

SHB 1843 - H AMD 27

By Representative Manweller

NOT ADOPTED 02/22/2017

1 On page 10, line 6, after "RCW 28A.405.380." strike "No" and
2 insert "Pursuant to RCW 28A.150.--- (section 401 of this act),
3 beginning September 1, 2019, districts may enter supplemental
4 contracts under this section solely for enrichment, and no"

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6 On page 10, line 8, after "of the" insert "state's statutory"

7

8 On page 10, line 9, after "section" strike "3" and insert "~~((3))~~
9 1"

10

11 On page 11, line 22, strike "**MAINTENANCE AND OPERATION**" and insert
12 "**ENRICHMENT**"

13

14 On page 11, beginning on line 27, strike "maintenance and
15 operation support" and insert "~~((maintenance and operation support))~~
16 enrichment funding"

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18 On page 12, line 32, after "28A.500.010" insert ", except that if
19 state matching funds are reduced as a result of an audit finding under
20 section 406 of this act, the district's maximum levy is reduced by the
21 full amount of state matching funds for which the district would
22 otherwise have been eligible"

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24 On page 15, after line 5, insert: "((10) The amount of the levy
25 that a district certifies to the county treasurer must be reduced by
26 any amount of levy revenues determined by an audit under section 406
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1 of this act to have been spent in violation of section 401 of this
2 act."

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4 On page 16, line 10, strike "maintenance and operation" and insert
5 "~~((maintenance and operation))~~ enrichment"

6
7 On page 16, after line 35 insert: "(4) A school district's
8 maximum amount of state matching funding under this section is reduced
9 by any amount of state matching funding determined by an audit under
10 section 406 of this act to have been spent in violation of section 401
11 of this act."

12
13 On page 34, after line 4, insert the following:

14 **"PART IV**

15 **AUTHORIZING USE OF SCHOOL DISTRICT LOCAL REVENUES SOLELY FOR**
16 **ENRICHMENT TO THE STATE'S STATUTORY PROGRAM OF BASIC EDUCATION**

17
18 NEW SECTION. **Sec. 401.** A new section is added to chapter
19 28A.150 RCW to read as follows:

20 BASIC EDUCATION ACT AMENDED TO RESTRICT USE OF SCHOOL DISTRICT
21 LOCAL REVENUES TO ENRICHMENT ONLY. (1) In RCW 28A.150.200 (as amended
22 by section 101 of this act), the state declares that the state's
23 statutory program of basic education established by chapter 28A RCW is
24 deemed by the legislature to comply with the paramount duty of Article
25 IX, section 1 of the state constitution. With the programmatic and
26 funding elements added in this act to the state's statutory program of
27 basic education, the legislature declares that state's program is
28 fully funded, and that any enrichments funded locally are necessarily
29 outside that program. To ensure appropriate implementation of the
30 state's statutory program of basic education, and to ensure that
31 school district funding from both state and local sources complies
32 with Article IX, section 1 of the state constitution, the legislature
33 intends to enact an express statutory requirement that school district
34 enrichment levies, local effort assistance, and other school district

1 local revenues may be used only for enrichment to the state's
2 statutory program of basic education.

3 (2) Beginning September 1, 2019, school districts may use local
4 revenues only to enrich the state's statutory program of basic
5 education by supplementing the minimum instructional offerings of RCW
6 28A.150.220 or 28A.150.260 or the staffing ratios of RCW 28A.150.260
7 (as amended by sections 301 and 302 of this act). For purposes of
8 this section, "local revenues" means enrichment levies collected under
9 RCW 84.52.053, local effort assistance funding received under chapter
10 28A.500 RCW, and other school district local revenues, including but
11 not limited to grants, donations, and state and federal payments in
12 lieu of taxes, except that "local revenues" does not include other
13 federal revenues, or local revenues that operate as an offset to the
14 district's basic education allocation under RCW 28A.150.250.

15 (3) For purposes of this section, permitted enrichment activities
16 include, but are not limited to, extracurricular activities, extended
17 school days, additional staff for class size reduction beyond class
18 sizes allocated in the prototypical school model, and course offerings
19 beyond the minimum instructional program established in the state's
20 statutory program of basic education.

21 (4) Upon application by a school district, the superintendent of
22 public instruction may authorize the district to use local revenues
23 for other enrichment activities not specifically listed in this
24 section, so long as the activity otherwise complies with this section.
25 The authorization is valid for a period of up to four years. The
26 superintendent must report annually to the appropriate committees of
27 the legislature on authorizations granted pursuant to this subsection
28 and associated educational outcomes.

29 (5) If an audit under section 406 of this act results in a finding
30 that a school district has spent local revenues in violation of this
31 section, then in the following year the district is subject to the
32 penalties established in this subsection. If the violation resulted
33 from expenditure of enrichment levy revenues, then the amount of the
34 enrichment levy that a district may certify for collection must be

1 reduced by the amount of the audit finding. If the violation resulted
2 from expenditure of local effort assistance funding, then the maximum
3 amount of state matching funds the district may receive as local
4 effort assistance is reduced by the amount of the audit finding. If
5 the violation resulted from expenditure of other local revenues, then
6 the district must pay the amount of the audit finding into the state
7 general fund.

8 (6) The superintendent may adopt rules to implement this section.

9
10 NEW SECTION. **Sec. 402.** OSPI RECOMMENDATIONS AND LEGISLATIVE
11 DEFINITIONS OF ADDITIONAL PERMITTED ENRICHMENTS.

12 (1) (a) The superintendent of public instruction must develop
13 recommendations on expanding the list of specifically permitted
14 activities in section 401(3) of this act to include additional
15 discrete forms of local enrichment that otherwise comply with section
16 401 of this act. The recommendations must consider, but are not
17 limited to, existing school district enrichment activities to the
18 extent that those activities are consistent with those requirements.

19 (b) The superintendent must develop recommendations on a process
20 that permits the superintendent, on application of a school district,
21 to approve use of local revenues for enrichment activities that are
22 not specifically listed in section 401 of this act but otherwise
23 comply with the requirements of that section. The recommendations may
24 be in the form of proposed rules.

25 (c) The superintendent must submit both sets of recommendations to
26 the appropriate policy and fiscal committees of the legislature by
27 December 1, 2017.

28 (2) In the 2018 legislative session, the legislature must review
29 and consider the recommendations of the superintendent, and must enact
30 legislation to expand the list of permitted enrichment activities in
31 section 401(3) of this act by codifying additional, specific examples
32 of enrichment activities that may be provided with local revenues
33 under the terms of section 401 of this act.

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1 **Sec. 403.** RCW 84.52.053 and 2012 c 186 s 18 are each amended to
2 read as follows: M&O LEVIES RENAMED "ENRICHMENT LEVIES"; MAY BE
3 USED FOR ENRICHMENT ONLY.

4 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
5 and 84.52.043 shall not prevent the levy of taxes by school
6 districts, when authorized so to do by the voters of such school
7 district in the manner and for the purposes and number of years
8 allowable under Article VII, section 2(a) and Article IX, section 1
9 of the Constitution of this state. Elections for such taxes shall be
10 held in the year in which the levy is made or, in the case of
11 propositions authorizing two-year through four-year levies for
12 (~~maintenance and operation support of~~) enrichment funding for a
13 school district, authorizing two-year levies for transportation
14 vehicle funds established in RCW 28A.160.130, or authorizing two-
15 year through six-year levies to support the construction,
16 modernization, or remodeling of school facilities, which includes
17 the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which
18 the first annual levy is made.

19 (2)(a) Once additional tax levies have been authorized for
20 (~~maintenance and operation support of~~) enrichment funding for a
21 school district for a two-year through four-year period as provided
22 under subsection (1) of this section, no further additional tax
23 levies for (~~maintenance and operation support of~~) enrichment
24 funding for the district for that period may be authorized, except
25 for additional levies to provide for subsequently enacted increases
26 affecting the district's levy base or maximum levy percentage.

27 (b) Notwithstanding (a) of this subsection, any school district
28 that is required to annex or receive territory pursuant to a
29 dissolution of a financially insolvent school district pursuant to
30 RCW 28A.315.225 may call either a replacement or supplemental levy
31 election within the school district, including the territory annexed
32 or transferred, as follows:

33 (i) An election for a proposition authorizing two-year through
34 four-year levies for (~~maintenance and operation support of~~)

1 enrichment funding for a school district may be called and held
2 before the effective date of dissolution to replace existing
3 (~~maintenance and operation~~) enrichment levies and to provide for
4 increases due to the dissolution.

5 (ii) An election for a proposition authorizing additional tax
6 levies may be called and held before the effective date of
7 dissolution to provide for increases due to the dissolution.

8 (iii) In the event a replacement levy election under (b)(i) of
9 this subsection is held but does not pass, the affected school
10 district may subsequently hold a supplemental levy election pursuant
11 to (b)(ii) of this subsection if the supplemental levy election is
12 held before the effective date of dissolution. In the event a
13 supplemental levy election is held under subsection (b)(ii) of this
14 subsection but does not pass, the affected school district may
15 subsequently hold a replacement levy election pursuant to (b)(i) of
16 this subsection if the replacement levy election is held before the
17 effective date of dissolution. Failure of a replacement levy or
18 supplemental levy election does not affect any previously approved
19 and existing (~~maintenance and operation~~) enrichment levy within
20 the affected school district or districts.

21 (c) For the purpose of applying the limitation of this
22 subsection (2), a two-year through six-year levy to support the
23 construction, modernization, or remodeling of school facilities
24 shall not be deemed to be a tax levy for (~~maintenance and operation~~
25 ~~support of~~) enrichment funding for a school district.

26 (3) A special election may be called and the time therefor fixed
27 by the board of school directors, by giving notice thereof by
28 publication in the manner provided by law for giving notices of
29 general elections, at which special election the proposition
30 authorizing such excess levy shall be submitted in such form as to
31 enable the voters favoring the proposition to vote "yes" and those
32 opposed thereto to vote "no."

33 (4) Pursuant to RCW 28A.150.--- (section 401 of this act),
34 beginning September 1, 2019, school districts may use enrichment

1 levies solely to enrich the state's statutory program of basic
2 education by supplementing the minimum instructional offerings of
3 RCW 28A.150.220 or RCW 28A.160.260 or the staffing ratios of RCW
4 28A.150.260 (as amended by sections 301 and 302 of this act).

5
6 **Sec. 404.** RCW 28A.150.220 and 2014 c 217 s 201 are each amended
7 to read as follows: SCHOOL DISTRICT AUTHORITY TO ENRICH PROGRAM OF
8 EDUCATION IS SUBJECT TO NEW REQUIRMENTS.

9 (1) In order for students to have the opportunity to develop the
10 basic education knowledge and skills under RCW 28A.150.210, school
11 districts must provide instruction of sufficient quantity and
12 quality and give students the opportunity to complete graduation
13 requirements that are intended to prepare them for postsecondary
14 education, gainful employment, and citizenship. The program
15 established under this section shall be the minimum instructional
16 program of basic education offered by school districts.

17 (2) Each school district shall make available to students the
18 following minimum instructional offering each school year:

19 (a) For students enrolled in grades one through twelve, at least
20 a district-wide annual average of one thousand hours, which shall be
21 increased beginning in the 2015-16 school year to at least one
22 thousand eighty instructional hours for students enrolled in grades
23 nine through twelve and at least one thousand instructional hours
24 for students in grades one through eight, all of which may be
25 calculated by a school district using a district-wide annual average
26 of instructional hours over grades one through twelve; and

27 (b) For students enrolled in kindergarten, at least four hundred
28 fifty instructional hours, which shall be increased to at least one
29 thousand instructional hours according to the implementation
30 schedule under RCW 28A.150.315.

31 (3) The instructional program of basic education provided by
32 each school district shall include:

33 (a) Instruction in the essential academic learning requirements
34 under RCW 28A.655.070;

1 (b) Instruction that provides students the opportunity to
2 complete twenty-four credits for high school graduation, beginning
3 with the graduating class of 2019 or as otherwise provided in RCW
4 28A.230.090. Course distribution requirements may be established by
5 the state board of education under RCW 28A.230.090;

6 (c) If the essential academic learning requirements include a
7 requirement of languages other than English, the requirement may be
8 met by students receiving instruction in one or more American Indian
9 languages;

10 (d) Supplemental instruction and services for underachieving
11 students through the learning assistance program under RCW
12 28A.165.005 through 28A.165.065;

13 (e) Supplemental instruction and services for eligible and
14 enrolled students and exited students whose primary language is
15 other than English through the transitional bilingual instruction
16 program under RCW 28A.180.010 through 28A.180.080;

17 (f) The opportunity for an appropriate education at public
18 expense as defined by RCW 28A.155.020 for all eligible students with
19 disabilities as defined in RCW 28A.155.020; and

20 (g) Programs for highly capable students under RCW 28A.185.010
21 through 28A.185.030.

22 (4) Nothing contained in this section shall be construed to
23 require individual students to attend school for any particular
24 number of hours per day or to take any particular courses.

25 (5)(a) Each school district's kindergarten through twelfth grade
26 basic educational program shall be accessible to all students who
27 are five years of age, as provided by RCW 28A.225.160, and less than
28 twenty-one years of age and shall consist of a minimum of one
29 hundred eighty school days per school year in such grades as are
30 conducted by a school district, and one hundred eighty half-days of
31 instruction, or equivalent, in kindergarten, to be increased to a
32 minimum of one hundred eighty school days per school year according
33 to the implementation schedule under RCW 28A.150.315.

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1 (b) Schools administering the Washington kindergarten inventory
2 of developing skills may use up to three school days at the
3 beginning of the school year to meet with parents and families as
4 required in the parent involvement component of the inventory.

5 (c) In the case of students who are graduating from high school,
6 a school district may schedule the last five school days of the one
7 hundred eighty day school year for noninstructional purposes
8 including, but not limited to, the observance of graduation and
9 early release from school upon the request of a student. All such
10 students may be claimed as a full-time equivalent student to the
11 extent they could otherwise have been so claimed for the purposes of
12 RCW 28A.150.250 and 28A.150.260. Any hours scheduled by a school
13 district for noninstructional purposes during the last five school
14 days for such students shall count toward the instructional hours
15 requirement in subsection (2)(a) of this section.

16 (6) Subject to RCW 28A.150.--- (section 401 of this act),
17 nothing in this section precludes a school district from enriching
18 the instructional program of basic education, such as offering
19 additional instruction or providing additional services, programs,
20 or activities that the school district determines to be appropriate
21 for the education of the school district's students.

22 (7) The state board of education shall adopt rules to implement
23 and ensure compliance with the program requirements imposed by this
24 section, RCW 28A.150.250 and 28A.150.260, and such related
25 supplemental program approval requirements as the state board may
26 establish.

27
28 **Sec. 405.** RCW 28A.500.010 and 1999 c 317 s 1 are each amended
29 to read as follows: LOCAL EFFORT ASSISTANCE FUNDING MAY BE USED FOR
30 ENRICHMENT ONLY.

31 Commencing with calendar year 2000, in addition to a school
32 district's other general fund allocations, each eligible district
33 shall be provided local effort assistance funds. The purpose of
34 these funds is to mitigate the effect that above average property

1 tax rates might have on the ability of a school district to raise
2 local revenues to supplement the state's basic program of education.
3 These funds serve to equalize the property tax rates that individual
4 taxpayers would pay for such levies and to provide tax relief to
5 taxpayers in high tax rate school districts. Such funds are not part
6 of the district's basic education allocation, and pursuant to RCW
7 28A.150.--- (section 401 of this act), beginning September 1, 2019,
8 local effort assistance funding may be used only to enrich the
9 state's statutory program of basic education by supplementing the
10 minimum instructional offerings of RCW 28A.150.220 or RCW 28A.15.260
11 or the staffing ratios of RCW 28A.150.260 (as amended by sections
12 301 and 302 of this act).

13

14 NEW SECTION. **Sec. 406.** A new section is added to chapter
15 43.09 RCW to read as follows:

16 AUDITOR REVIEWS USE OF LOCAL REVENUES FOR COMPLIANCE WITH
17 ENRICHMENT REQUIREMENTS.

18 (1) Beginning with the 2019-20 school year, to ensure that school
19 district local revenues are used solely for purposes of enriching
20 the state's statutory program of basic education, the state
21 auditor's regular financial audits of school districts must include
22 a review of the expenditure of school district local revenues for
23 compliance with RCW 28A.150.--- (section 401 of this act), including
24 any supplemental contracts entered into under RCW 28A.400.200 as
25 amended by section 104 of this act.

26 (2) If an audit results in findings that a school district has
27 failed to comply with these requirements, then within ninety days of
28 completing the audit the auditor must report the findings to the
29 superintendent of public instruction, the office of financial
30 management, and the appropriate policy and fiscal committees of the
31 legislature."

32

33 Renumber remaining parts and sections consecutively and correct
34 internal references accordingly.

1 Correct the title.

2

EFFECT:

Local revenues for enrichment only. The legislature declares that with the revisions in this act, the state's statutory program of basic education is deemed by the Legislature to be fully funded, and any locally funded enrichments are necessarily outside that program.

Beginning September 1, 2019, school district local revenues may be used only to enrich the state's statutory program of basic education. To be permitted as "enrichment," an activity must enrich the minimum statutory program of basic education or enrich the staffing ratios provided by the prototypical school formula. "Local revenues" means enrichment levies (formerly called maintenance and operations (M&O) levies), Local Effort Assistance (LEA), and other local school district revenues, including grants, donations, and state and federal payments in lieu of taxes. However, "local revenues" do not include other federal revenues, or local revenues that operate as an offset to state basic education allocations (i.e., federal forest revenues).

Permitted forms of enrichment. A non-exhaustive list of permitted enrichments is provided, including extracurricular activities and extended school days. By December 2017 the SPI must provide the Legislature with recommendations on additional types of authorized enrichment to add to the statutory list. In the 2018 legislative session, the Legislature must enact legislation to add further types of specifically authorized enrichment to the statutory list.

Districts may enter into supplemental contracts (TRI) only for purposes of permitted enrichment.

M&O levies are renamed "enrichment levies," and the authorizing statutes for enrichment levies and LEA are revised to state that these revenues may be used only for permitted enrichment.

Approval process for additional forms of enrichment.

Upon application by a school district, the Superintendent of Public Instruction (SPI) may for a four-year period authorize the district to use local revenues for enrichment activities not specifically listed in statute so long as those activities otherwise comply with the statutory requirements for enrichment. By December 2017 the SPI must provide the Legislature with recommendations for this approval process.

Auditing and penalties.

The State Auditor must audit compliance with the restrictions on use of school district local revenues. If the Auditor determines that a

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district has violated the enrichment restrictions, then in the next year a district's certified enrichment (formerly M&O) levy is decreased by the amount of the prohibited expenditure if the spending came from enrichment levy revenues, the district's LEA is decreased if the spending came from LEA, or the district must pay the amount into the State General Fund if the spending came from other local revenues.

Other. An incorrect reference to Art. IX, sec. 3 (Permanent Common School Fund) is corrected to refer to Art. IX, sec. 1 (paramount duty clause).

--- END ---