
ENGROSSED SUBSTITUTE HOUSE BILL 2366

State of Washington

64th Legislature

2016 Regular Session

By House Appropriations (originally sponsored by Representatives Lytton, Magendanz, Sullivan, Caldier, Kochmar, Rossetti, Muri, Haler, and Santos)

READ FIRST TIME 01/25/16.

1 AN ACT Relating to basic education obligations; creating new
2 sections; making appropriations; providing an expiration date; and
3 declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** INTENT. During the past two biennia, the
6 legislature has demonstrated its commitment to funding education
7 through strong bipartisan support for funding its statutory formulas
8 for: Pupil transportation; materials, supplies, and operating costs;
9 full-day kindergarten; and class size reductions. In the 2015-2017
10 biennial budget, the legislature specifically increased funding to
11 reduce class sizes in grades K-3. The legislature further included
12 the previously scheduled 2017-2019 biennium completion of K-3 class
13 size reduction funding in its adopted four-year budget outlook. The
14 legislature has planned for and is fully committed to completing the
15 scheduled phase in of K-3 class size reduction in the 2017-2019
16 biennium.

17 The state is fully committed to funding its program of basic
18 education as defined in statute and to eliminating school district
19 dependency on local levies for implementation of the state's program
20 of basic education. It is the intent of the legislature to provide
21 state funding for competitive salaries and benefits that are

1 sufficient to hire and retain competent certificated instructional
2 staff, administrators, and classified staff. Additionally, the
3 legislature intends to minimize any disruptive impact to school
4 districts and taxpayers.

5 The legislature finds that the lack of transparency in school
6 district data regarding how districts use local levy funds limits its
7 ability to make informed decisions concerning teacher compensation.
8 Previous studies have analyzed market data for educator compensation
9 and have provided recommendations on revisions to state allocation
10 formulas, but these studies did not provide data and analysis of
11 compensation paid by districts above basic education salary
12 allocations above the statutory prototypical school model, the source
13 of funding for this compensation, and the duties, uses, or categories
14 for which that compensation is paid. This foundational data is
15 necessary to inform the legislature's decisions.

16 NEW SECTION. **Sec. 2.** EDUCATION FUNDING TASK FORCE ESTABLISHED.

17 (1) The education funding task force is established to continue the
18 work of the governor's informal work group to review the data and
19 analysis provided by the consultant retained under section 3 of this
20 act and must make recommendations to the legislature on implementing
21 the program of basic education as defined in statute.

22 (2) Using the data and analysis provided by the consultant and
23 the previous body of work provided to the legislature, the task force
24 must, at a minimum, make recommendations for compensation that is
25 sufficient to hire and retain the staff funded under the statutory
26 prototypical school funding model and an associated salary allocation
27 model. The recommendations must also include provisions indicating
28 whether:

29 (a) A system for future salary adjustments should be incorporated
30 into the salary allocation model and if so, the method for providing
31 the adjustment; and

32 (b) A local labor market adjustment formula should be
33 incorporated into the salary allocation model and if so, the method
34 for providing the adjustment. This must include considerations for
35 rural and remote districts and districts with economic and
36 distressing factors that affect recruitment and retention.

37 (3) The task force must review available information to determine
38 whether additional state legislation is needed to help school

1 districts to support state-funded all-day kindergarten and class size
2 reduction in kindergarten through third grade.

3 (4) The task force must review the report on addressing the
4 problem of teacher shortages prepared by the professional educator
5 standards board. The task force must make recommendations for
6 improving or expanding existing educator recruitment and retention
7 programs.

8 (5) The task force must also make recommendations regarding:

9 (a) Local maintenance and operation levies and local effort
10 assistance;

11 (b) Local school district collective bargaining;

12 (c) Clarifying the distinction between services provided as part
13 of the state's statutory program of basic education and services that
14 may be provided as local enrichment;

15 (d) Required district reporting, accounting, and transparency of
16 data and expenditures;

17 (e) The provision and funding method for school employee health
18 benefits; and

19 (f) Sources of state revenue to support the state's statutory
20 program of basic education.

21 (6) The task force consists of the following members:

22 (a) Eight legislators, with two members from each of the two
23 largest caucuses of the senate appointed by the leaders of each of
24 the two largest caucuses of the senate, and two members from each of
25 the two largest caucuses of the house of representatives appointed by
26 the speaker of the house of representatives; and

27 (b) The governor or the governor's designee as a nonvoting member
28 to serve as facilitator.

29 (7) Recommendations of the task force require the affirmative
30 vote of five of its members.

31 (8) Staff support for the task force must be provided by the
32 house of representatives office of program research and senate
33 committee services, with additional staff support provided by the
34 office of financial management.

35 (9) Meetings of the task force shall comply with Joint Rule 10,
36 Senate Rule 45, and House of Representatives Rule 24.

37 (10) The expenses of the task force must be paid jointly by the
38 senate and the house of representatives. Task force expenditures are
39 subject to approval by the senate facilities and operations committee

1 and the house of representatives executive rules committee, or their
2 successor committees.

3 (11) The task force recommendations and any supporting
4 legislation must be submitted to the legislature by January 9, 2017.

5 NEW SECTION. **Sec. 3.** ANALYSIS OF K-12 PUBLIC SCHOOL STAFF
6 COMPENSATION. (1) In consultation with the education funding task
7 force established in section 2 of this act, the Washington state
8 institute for public policy shall contract for independent
9 professional consulting services to:

10 (a) Collect K-12 public school staff total compensation data, and
11 within that data, provide an analysis of compensation paid in
12 addition to basic education salary allocations under the statutory
13 prototypical school model, source of funding, and the duties, uses,
14 or categories for which that compensation is paid;

15 (b) Identify market rate salaries that are comparable to each of
16 the staff types in the prototypical school funding model; and

17 (c) Provide analysis regarding whether a local labor market
18 adjustment formula should be implemented and if so which market
19 adjustment factors and methods should be used.

20 (2) The superintendent of public instruction must collect, and
21 school districts and other applicable local education agencies must
22 provide, compensation data necessary to implement this section with
23 sufficient time for the consultant to accomplish the work required by
24 this section. Data must be in the format necessary to meet the needs
25 of the consultant. The superintendent of public instruction must
26 provide this information to the Washington state institute for public
27 policy, the office of financial management, and the education funding
28 task force, for use by the consultant and the task force.

29 (3) The consultant must provide an interim report to the
30 education funding task force and the governor by September 1, 2016.

31 (4) The consultant's final data and analysis must be provided to
32 the education funding task force and the governor by November 15,
33 2016.

34 NEW SECTION. **Sec. 4.** LOCAL LEVIES—LEGISLATIVE ACTION.
35 Legislative action shall be taken by the end of the 2017 session to
36 eliminate school district dependency on local levies for
37 implementation of the state's program of basic education.

1 NEW SECTION. **Sec. 5.** APPROPRIATIONS. (1) The sum of two hundred
2 fifty thousand dollars, or as much thereof as may be necessary, is
3 appropriated for the fiscal year ending June 30, 2016, from the
4 general fund to The Evergreen State College to fund the Washington
5 state institute for public policy contract with independent
6 professional consulting services as required in section 3 of this
7 act.

8 (2) The sum of two hundred fifty thousand dollars, or as much
9 thereof as may be necessary, is appropriated for the fiscal year
10 ending June 30, 2017, from the general fund to The Evergreen State
11 College to fund the Washington state institute for public policy
12 contract with independent professional consulting services as
13 required in section 3 of this act.

14 NEW SECTION. **Sec. 6.** EXPIRATION DATE. This act expires June 30,
15 2017.

16 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of
18 the state government and its existing public institutions, and takes
19 effect immediately.

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