
4 amount added to a district's levy base pursuant to this subsection  
5 (4)(b) by any additional salary increase allocations included in a  
6 district's levy base pursuant to the enactment of an initiative to the  
7 people subsequent to June 10, 2004.

8 (5) A district's maximum levy percentage shall be twenty-two  
9 percent in 1998 and twenty-four percent in 1999 and every year  
10 thereafter; plus, for qualifying districts, the grandfathered  
11 percentage determined as follows:

12 (a) For 1997, the difference between the district's 1993 maximum  
13 levy percentage and twenty percent; and

14 (b) For 1998 and thereafter, the percentage calculated as follows:

15 (i) Multiply the grandfathered percentage for the prior year times  
16 the district's levy base determined under subsection (3) of this  
17 section;

18 (ii) Reduce the result of (b)(i) of this subsection by any levy  
19 reduction funds as defined in subsection (6) of this section that are  
20 to be allocated to the district for the current school year;

21 (iii) Divide the result of (b)(ii) of this subsection by the  
22 district's levy base; and

23 (iv) Take the greater of zero or the percentage calculated in  
24 (b)(iii) of this subsection.

25 (6) "Levy reduction funds" shall mean increases in state funds from  
26 the prior school year for programs included under subsections (3) and  
27 (4) of this section: (a) That are not attributable to enrollment  
28 changes, compensation increases, or inflationary adjustments; and (b)  
29 that are or were specifically identified as levy reduction funds in the  
30 appropriations act. If levy reduction funds are dependent on formula  
31 factors which would not be finalized until after the start of the  
32 current school year, the superintendent of public instruction shall  
33 estimate the total amount of levy reduction funds by using prior school  
34 year data in place of current school year data. Levy reduction funds  
35 shall not include moneys received by school districts from cities or  
36 counties.

37 (7) For the purposes of this section, "prior school year" means the

1 most recent school year completed prior to the year in which the levies  
2 are to be collected.

3 (8) For the purposes of this section, "current school year" means  
4 the year immediately following the prior school year.

5 (9) Funds collected from transportation vehicle fund tax levies  
6 shall not be subject to the levy limitations in this section.

7 (10) The superintendent of public instruction shall develop rules  
8 and regulations and inform school districts of the pertinent data  
9 necessary to carry out the provisions of this section.

10 (11) Effective for the 2010-11 school year, the superintendent  
11 shall make the necessary changes in the accounting manual requiring  
12 school districts to account for expenditures of maintenance and  
13 operations levy revenues as a separate program or programs.

14 **Sec. 502.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to  
15 read as follows:

16 The maximum dollar amount which may be levied by or for any school  
17 district for maintenance and operation support under the provisions of  
18 RCW 84.52.053 shall be determined as follows:

19 (1) For excess levies for collection in calendar year 1997, the  
20 maximum dollar amount shall be calculated pursuant to the laws and  
21 rules in effect in November 1996.

22 (2) For excess levies for collection in calendar year 1998 and  
23 thereafter, the maximum dollar amount shall be the sum of (a) plus or  
24 minus (b) and (c) of this subsection minus (d) of this subsection:

25 (a) The district's levy base as defined in subsection (3) of this  
26 section multiplied by the district's maximum levy percentage as defined  
27 in subsection (4) of this section;

28 (b) For districts in a high/nonhigh relationship, the high school  
29 district's maximum levy amount shall be reduced and the nonhigh school  
30 district's maximum levy amount shall be increased by an amount equal to  
31 the estimated amount of the nonhigh payment due to the high school  
32 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
33 commencing the year of the levy;

34 (c) For districts in an interdistrict cooperative agreement, the  
35 nonresident school district's maximum levy amount shall be reduced and  
36 the resident school district's maximum levy amount shall be increased

1 by an amount equal to the per pupil basic education allocation included  
2 in the nonresident district's levy base under subsection (3) of this  
3 section multiplied by:

4 (i) The number of full-time equivalent students served from the  
5 resident district in the prior school year; multiplied by:

6 (ii) The serving district's maximum levy percentage determined  
7 under subsection (4) of this section; increased by:

8 (iii) The percent increase per full-time equivalent student as  
9 stated in the state basic education appropriation section of the  
10 biennial budget between the prior school year and the current school  
11 year divided by fifty-five percent;

12 (d) The district's maximum levy amount shall be reduced by the  
13 maximum amount of state matching funds for which the district is  
14 eligible under RCW 28A.500.010.

15 (3) For excess levies for collection in calendar year 1998 and  
16 thereafter, a district's levy base shall be the sum of allocations in  
17 (a) through (c) of this subsection received by the district for the  
18 prior school year, including allocations for compensation increases,  
19 plus the sum of such allocations multiplied by the percent increase per  
20 full-time equivalent student as stated in the state basic education  
21 appropriation section of the biennial budget between the prior school  
22 year and the current school year and divided by fifty-five percent. A  
23 district's levy base shall not include local school district property  
24 tax levies or other local revenues, or state and federal allocations  
25 not identified in (a) through (c) of this subsection.

26 (a) The district's basic education allocation for the regular  
27 education of students as determined pursuant to RCW 28A.150.250,  
28 28A.150.260, and 28A.150.350;

29 (b) State and federal categorical allocations for the following  
30 programs:

31 (i) Pupil transportation;

32 (ii) Special education;

33 (iii) Bilingual education;

34 (iv) Education of highly capable students;

35 ~~((+iv))~~ (v) Compensatory education, including but not limited to  
36 learning assistance, migrant education, Indian education, and refugee  
37 programs(~~(, and bilingual education)~~);

38 ~~((+v))~~ (vi) Food services; and

1       (~~(vi)~~) (vii) Statewide block grant programs; and

2       (c) Any other federal allocations for elementary and secondary  
3 school programs, including direct grants, other than federal impact aid  
4 funds and allocations in lieu of taxes.

5       (4) A district's maximum levy percentage shall be twenty-two  
6 percent in 1998 and twenty-four percent in 1999 and every year  
7 thereafter; plus, for qualifying districts, the grandfathered  
8 percentage determined as follows:

9       (a) For 1997, the difference between the district's 1993 maximum  
10 levy percentage and twenty percent; and

11       (b) For 1998 and thereafter, the percentage calculated as follows:

12       (i) Multiply the grandfathered percentage for the prior year times  
13 the district's levy base determined under subsection (3) of this  
14 section;

15       (ii) Reduce the result of (b)(i) of this subsection by any levy  
16 reduction funds as defined in subsection (5) of this section that are  
17 to be allocated to the district for the current school year;

18       (iii) Divide the result of (b)(ii) of this subsection by the  
19 district's levy base; and

20       (iv) Take the greater of zero or the percentage calculated in  
21 (b)(iii) of this subsection.

22       (5) "Levy reduction funds" shall mean increases in state funds from  
23 the prior school year for programs included under subsection (3) of  
24 this section: (a) That are not attributable to enrollment changes,  
25 compensation increases, or inflationary adjustments; and (b) that are  
26 or were specifically identified as levy reduction funds in the  
27 appropriations act. If levy reduction funds are dependent on formula  
28 factors which would not be finalized until after the start of the  
29 current school year, the superintendent of public instruction shall  
30 estimate the total amount of levy reduction funds by using prior school  
31 year data in place of current school year data. Levy reduction funds  
32 shall not include moneys received by school districts from cities or  
33 counties.

34       (6) For the purposes of this section, "prior school year" means the  
35 most recent school year completed prior to the year in which the levies  
36 are to be collected.

37       (7) For the purposes of this section, "current school year" means  
38 the year immediately following the prior school year.

1 (8) Funds collected from transportation vehicle fund tax levies  
2 shall not be subject to the levy limitations in this section.

3 (9) The superintendent of public instruction shall develop rules  
4 and regulations and inform school districts of the pertinent data  
5 necessary to carry out the provisions of this section.

6 (10) Effective for the 2010-11 school year and thereafter, the  
7 superintendent shall make the necessary changes in the accounting  
8 manual requiring school districts to account for expenditures of  
9 maintenance and operations levy revenues as a separate program or  
10 programs.

11 NEW SECTION. Sec. 503. Section 501 of this act expires January 1,  
12 2012.

13 NEW SECTION. Sec. 504. Section 502 of this act takes effect  
14 January 1, 2012.

15 NEW SECTION. Sec. 505. Part headings used in this act are not any  
16 part of the law.

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