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SENATE BILL 6618

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State of Washington

62nd Legislature

2012 Regular Session

By Senators Honeyford and Swecker

Read first time 02/27/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to requiring a financial plan to adequately and  
2 amply fund basic education while modifying nonbasic education funding  
3 mandates; amending RCW 28A.505.220 and 43.135.045; amending 2010 1st  
4 sp.s. c 27 s 1 (uncodified); creating new sections; repealing RCW  
5 28A.400.205, 28A.400.206, 28B.50.465, and 28B.50.468; and providing an  
6 effective date.

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

8 NEW SECTION. **Sec. 1.** The legislature is committed to public  
9 elementary and secondary education in Washington state and further  
10 recognizes its authority and responsibility to define and fund a  
11 program of basic education as its paramount duty under the state  
12 Constitution. In January 2012, the Washington state supreme court held  
13 that the state has not complied with its Article IX, section 1  
14 constitutional duty to make ample provision for the basic education  
15 program for all children in Washington. The court did acknowledge the  
16 recent enactment of sweeping reforms under chapter 548, Laws of 2009,  
17 and acknowledged the current progress toward implementing those  
18 reforms. The court also noted that, if fully funded, the reform  
19 package will remedy deficiencies in the K-12 funding system.

1 Therefore, continuing to make vigorous progress in phasing in those  
2 reforms must be the legislature's focused priority with regard to K-12  
3 funding.

4 In November 2000, the voters of Washington state approved  
5 Initiatives 728 and 732 to enhance per-student funding allocations to  
6 school districts and provide annual cost-of-living salary increases to  
7 education employees. The initiatives did not provide increased revenue  
8 to fund the enhanced expenditures. Additionally, Initiative 728 is  
9 designated for specific purposes including reducing class sizes in  
10 grades kindergarten through four, making selected class size reductions  
11 in grades five through twelve, providing extended learning for students  
12 in grades kindergarten through twelve, providing additional  
13 professional development for educators, providing early assistance for  
14 children who need prekindergarten support, and providing improvements  
15 or additions to school facilities that are directly related to class  
16 size reductions and extended learning opportunities. In the most  
17 recent year in which school districts received Initiative 728 funding,  
18 and not counting amounts carried over to the following year, the  
19 majority of funds were expended on class size reduction. Further, the  
20 legislature has currently convened a compensation working group to make  
21 recommendations regarding salaries. The Washington supreme court did  
22 note that both Initiative 728 and Initiative 732 are considered not  
23 part of basic education.

24 Given that a substantial portion of the purpose of the initiatives  
25 will be incorporated as part of the focused work group created in this  
26 act for phasing-in the reforms recently enacted under chapter 548, Laws  
27 of 2009, and given that all K-12 funding efforts should be aimed toward  
28 basic education, the separate initiative requirements must be set  
29 aside.

30 **Sec. 2.** RCW 28A.505.220 and 2011 1st sp.s. c 17 s 1 are each  
31 amended to read as follows:

32 (1) Total distributions for the student achievement program from  
33 the general fund to each school district shall be based upon the  
34 average number of full-time equivalent students in the school district  
35 during the previous school year as reported to the office of the  
36 superintendent of public instruction by August 31st of the previous

1 school year. The superintendent of public instruction shall ensure  
2 that moneys generated by skill center students are returned to skill  
3 centers.

4 (2) The allocation rate per full-time equivalent student shall be  
5 three hundred dollars in the 2005-06 school year, three hundred  
6 seventy-five dollars in the 2006-07 school year, and four hundred fifty  
7 dollars in the 2007-08 school year. For each subsequent school year,  
8 the amount allocated per full-time equivalent student shall be adjusted  
9 for inflation by the implicit price deflator as published by the  
10 federal bureau of labor statistics. However, (~~for the 2011-12 and~~  
11 ~~2012-13 school years~~) beginning with the 2012-13 school year, the  
12 amount allocated per full-time equivalent student shall be as specified  
13 in the omnibus appropriations act. These allocations per full-time  
14 equivalent student shall be supported from the distributions from the  
15 education legacy trust account created in RCW 83.100.230 and the state  
16 general fund.

17 (3) The school district annual amounts as defined in subsection (2)  
18 of this section shall be distributed on the monthly apportionment  
19 schedule as defined in RCW 28A.510.250.

20 **Sec. 3.** RCW 43.135.045 and 2011 1st sp.s. c 50 s 950 are each  
21 amended to read as follows:

22 The education construction fund is hereby created in the state  
23 treasury.

24 (1) Funds may be appropriated from the education construction fund  
25 exclusively for common school construction or higher education  
26 construction. During the 2007-2009 fiscal biennium, funds may also be  
27 used for higher education facilities preservation and maintenance.  
28 During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may  
29 transfer from the education construction fund to the state general fund  
30 such amounts as reflect the excess fund balance of the fund.

31 (2) Funds may be appropriated for any other purpose only if  
32 approved by a two-thirds vote of each house of the legislature and if  
33 approved by a vote of the people at the next general election. An  
34 appropriation approved by the people under this subsection shall result  
35 in an adjustment to the state expenditure limit only for the fiscal  
36 period for which the appropriation is made and shall not affect any  
37 subsequent fiscal period.

1 (3) Funds for the student achievement program in RCW 28A.505.210  
2 and 28A.505.220 shall be appropriated to the superintendent of public  
3 instruction strictly for distribution to school districts to meet the  
4 provisions set out in the student achievement act. Allocations shall  
5 be made on an equal per full-time equivalent student basis to each  
6 school district.

7 ~~((4) After July 1, 2010, the state treasurer shall transfer one  
8 hundred two million dollars from the general fund to the education  
9 construction fund by June 30th of each year.))~~

10 **Sec. 4.** 2010 1st sp.s. c 27 s 1 (uncodified) is amended to read as  
11 follows:

12 The legislature finds that institutions of higher education are key  
13 to the future employment opportunities of Washington citizens and to  
14 the economic well-being of the state. The legislature finds that the  
15 recruitment of entrepreneurial researchers at institutions of higher  
16 education and the formation of research innovation teams will further  
17 enhance faculty recruitment and economic development. The legislature  
18 further finds that current financial aid and early childhood education  
19 programs are underfunded and subject to the unpredictability of the  
20 state budget. It is the intent of the legislature to direct lottery  
21 account moneys toward the Washington opportunity pathways account and  
22 that those funds stabilize and increase existing resources for the  
23 recruitment of entrepreneurial researchers, innovation partnership  
24 zones and research teams, early childhood education, opportunity  
25 grants, educational opportunity grants, get ready for math and science  
26 scholarships, passport to college promise scholarships, college bound  
27 scholarships, the state work study program, the state need grant,  
28 Washington scholars awards, the Washington award for vocational  
29 excellence, and Washington promise scholarships. ~~((It is also the  
30 intent of the legislature to continue funding the education  
31 construction fund by redirecting a portion of general state revenues to  
32 that fund.))~~

33 NEW SECTION. **Sec. 5.** The basic education funding joint  
34 legislative work group is established. The eight-member work group  
35 comprises the chairs and the ranking minority members of the senate and  
36 house of representatives ways and means committees and the senate and

1 house of representatives education policy committees. The work group  
2 must consider the information available to date regarding the priority  
3 order of phased-in funding enhancements and review the phase-in  
4 schedule in light of any newly available research-based evidence. The  
5 work group must develop a long-term financial plan that phases in  
6 enhancements, and matches the expenditure plan with options for  
7 existing or additional state revenue that may include shifting a  
8 portion of school district excess levy authority to state property tax  
9 levy. The plan must provide for progress in executing and funding the  
10 education reforms while making realistic commitments. The financial  
11 plan must take into account the objectives of Initiative 728 by  
12 integrating the funding for that initiative with the implementation of  
13 the prototypical school model, as recommended by the funding formula  
14 technical working group. The financial plan must also consider  
15 upcoming findings of the compensation working group and review that  
16 group's recommendations regarding the objectives of Initiative 732 and  
17 the state's larger education reform plan.

18 Staff support may be provided by senate committee services, house  
19 of representatives office of program research, the Washington state  
20 institute for public policy, or other state agencies as needed  
21 including the department of revenue, the office of financial  
22 management, and the office of the superintendent of public instruction.  
23 The work group shall report to the legislative fiscal committees and  
24 education policy committees by December 31, 2012, with a recommended  
25 phase-in and financing plan.

26 NEW SECTION. **Sec. 6.** The following acts or parts of acts are each  
27 repealed:

28 (1) RCW 28A.400.205 (Cost-of-living increases for employees) and  
29 2011 1st sp.s. c 18 s 1, 2009 c 573 s 1, 2003 1st sp.s. c 20 s 1, &  
30 2001 c 4 s 2;

31 (2) RCW 28A.400.206 (Cost-of-living increases--Duty of state) and  
32 2003 1st sp.s. c 20 s 2 & 2001 c 4 s 1;

33 (3) RCW 28B.50.465 (Cost-of-living increases--Academic employees)  
34 and 2011 1st sp.s. c 18 s 2, 2009 c 573 s 2, 2003 1st sp.s. c 20 s 3,  
35 & 2001 c 4 s 3; and

36 (4) RCW 28B.50.468 (Cost-of-living increases--Classified employees)

1 and 2011 1st sp.s. c 18 s 3, 2009 c 573 s 3, 2003 1st sp.s. c 20 s 4,  
2 & 2001 c 4 s 4.

3 NEW SECTION. **Sec. 7.** Section 2 of this act takes effect July 1,  
4 2012.

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