

2SSB 6362 - S AMD 670
By Senator Wellman

ADOPTED AS AMENDED 02/14/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 **"PART I: PROGRAM FUNDING**

4 **Sec. 101.** RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each
5 amended to read as follows:

6 The purpose of this section is to provide for the allocation of
7 state funding that the legislature deems necessary to support school
8 districts in offering the minimum instructional program of basic
9 education under RCW 28A.150.220. The allocation shall be determined
10 as follows:

11 (1) The governor shall and the superintendent of public
12 instruction may recommend to the legislature a formula for the
13 distribution of a basic education instructional allocation for each
14 common school district.

15 (2)(a) The distribution formula under this section shall be for
16 allocation purposes only. Except as may be required under subsections
17 (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165,
18 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in
19 this section requires school districts to use basic education
20 instructional funds to implement a particular instructional approach
21 or service. Nothing in this section requires school districts to
22 maintain a particular classroom teacher-to-student ratio or other
23 staff-to-student ratio or to use allocated funds to pay for
24 particular types or classifications of staff. Nothing in this section
25 entitles an individual teacher to a particular teacher planning
26 period.

27 (b) To promote transparency in state funding allocations, the
28 superintendent of public instruction must report state per-pupil
29 allocations for each school district for the general apportionment,
30 special education, learning assistance, transitional bilingual,
31 highly capable, and career and technical education programs. The

1 superintendent must also report state general apportionment per-pupil
2 allocations by grade for each school district. The superintendent
3 must report this information in a user-friendly format on the main
4 page of the office's web site and on school district apportionment
5 reports. School districts must include a link to the superintendent's
6 per-pupil allocations report on the main page of the school
7 district's web site. In addition, the budget documents published by
8 the legislature for the enacted omnibus operating appropriations act
9 must report statewide average per-pupil allocations for general
10 apportionment and the categorical programs listed in this subsection.

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

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

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

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

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

(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

	General education average class size
Grades K-3.	17.00
Grade 4.	27.00
Grades 5-6.	27.00
Grades 7-8.	28.53
Grades 9-12.	28.74

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

	Laboratory science average class size
Grades 9-12.	19.98

(b)(i) Beginning September 1, 2018, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(ii) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b).

(c)(i) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom

1 teachers based on the following number of full-time equivalent
 2 students per teacher in career and technical education:

3		Career and technical
4		education average
5		class size
6	Approved career and technical education offered at	
7	the middle school and high school level.	23.00
8	Skill center programs meeting the standards established	
9	by the office of the superintendent of public	
10	instruction.	20.00

11 (ii) Funding allocated under this subsection (4)(c) is subject to
 12 RCW 28A.150.265.

13 (d) In addition, the omnibus appropriations act shall at a
 14 minimum specify:

15 (i) A high-poverty average class size in schools where more than
 16 fifty percent of the students are eligible for free and reduced-price
 17 meals; and

18 (ii) A specialty average class size for advanced placement and
 19 international baccalaureate courses.

20 (5) The minimum allocation for each level of prototypical school
 21 shall include allocations for the following types of staff in
 22 addition to classroom teachers:

23		Elementary	Middle	High
24		School	School	School
25	Principals, assistant principals, and other certificated building-level			
26	administrators.	1.253	1.353	1.880
27	Teacher-librarians, a function that includes information literacy, technology,			
28	and media to support school library media programs.	0.663	0.519	0.523
29	Health and social services:			
30	School nurses.	0.076	0.060	0.096
31	Social workers.	0.042	0.006	0.015
32	Psychologists.	0.017	0.002	0.007
33	Guidance counselors, a function that includes parent outreach and graduation			
34	advising.	0.493	1.216	2.539
35	Teaching assistance, including any aspect of educational instructional services			
36	provided by classified employees.	0.936	0.700	0.652

1	Office support and other noninstructional aides.	2.012	2.325	3.269
2	Custodians.	1.657	1.942	2.965
3	Classified staff providing student and staff safety.	0.079	0.092	0.141
4	Parent involvement coordinators.	0.0825	0.00	0.00

5 (6)(a) The minimum staffing allocation for each school district
6 to provide district-wide support services shall be allocated per one
7 thousand annual average full-time equivalent students in grades K-12
8 as follows:

9			Staff per 1,000	
10			K-12 students	
11	Technology.			0.628
12	Facilities, maintenance, and grounds.			1.813
13	Warehouse, laborers, and mechanics.			0.332

14 (b) The minimum allocation of staff units for each school
15 district to support certificated and classified staffing of central
16 administration shall be 5.30 percent of the staff units generated
17 under subsections (4)(a) and (5) of this section and (a) of this
18 subsection.

19 (7) The distribution formula shall include staffing allocations
20 to school districts for career and technical education and skill
21 center administrative and other school-level certificated staff, as
22 specified in the omnibus appropriations act.

23 (8)(a) Except as provided in (b) of this subsection, the minimum
24 allocation for each school district shall include allocations per
25 annual average full-time equivalent student for the following
26 materials, supplies, and operating costs as provided in the 2017-18
27 school year, after which the allocations shall be adjusted annually
28 for inflation as specified in the omnibus appropriations act:

29			Per annual average	
30			full-time equivalent student	
31			in grades K-12	
32	Technology.			\$130.76
33	Utilities and insurance.			\$355.30
34	Curriculum and textbooks.			\$140.39
35	Other supplies and library materials.			\$298.05
36	Instructional professional development for certificated and			
37	classified staff.			\$21.71

1 Facilities maintenance. \$176.01
2 Security and central office administration. \$121.94

3 (b) In addition to the amounts provided in (a) of this
4 subsection, beginning in the 2014-15 school year, the omnibus
5 appropriations act shall provide the following minimum allocation for
6 each annual average full-time equivalent student in grades nine
7 through twelve for the following materials, supplies, and operating
8 costs, to be adjusted annually for inflation:

	Per annual average full-time equivalent student in grades 9-12
9	
10	
11	
12 Technology.	\$36.35
13 Curriculum and textbooks.	\$39.02
14 Other supplies and library materials.	\$82.84
15 Instructional professional development for certificated and 16 classified staff.	\$6.04

17 (9) In addition to the amounts provided in subsection (8) of this
18 section and subject to RCW 28A.150.265, the omnibus appropriations
19 act shall provide an amount based on full-time equivalent student
20 enrollment in each of the following:

- 21 (a) Exploratory career and technical education courses for
22 students in grades seven through twelve;
- 23 (b) Preparatory career and technical education courses for
24 students in grades nine through twelve offered in a high school; and
- 25 (c) Preparatory career and technical education courses for
26 students in grades eleven and twelve offered through a skill center.

27 (10) In addition to the allocations otherwise provided under this
28 section, amounts shall be provided to support the following programs
29 and services:

30 (a)(i) To provide supplemental instruction and services for
31 students who are not meeting academic standards through the learning
32 assistance program under RCW 28A.165.005 through 28A.165.065,
33 allocations shall be based on the district percentage of students in
34 grades K-12 who were eligible for free or reduced-price meals in the
35 prior school year. The minimum allocation for the program shall
36 provide for each level of prototypical school resources to provide,
37 on a statewide average, 2.3975 hours per week in extra instruction
38 with a class size of fifteen learning assistance program students per
39 teacher.

1 (ii) In addition to funding allocated under (a)(i) of this
2 subsection, to provide supplemental instruction and services for
3 students who are not meeting academic standards in (~~schools where at~~
4 ~~least fifty percent of students are eligible for free and reduced-~~
5 ~~price meals~~) qualifying schools. A qualifying school means a school
6 in which the three-year rolling average of the prior year total
7 annual average enrollment that qualifies for free or reduced-price
8 meals equals or exceeds fifty percent or more of its total annual
9 average enrollment. The minimum allocation for this additional high
10 poverty-based allocation must provide for each level of prototypical
11 school resources to provide, on a statewide average, 1.1 hours per
12 week in extra instruction with a class size of fifteen learning
13 assistance program students per teacher, under RCW 28A.165.055,
14 school districts must distribute the high poverty-based allocation to
15 the schools that generated the funding allocation.

16 (b)(i) To provide supplemental instruction and services for
17 students whose primary language is other than English, allocations
18 shall be based on the head count number of students in each school
19 who are eligible for and enrolled in the transitional bilingual
20 instruction program under RCW 28A.180.010 through 28A.180.080. The
21 minimum allocation for each level of prototypical school shall
22 provide resources to provide, on a statewide average, 4.7780 hours
23 per week in extra instruction for students in grades kindergarten
24 through six and 6.7780 hours per week in extra instruction for
25 students in grades seven through twelve, with fifteen transitional
26 bilingual instruction program students per teacher. Notwithstanding
27 other provisions of this subsection (10), the actual per-student
28 allocation may be scaled to provide a larger allocation for students
29 needing more intensive intervention and a commensurate reduced
30 allocation for students needing less intensive intervention, as
31 detailed in the omnibus appropriations act.

32 (ii) To provide supplemental instruction and services for
33 students who have exited the transitional bilingual program,
34 allocations shall be based on the head count number of students in
35 each school who have exited the transitional bilingual program within
36 the previous two years based on their performance on the English
37 proficiency assessment and are eligible for and enrolled in the
38 transitional bilingual instruction program under RCW
39 28A.180.040(1)(g). The minimum allocation for each prototypical
40 school shall provide resources to provide, on a statewide average,

1 3.0 hours per week in extra instruction with fifteen exited students
2 per teacher.

3 (c) To provide additional allocations to support programs for
4 highly capable students under RCW 28A.185.010 through 28A.185.030,
5 allocations shall be based on 5.0 percent of each school district's
6 full-time equivalent basic education enrollment. The minimum
7 allocation for the programs shall provide resources to provide, on a
8 statewide average, 2.1590 hours per week in extra instruction with
9 fifteen highly capable program students per teacher.

10 (11) The allocations under subsections (4)(a), (5), (6), and (8)
11 of this section shall be enhanced as provided under RCW 28A.150.390
12 on an excess cost basis to provide supplemental instructional
13 resources for students with disabilities.

14 (12)(a) For the purposes of allocations for prototypical high
15 schools and middle schools under subsections (4) and (10) of this
16 section that are based on the percent of students in the school who
17 are eligible for free and reduced-price meals, the actual percent of
18 such students in a school shall be adjusted by a factor identified in
19 the omnibus appropriations act to reflect underreporting of free and
20 reduced-price meal eligibility among middle and high school students.

21 (b) Allocations or enhancements provided under subsections (4),
22 (7), and (9) of this section for exploratory and preparatory career
23 and technical education courses shall be provided only for courses
24 approved by the office of the superintendent of public instruction
25 under chapter 28A.700 RCW.

26 (13)(a) This formula for distribution of basic education funds
27 shall be reviewed biennially by the superintendent and governor. The
28 recommended formula shall be subject to approval, amendment or
29 rejection by the legislature.

30 (b) In the event the legislature rejects the distribution formula
31 recommended by the governor, without adopting a new distribution
32 formula, the distribution formula for the previous school year shall
33 remain in effect.

34 (c) The enrollment of any district shall be the annual average
35 number of full-time equivalent students and part-time students as
36 provided in RCW 28A.150.350, enrolled on the first school day of each
37 month, including students who are in attendance pursuant to RCW
38 28A.335.160 and 28A.225.250 who do not reside within the servicing
39 school district. The definition of full-time equivalent student shall
40 be determined by rules of the superintendent of public instruction

1 and shall be included as part of the superintendent's biennial budget
2 request. The definition shall be based on the minimum instructional
3 hour offerings required under RCW 28A.150.220. Any revision of the
4 present definition shall not take effect until approved by the house
5 ways and means committee and the senate ways and means committee.

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

9 **Sec. 102.** RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each
10 amended to read as follows:

11 (1) The superintendent of public instruction shall submit to each
12 regular session of the legislature during an odd-numbered year a
13 programmed budget request for special education programs for students
14 with disabilities. Funding for programs operated by local school
15 districts shall be on an excess cost basis from appropriations
16 provided by the legislature for special education programs for
17 students with disabilities and shall take account of state funds
18 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
19 28A.150.415.

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

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

27 (b) A district's annual average full-time equivalent basic
28 education enrollment, multiplied by the district's funded enrollment
29 percent, multiplied by the district's base allocation per full-time
30 equivalent student, multiplied by (~~0.9309~~) 0.9609.

31 (3) As used in this section:

32 (a) "Base allocation" means the total state allocation to all
33 schools in the district generated by the distribution formula under
34 RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be
35 divided by the district's full-time equivalent enrollment.

36 (b) "Basic education enrollment" means enrollment of resident
37 students including nonresident students enrolled under RCW
38 28A.225.225 and students from nonhigh districts enrolled under RCW
39 28A.225.210 and excluding students residing in another district

1 enrolled as part of an interdistrict cooperative program under RCW
2 28A.225.250.

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

8 (d) "Funded enrollment percent" means the lesser of the
9 district's actual enrollment percent or thirteen and five-tenths
10 percent.

11 NEW SECTION. **Sec. 103.** A new section is added to chapter
12 28A.160 RCW to read as follows:

13 (1) Subject to the availability of amounts appropriated for this
14 specific purpose, a transportation alternate funding grant program is
15 created.

16 (2) As part of the award process for the grants, the
17 superintendent of public instruction must include a review of the
18 school district's efficiency rating, key performance indicators, and
19 local school district characteristics such as unique geographic
20 constraints, low enrollment, geographic density of students, or
21 whether the district is a nonhigh district.

22 **Sec. 104.** RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each
23 amended to read as follows:

24 (1) The funds for the learning assistance program shall be
25 appropriated in accordance with RCW 28A.150.260 and the omnibus
26 appropriations act. The distribution formula is for school district
27 allocation purposes only, except as provided in RCW
28 28A.150.260(10)(a)(ii), but all funds appropriated for the learning
29 assistance program must be expended for the purposes of RCW
30 28A.165.005 through 28A.165.065.

31 (2) A district's high poverty-based allocation is generated by
32 its qualifying schools ~~((buildings))~~ as defined in RCW
33 28A.150.260(10) and must be expended by the district for those
34 ~~((buildings))~~ schools. This funding must supplement and not supplant
35 the district's expenditures under this chapter for those schools
36 ~~((buildings))~~.

37 **PART II: COMPENSATION**

1 NEW SECTION. **Sec. 201.** The legislature recognizes that
2 Initiative Measure No. 1433 was approved by the voters of the state
3 of Washington in 2016 requiring employers to provide paid sick leave
4 to each of its employees. The legislature acknowledges that the
5 enactment of this initiative contributes to the costs of operations
6 of the state's public schools and intends to provide funding in the
7 omnibus appropriations act to support school districts with these
8 additional costs.

9 **Sec. 202.** RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101 are each
10 amended to read as follows:

11 (1) Through the 2017-18 school year, the legislature shall
12 establish for each school year in the appropriations act a statewide
13 salary allocation schedule, for allocation purposes only, to be used
14 to distribute funds for basic education certificated instructional
15 staff salaries under RCW 28A.150.260. For the purposes of this
16 section, the staff allocations for classroom teachers, teacher-
17 librarians, guidance counselors, and student health services staff
18 under RCW 28A.150.260 are considered allocations for certificated
19 instructional staff.

20 (2) Through the 2017-18 school year, salary allocations for
21 state-funded basic education certificated instructional staff shall
22 be calculated by the superintendent of public instruction by
23 determining the district's average salary for certificated
24 instructional staff, using the statewide salary allocation schedule
25 and related documents, conditions, and limitations established by the
26 omnibus appropriations act.

27 (3) Through the 2017-18 school year, no more than ninety college
28 quarter-hour credits received by any employee after the baccalaureate
29 degree may be used to determine compensation allocations under the
30 state salary allocation schedule and LEAP documents referenced in the
31 omnibus appropriations act, or any replacement schedules and
32 documents, unless:

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

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

36 (4) Beginning in the 2007-08 school year and through the 2017-18
37 school year, the calculation of years of service for occupational
38 therapists, physical therapists, speech-language pathologists,
39 audiologists, nurses, social workers, counselors, and psychologists

1 regulated under Title 18 RCW may include experience in schools and
2 other nonschool positions as occupational therapists, physical
3 therapists, speech-language pathologists, audiologists, nurses,
4 social workers, counselors, or psychologists. The calculation shall
5 be that one year of service in a nonschool position counts as one
6 year of service for purposes of this chapter, up to a limit of two
7 years of nonschool service. Nonschool years of service included in
8 calculations under this subsection shall not be applied to service
9 credit totals for purposes of any retirement benefit under chapter
10 41.32, 41.35, or 41.40 RCW, or any other state retirement system
11 benefits.

12 (5) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
13 allocation for salaries for certificated instructional staff in the
14 basic education program must be increased ~~((beginning in the 2018-19~~
15 ~~school year))~~ to provide a statewide average allocation of sixty-four
16 thousand dollars adjusted for inflation from the 2017-18 school year.

17 (6) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
18 allocation for salaries for certificated administrative staff in the
19 basic education program must be increased ~~((beginning in the 2018-19~~
20 ~~school year))~~ to provide a statewide average allocation of ninety-
21 five thousand dollars adjusted for inflation from the 2017-18 school
22 year.

23 (7) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
24 allocation for salaries for classified staff in the basic education
25 program must be increased ~~((beginning in the 2018-19 school year))~~ to
26 provide a statewide average allocation of forty-five thousand nine
27 hundred twelve dollars adjusted by inflation from the 2017-18 school
28 year.

29 (8) ~~((To implement the new minimum salary allocations in~~
30 ~~subsections (5) through (7) of this section, the legislature must~~
31 ~~fund fifty percent of the increased salary allocation in the 2018-19~~
32 ~~school year and the entire increased salary allocation in the 2019-20~~
33 ~~school year.))~~ For school year 2018-19, a district's minimum state
34 allocation for salaries is the greater of the district's 2017-18
35 state salary allocation, adjusted for inflation, or the district's
36 allocation based on the state salary level specified in subsections
37 (5) through (7) of this section, and as further specified in the
38 omnibus appropriations act.

39 (9) Beginning with the 2018-19 school year, state allocations for
40 salaries for certificated instructional staff, certificated

1 administrative staff, and classified staff must be adjusted for
2 regional differences in the cost of hiring staff. Adjustments for
3 regional differences must be specified in the omnibus appropriations
4 act for each school year through at least school year 2022-23. For
5 school years 2018-19 through school year 2022-23, the school district
6 regionalization factors are based on the median single-family
7 residential value of each school district and proximate school
8 district median single-family residential value as described in RCW
9 28A.150.412.

10 (10) Beginning with the 2023-24 school year and every (~~six~~)
11 four years thereafter, the minimum state salary allocations and
12 school district regionalization factors for certificated
13 instructional staff, certificated (~~administration~~~~[administrative]~~)
14 administrative staff, and classified staff must be reviewed and
15 rebased, as provided under RCW 28A.150.412, to ensure that state
16 salary allocations continue to align with staffing costs for the
17 state's program of basic education.

18 (11) For the purposes of this section, "inflation" has the
19 meaning provided in RCW 28A.400.205 for "inflationary adjustment
20 index."

21 **Sec. 203.** RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each
22 amended to read as follows:

23 (1) Beginning with the 2023 regular legislative session, and
24 every (~~six~~) four years thereafter, the legislature shall review and
25 rebase state basic education compensation allocations compared to
26 school district compensation data, regionalization factors, what
27 inflationary measure is the most representative of actual market
28 experience for school districts, and other economic information. The
29 legislature shall revise the minimum allocations (~~and~~),
30 regionalization factors, and inflationary measure if necessary to
31 ensure that state basic education allocations continue to provide
32 market-rate salaries and that regionalization adjustments reflect
33 actual economic differences between school districts.

34 (2)(a) For school districts with single-family residential values
35 above the statewide median residential value, regionalization factors
36 for school years 2018-19 through school year 2022-23 are as follows:

37 (i) For school districts in tercile 1, state salary allocations
38 for school district employees are regionalized by six percent;

1 (ii) For school districts in tercile 2, state salary allocations
2 for school district employees are regionalized by twelve percent; and
3 (iii) For school districts in tercile 3, state salary allocations
4 for school district employees are regionalized by eighteen percent.

5 (b) For school districts sharing a boundary with any school
6 district with a regionalization factor more than one tercile higher,
7 the regionalization factor for the district with the lower
8 regionalization factor must be increased by six percent, if the lower
9 district is located west of the crest of the Cascade mountains.

10 (c) Additional school district adjustments are identified in the
11 omnibus appropriations act, and these adjustments are partially
12 reduced or eliminated by the 2022-23 school year as follows:

13 (i) Adjustments that increase the regionalization factor to a
14 value that is greater than the tercile 3 regionalization factor must
15 be reduced by two percentage points each school year beginning with
16 school year 2020-21, through 2022-23.

17 (ii) Adjustments that increase the regionalization factor to a
18 value that is less than or equal to the tercile 3 regionalization
19 factor must be reduced by one percentage point each school year
20 beginning with school year 2020-21, through 2022-23.

21 (3) To aid the legislature in reviewing and rebasing
22 regionalization factors, the department of revenue shall, by November
23 1, 2022, and by November 1st every (~~six~~) four years thereafter,
24 determine the median single-family residential value of each school
25 district as well as the median value of proximate districts within
26 fifteen miles of the boundary of the school district for which the
27 median residential value is being calculated.

28 (4) No district may receive less state funding for the minimum
29 state salary allocation as compared to its prior school year salary
30 allocation as a result of adjustments that reflect updated
31 regionalized salaries.

32 (5) The definitions in this subsection apply throughout this
33 section unless the context clearly requires otherwise.

34 (a) "Median residential value of each school district" means the
35 median value of all single-family residential parcels included within
36 a school district and any other school district that is proximate to
37 the school district.

38 (b) "Proximate to the school district" means within fifteen miles
39 of the boundary of the school district for which the median
40 residential value is being calculated.

1 (c) "School district employees" means state-funded certificated
2 instructional staff, certificated administrative staff, and
3 classified staff.

4 (d) "School districts in tercile 1" means school districts with
5 median single-family residential values in the first tercile of
6 districts with single-family residential values above the statewide
7 median residential value.

8 (e) "School districts in tercile 2" means school districts with
9 median single-family residential values in the second tercile of
10 districts with single-family residential values above the statewide
11 median residential value.

12 (f) "School districts in tercile 3" means school districts with
13 median single-family residential values in the third tercile of
14 districts with single-family residential values above the statewide
15 median residential value.

16 (g) "Statewide median residential value" means the median value
17 of single-family residential parcels located within all school
18 districts, reduced by five percent.

19 NEW SECTION. **Sec. 204.** (1) For the 2018-19 school year and
20 subject to the availability of amounts appropriated for this specific
21 purpose, a salary safety net grant program is created to provide
22 districts additional funding for salaries if they can demonstrate, at
23 a minimum, that the district's total certificated instructional staff
24 state salary allocation is negatively impacting the district's
25 ability to recruit and retain staff and:

26 (a) The district's total certificated instructional staff average
27 experience is significantly higher than the statewide median; or

28 (b) The district can demonstrate the regionalization factor
29 applied to the district is inappropriately low because of
30 circumstances unique to the district such as restrictions on staff
31 mobility combined with an affordability index higher than their
32 current regionalization factor.

33 (2) The total grant funding awarded to a district by the
34 superintendent of public instruction under this section may not be
35 greater than a two percent increase to the statewide average
36 certificated instructional staff salary allocation to the district.

37 (3) The superintendent of public instruction shall report back to
38 the legislature by December 2019, on the number and types of salary
39 safety net grants awarded, the districts receiving the grants, the

1 rationale for the award, and any recommendations for modifications to
2 the state's salary or regionalization formula that would address the
3 issues identified for the districts receiving the awards.

4 (4) This section expires January 1, 2020.

5 **Sec. 205.** RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each
6 amended to read as follows:

7 (1) A school district may not (~~(provide any)~~) increase average
8 total school district expenditures for certificated administrative
9 staff (~~(with a percentage increase to total salary)~~) for the 2018-19
10 school year (~~(, including supplemental contracts, that exceeds the~~
11 ~~previous calendar year's annual average consumer price index, using~~
12 ~~the official current base compiled by the bureau of labor statistics,~~
13 ~~United States department of labor, for the city of Seattle. However,~~
14 ~~if a district's average certificated administrative staff salary is~~
15 ~~less than the average certificated administrative salary allocated by~~
16 ~~the state for that year, the district may increase salaries not to~~
17 ~~exceed the point where the district's average certificated~~
18 ~~administrative staff salary equals the average certificated~~
19 ~~administrative staff salary allocated by the state)) in excess of the
20 following:~~

21 (a) Annual salary inflationary adjustments based on the rate of
22 the yearly increase of the previous calendar year's annual average
23 consumer price index, using the official current base compiled by the
24 bureau of labor statistics, United States department of labor, for
25 the city of Seattle;

26 (b) Annual experience and education salary step increases
27 according to what was the prior year's practice within the school
28 district; or

29 (c) School districts with an average total certificated
30 administrative staff salary less than the statewide average
31 certificated administrative staff salary allocation used to
32 distribute funds for basic education as estimated by the office of
33 the superintendent of public instruction for the 2018-19 school year
34 may provide salary increases up to the statewide average allocation.

35 (2) Changes to any terms of an employment contract for
36 nonrepresented employees must comply with the same requirements
37 established in this section.

38 (3) This section expires August 31, 2019.

1 **Sec. 206.** RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each
2 amended to read as follows:

3 (1) Every school district board of directors shall fix, alter,
4 allow, and order paid salaries and compensation for all district
5 employees in conformance with this section.

6 (2)(a) Through the 2017-18 school year, salaries for certificated
7 instructional staff shall not be less than the salary provided in the
8 appropriations act in the statewide salary allocation schedule for an
9 employee with a baccalaureate degree and zero years of service;

10 (b) Salaries for certificated instructional staff with a master's
11 degree shall not be less than the salary provided in the
12 appropriations act in the statewide salary allocation schedule for an
13 employee with a master's degree and zero years of service; and

14 (c) Beginning with the ~~((2019-20))~~ 2018-19 school year:

15 (i) Salaries for full-time certificated instructional staff must
16 not be less than forty thousand dollars, to be adjusted for regional
17 differences in the cost of hiring staff as specified in RCW
18 28A.150.410, and to be adjusted annually by the same inflationary
19 measure as provided in RCW 28A.400.205;

20 (ii) Salaries for full-time certificated instructional staff with
21 at least five years of experience must exceed by at least ten percent
22 the value specified in (c)(i) of this subsection;

23 ~~((A district may not pay full-time certificated
24 instructional staff a salary that exceeds ninety thousand dollars,
25 subject to adjustment for regional differences in the cost of hiring
26 staff as specified in RCW 28A.150.410. This maximum salary is
27 adjusted annually by the inflationary measure in RCW 28A.400.205;~~

28 ~~((iv) These minimum and maximum salaries))~~ The salaries under this
29 section apply to the services provided as part of the state's
30 statutory program of basic education and exclude supplemental
31 contracts for additional time, responsibility, or incentive pursuant
32 to this section or for enrichment pursuant to RCW 28A.150.276;

33 ~~((v))~~ (iv) A district may ~~((pay))~~ also provide a salary ~~((that~~
34 ~~exceeds this maximum salary by))~~ increase of up to ten percent for
35 full-time certificated instructional staff: Who are educational staff
36 associates; who teach in the subjects of science, technology,
37 engineering, or math; or who teach in the transitional bilingual
38 instruction or special education programs.

39 (3)(a)(i) Through the 2017-18 school year the actual average
40 salary paid to certificated instructional staff shall not exceed the

1 district's average certificated instructional staff salary used for
2 the state basic education allocations for that school year as
3 determined pursuant to RCW 28A.150.410.

4 (ii) For the 2018-19 school year, salaries for certificated
5 instructional staff are subject to the limitations in RCW 41.59.800.

6 (iii) Beginning with the 2019-20 school year, for purposes of
7 subsection (4) of this section, RCW 28A.150.276, and 28A.505.100,
8 each school district must annually identify the actual salary paid to
9 each certificated instructional staff for services rendered as part
10 of the state's program of basic education.

11 (b) Through the 2018-19 school year, fringe benefit contributions
12 for certificated instructional staff shall be included as salary
13 under (a)(i) of this subsection only to the extent that the
14 district's actual average benefit contribution exceeds the amount of
15 the insurance benefits allocation, less the amount remitted by
16 districts to the health care authority for retiree subsidies,
17 provided per certificated instructional staff unit in the state
18 operating appropriations act in effect at the time the compensation
19 is payable. For purposes of this section, fringe benefits shall not
20 include payment for unused leave for illness or injury under RCW
21 28A.400.210; employer contributions for old age survivors insurance,
22 workers' compensation, unemployment compensation, and retirement
23 benefits under the Washington state retirement system; or employer
24 contributions for health benefits in excess of the insurance benefits
25 allocation provided per certificated instructional staff unit in the
26 state operating appropriations act in effect at the time the
27 compensation is payable. A school district may not use state funds to
28 provide employer contributions for such excess health benefits.

29 (c) Salary and benefits for certificated instructional staff in
30 programs other than basic education shall be consistent with the
31 salary and benefits paid to certificated instructional staff in the
32 basic education program.

33 (4)(a) Salaries and benefits for certificated instructional staff
34 may exceed the limitations in subsection (3) of this section only by
35 separate contract for additional time, for additional
36 responsibilities, or for incentives. Supplemental contracts shall not
37 cause the state to incur any present or future funding obligation.
38 Supplemental contracts must be accounted for by a school district
39 when the district is developing its four-year budget plan under RCW
40 28A.505.040.

1 (b) Supplemental contracts shall be subject to the collective
2 bargaining provisions of chapter 41.59 RCW and the provisions of RCW
3 28A.405.240, shall not exceed one year, and if not renewed shall not
4 constitute adverse change in accordance with RCW 28A.405.300 through
5 28A.405.380. No district may enter into a supplemental contract under
6 this subsection for the provision of services which are a part of the
7 basic education program required by Article IX, section 1 of the
8 state Constitution and RCW 28A.150.220. Beginning September 1, 2019,
9 supplemental contracts for certificated instructional staff are
10 subject to the following additional restrictions: School districts
11 may enter into supplemental contracts only for enrichment activities
12 as defined in and subject to the limitations of RCW 28A.150.276. The
13 rate the district pays under a time-based supplemental contract may
14 not exceed the hourly rate provided to that same instructional staff
15 for services under the basic education salary identified pursuant to
16 subsection (3)(a)(iii) of this section.

17 (5) Employee benefit plans offered by any district shall comply
18 with RCW 28A.400.350, 28A.400.275, and 28A.400.280.

19 **Sec. 207.** RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each
20 amended to read as follows:

21 (1) School district employees shall be provided an annual salary
22 inflationary increase in accordance with this section.

23 (a) The inflationary increase shall be calculated by applying the
24 rate of the yearly increase in the inflationary adjustment index to
25 any state-funded salary base used in state funding formulas for
26 teachers and other school district employees. Beginning with the
27 (~~2020-21~~) 2019-20 school year, each school district shall be
28 provided an inflationary adjustment allocation sufficient to grant
29 this inflationary increase.

30 (b) A school district shall distribute its inflationary
31 adjustment allocation for salaries and salary-related benefits in
32 accordance with the district's collective bargaining agreements and
33 compensation policies. No later than the end of the school year, each
34 school district shall certify to the superintendent of public
35 instruction that it has spent funds provided for inflationary
36 increases on salaries and salary-related benefits.

37 (c) Any funded inflationary increase shall be included in the
38 salary base used to determine inflationary increases for school
39 employees in subsequent years. For teachers and other certificated

1 instructional staff, the rate of the annual inflationary increase
2 funded for certificated instructional staff shall be applied to the
3 base salary used with the statewide salary allocation methodology
4 established under RCW 28A.150.410 and to any other salary allocation
5 methodologies used to recognize school district personnel costs.

6 (2) For the purposes of this section, "inflationary adjustment
7 index" means, for any school year, the implicit price deflator for
8 that fiscal year, using the official current base, compiled by the
9 bureau of labor statistics, United States department of labor for the
10 state of Washington.

11 **Sec. 208.** RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each
12 amended to read as follows:

13 (1) A school district collective bargaining agreement for
14 classified staff that is executed or modified after July 6, 2017, and
15 that is in effect for the 2018-19 school year may not ~~((provide~~
16 ~~school district classified staff with a percentage))~~ increase ~~((to))~~
17 average total salary for the 2018-19 school year, including
18 supplemental contracts, ~~((that exceeds the previous calendar year's~~
19 ~~annual average consumer price index, using the official current base~~
20 ~~compiled by the bureau of labor statistics, United States department~~
21 ~~of labor, for the city of Seattle. However, if a district's average~~
22 ~~classified staff salary is less than the average classified salary~~
23 ~~allocated by the state for that year, the district may increase~~
24 ~~salaries not to exceed the point where the district's average~~
25 ~~classified staff salary equals the average classified staff salary~~
26 ~~allocated by the state))~~ in excess of the following:

27 (a) Annual salary inflationary adjustments based on the rate of
28 the yearly increase of the previous calendar year's annual average
29 consumer price index, using the official current base compiled by the
30 bureau of labor statistics, United States department of labor, for
31 the city of Seattle;

32 (b) Annual experience and education salary step increases
33 according to the salary schedule specified in the agreement;

34 (c) Salary changes for staffing increases due to enrollment
35 growth or state-funded increases under RCW 28A.150.260; or

36 (d) School districts with an average total classified staff
37 salary less than the statewide average classified salary allocation
38 used to distribute funds for basic education as estimated by the
39 office of the superintendent of public instruction for the 2018-19

1 school year may provide salary increases up to the statewide average
2 allocation.

3 (2) Changes to any terms of an employment contract for
4 nonrepresented employees must comply with the same requirements
5 established in this section.

6 (3) This section expires August 31, 2019.

7 **Sec. 209.** RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each
8 amended to read as follows:

9 (1) A school district collective bargaining agreement for
10 certificated instructional staff that is executed or modified after
11 July 6, 2017, and that is in effect for the 2018-19 school year may
12 not (~~provide school district certificated instructional staff with a~~
13 ~~percentage~~) increase (~~(to)~~) average total salary for the 2018-19
14 school year, including supplemental contracts, (~~that exceeds the~~
15 ~~previous calendar year's annual average consumer price index, using~~
16 ~~the official current base compiled by the bureau of labor statistics,~~
17 ~~United States department of labor, for the city of Seattle. However,~~
18 ~~if a district's average certificated instructional staff salary is~~
19 ~~less than the average certificated instructional staff salary~~
20 ~~allocated by the state for that year, the district may increase~~
21 ~~salaries not to exceed the point where the district's average~~
22 ~~certificated instructional staff salary equals the average~~
23 ~~certificated instructional staff salary allocated by the state)) in
24 excess of the following:~~

25 (a) Annual salary inflationary adjustments based on the rate of
26 the yearly increase of the previous calendar year's annual average
27 consumer price index, using the official current base compiled by the
28 bureau of labor statistics, United States department of labor, for
29 the city of Seattle;

30 (b) Annual experience and education salary step increases
31 according to the salary schedule specified in the agreement;

32 (c) Salary changes for staffing increases due to enrollment
33 growth or state-funded increases under RCW 28A.150.260;

34 (d) Salary changes to provide professional learning under RCW
35 28A.415.430;

36 (e) Increases related to bonuses for attaining certification from
37 the national board for professional teaching standards; or

38 (f) School districts with an average total certificated
39 instructional staff salary less than the statewide average

1 certificated instructional staff salary allocation used to distribute
2 funds for basic education as estimated by the office of the
3 superintendent of public instruction for the 2018-19 school year may
4 provide salary increases up to the statewide average allocation.

5 (2) Changes to any terms of an employment contract for
6 nonrepresented employees must comply with the same requirements
7 established in this section.

8 (3) This section expires August 31, 2019.

9 **PART III: LEVIES**

10 **Sec. 301.** RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each
11 amended to read as follows:

12 (1)(a) Beginning September 1, (~~2019~~) 2018, school districts may
13 use local revenues only for documented and demonstrated enrichment of
14 the state's statutory program of basic education as authorized in
15 subsection (2) of this section.

16 (b) Nothing in this section revises the definition or the state
17 funding of the program of basic education under RCW 28A.150.220 and
18 28A.150.260.

19 (c) For purposes of this section, "local revenues" means
20 enrichment levies collected under RCW 84.52.053, (~~transportation~~
21 ~~vehicle enrichment levies,~~) local effort assistance funding received
22 under chapter 28A.500 RCW, and other school district local revenues
23 including, but not limited to, grants, donations, and state and
24 federal payments in lieu of taxes, except that "local revenues" does
25 not include other federal revenues, or local revenues that operate as
26 an offset to the district's basic education allocation under RCW
27 28A.150.250.

28 (2)(a) Enrichment activities are permitted under this section if
29 they provide supplementation beyond the state:

30 (i) Minimum instructional offerings of RCW 28A.150.220 or
31 28A.150.260;

32 (ii) Staffing ratios or program components of RCW 28A.150.260,
33 including providing additional staff for class size reduction beyond
34 class sizes allocated in the prototypical school model and additional
35 staff beyond the staffing ratios allocated in the prototypical school
36 formula;

37 (iii) Program components of RCW 28A.150.200, 28A.150.220, or
38 28A.150.260; or

1 (iv) Program of professional learning as defined by RCW
2 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

3 (b) Permitted enrichment activities consist of:

4 (i) Extracurricular activities, extended school days, or an
5 extended school year;

6 (ii) Additional course offerings beyond the minimum instructional
7 program established in the state's statutory program of basic
8 education;

9 (iii) Activities associated with early learning programs;

10 (iv) Any additional salary costs attributable to the provision or
11 administration of the enrichment activities allowed under this
12 subsection; and

13 (v) Additional activities or enhancements that the office of the
14 superintendent of public instruction determines to be a documented
15 and demonstrated enrichment of the state's statutory program of basic
16 education under (a) of this subsection and for which the
17 superintendent approves proposed expenditures during the preballot
18 approval process required by RCW 84.52.053 and 28A.505.240.

19 (3) In addition to the limitations of subsections (1) and (2) of
20 this section and of RCW 28A.400.200, permitted enrichment activities
21 are subject to the following conditions and limitations:

22 (a) If a school district spends local revenues for salary costs
23 attributable to the administration of enrichment programs, the
24 portion of administrator salaries attributable to that purpose may
25 not exceed (~~(the proportion)~~) twenty-five percent of the (~~(district's~~
26 ~~local revenues to its other revenues)~~) total district expenditures
27 for administrator salaries; and

28 (b) Supplemental contracts under RCW 28A.400.200 are subject to
29 the limitations of this section.

30 (4) The superintendent of public instruction must adopt rules to
31 implement this section.

32 **Sec. 302.** RCW 28A.320.330 and 2017 3rd sp.s. c 13 s 601 are each
33 amended to read as follows:

34 School districts shall establish the following funds in addition
35 to those provided elsewhere by law:

36 (1)(a) A general fund for the school district to account for all
37 financial operations of the school district except those required to
38 be accounted for in another fund.

1 (b) By the ((2019-20)) 2018-19 school year, a local revenue
2 subfund of its general fund to account for the financial operations
3 of a school district that are paid from local revenues. The local
4 revenues that must be deposited in the local revenue subfund are
5 enrichment levies and transportation vehicle ((enrichment)) levies
6 collected under RCW 84.52.053, local effort assistance funding
7 received under chapter 28A.500 RCW, and other school district local
8 revenues including, but not limited to, grants, donations, and state
9 and federal payments in lieu of taxes, but do not include other
10 federal revenues, or local revenues that operate as an offset to the
11 district's basic education allocation under RCW 28A.150.250. School
12 districts must track expenditures from this subfund separately to
13 account for the expenditure of each of these streams of revenue by
14 source, and must provide any supplemental expenditure schedules
15 required by the superintendent of public instruction or state auditor
16 for purposes of RCW 43.09.2856.

17 (2) A capital projects fund shall be established for major
18 capital purposes. All statutory references to a "building fund" shall
19 mean the capital projects fund so established. Money to be deposited
20 into the capital projects fund shall include, but not be limited to,
21 bond proceeds, proceeds from excess levies authorized by RCW
22 84.52.053, state apportionment proceeds as authorized by RCW
23 28A.150.270, earnings from capital projects fund investments as
24 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
25 revenues transferred pursuant to subsection (3) of this section.

26 Money derived from the sale of bonds, including interest earnings
27 thereof, may only be used for those purposes described in RCW
28 28A.530.010, except that accrued interest paid for bonds shall be
29 deposited in the debt service fund.

30 Money to be deposited into the capital projects fund shall
31 include but not be limited to rental and lease proceeds as authorized
32 by RCW 28A.335.060, and proceeds from the sale of real property as
33 authorized by RCW 28A.335.130.

34 Money legally deposited into the capital projects fund from other
35 sources may be used for the purposes described in RCW 28A.530.010,
36 and for the purposes of:

37 (a) Major renovation and replacement of facilities and systems
38 where periodical repairs are no longer economical or extend the
39 useful life of the facility or system beyond its original planned
40 useful life. Such renovation and replacement shall include, but shall

1 not be limited to, major repairs, exterior painting of facilities,
2 replacement and refurbishment of roofing, exterior walls, windows,
3 heating and ventilating systems, floor covering in classrooms and
4 public or common areas, and electrical and plumbing systems.

5 (b) Renovation and rehabilitation of playfields, athletic fields,
6 and other district real property.

7 (c) The conduct of preliminary energy audits and energy audits of
8 school district buildings. For the purpose of this section:

9 (i) "Preliminary energy audits" means a determination of the
10 energy consumption characteristics of a building, including the size,
11 type, rate of energy consumption, and major energy using systems of
12 the building.

13 (ii) "Energy audit" means a survey of a building or complex which
14 identifies the type, size, energy use level, and major energy using
15 systems; which determines appropriate energy conservation maintenance
16 or operating procedures and assesses any need for the acquisition and
17 installation of energy conservation measures, including solar energy
18 and renewable resource measures.

19 (iii) "Energy capital improvement" means the installation, or
20 modification of the installation, of energy conservation measures in
21 a building which measures are primarily intended to reduce energy
22 consumption or allow the use of an alternative energy source.

23 (d) Those energy capital improvements which are identified as
24 being cost-effective in the audits authorized by this section.

25 (e) Purchase or installation of additional major items of
26 equipment and furniture: PROVIDED, That vehicles shall not be
27 purchased with capital projects fund money.

28 (f)(i) Costs associated with implementing technology systems,
29 facilities, and projects, including acquiring hardware, licensing
30 software, and online applications and training related to the
31 installation of the foregoing. However, the software or applications
32 must be an integral part of the district's technology systems,
33 facilities, or projects.

34 (ii) Costs associated with the application and modernization of
35 technology systems for operations and instruction including, but not
36 limited to, the ongoing fees for online applications, subscriptions,
37 or software licenses, including upgrades and incidental services, and
38 ongoing training related to the installation and integration of these
39 products and services. However, to the extent the funds are used for
40 the purpose under this subsection (2)(f)(ii), the school district

1 shall transfer to the district's general fund the portion of the
2 capital projects fund used for this purpose. The office of the
3 superintendent of public instruction shall develop accounting
4 guidelines for these transfers in accordance with internal revenue
5 service regulations.

6 (g) Major equipment repair, painting of facilities, and other
7 major preventative maintenance purposes. However, to the extent the
8 funds are used for the purpose under this subsection (2)(g), the
9 school district shall transfer to the district's general fund the
10 portion of the capital projects fund used for this purpose. The
11 office of the superintendent of public instruction shall develop
12 accounting guidelines for these transfers in accordance with internal
13 revenue service regulations. Based on the district's most recent two-
14 year history of general fund maintenance expenditures, funds used for
15 this purpose may not replace routine annual preventive maintenance
16 expenditures made from the district's general fund.

17 (3) A debt service fund to provide for tax proceeds, other
18 revenues, and disbursements as authorized in chapter 39.44 RCW. State
19 forestland revenues that are deposited in a school district's debt
20 service fund pursuant to RCW 79.64.110 and to the extent not
21 necessary for payment of debt service on school district bonds may be
22 transferred by the school district into the district's capital
23 projects fund.

24 (4) An associated student body fund as authorized by RCW
25 28A.325.030.

26 (5) Advance refunding bond funds and refunded bond funds to
27 provide for the proceeds and disbursements as authorized in chapter
28 39.53 RCW.

29 **Sec. 303.** RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each
30 amended to read as follows:

31 (1) Beginning in calendar year 2019 and each calendar year
32 thereafter, the state must provide state local effort assistance
33 funding to supplement school district enrichment levies as provided
34 in this section.

35 (2) For an eligible school district, annual local effort
36 assistance funding is equal to the school district's maximum local
37 effort assistance multiplied by a fraction equal to the school
38 district's actual enrichment levy divided by the school district's
39 maximum allowable enrichment levy.

1 (3) The state local effort assistance funding provided under this
2 section is not part of the state's program of basic education deemed
3 by the legislature to comply with the requirements of Article IX,
4 section 1 of the state Constitution.

5 (4) The definitions in this subsection apply throughout this
6 section unless the context clearly requires otherwise.

7 (a) "Eligible school district" means a school district whose
8 maximum allowable enrichment levy divided by the school district's
9 total student enrollment in the prior school year is less than the
10 state local effort assistance threshold.

11 (b) For the purpose of this section, "inflation" means
12 ((inflation as defined in RCW 84.55.005)), for any school year, the
13 rate of the yearly increase of the previous calendar year's annual
14 average consumer price index for all urban consumers, Seattle area,
15 using the official current base compiled by the bureau of labor
16 statistics, United States department of labor.

17 (c) "Maximum allowable enrichment levy" means the maximum levy
18 permitted by RCW 84.52.0531.

19 (d) "Maximum local effort assistance" means ~~((the school~~
20 ~~district's student enrollment in the prior school year multiplied~~
21 ~~by))~~ the difference ((of)) between the following:

22 (i) The school district's actual prior school year enrollment
23 multiplied by the state local effort assistance threshold; and ((a))

24 (ii) The school district's maximum allowable enrichment levy
25 ((divided by the school district's student enrollment in the prior
26 school year)).

27 (e) "Prior school year" means the most recent school year
28 completed prior to the year in which the state local effort
29 assistance funding is to be distributed.

30 (f) "State local effort assistance threshold" means one thousand
31 five hundred dollars per student, ~~((adjusted))~~ increased for
32 inflation beginning in calendar year 2020.

33 (g) "Student enrollment" means the average annual resident full-
34 time equivalent student enrollment.

35 (h) "Resident" means a student who:

36 (i) Resides within the geographic boundaries of the school
37 district; or

38 (ii) Transfers into the district by choice under RCW 28A.225.225;
39 except students who participate in an online course or online school

1 program as defined in RCW 28A.250.010, and do not also attend a
2 school within the district, are excluded from the definition.

3 (5) The home district of a student who transfers into another
4 district by choice under chapter 28A.225 RCW shall not receive local
5 effort assistance funding under this section.

6 (6) For districts in a high/nonhigh relationship, the enrollments
7 of the nonhigh resident students attending the high school shall only
8 be counted by the nonhigh school districts for purposes of funding
9 under this section.

10 (7) For school districts participating in an innovation academy
11 cooperative established under RCW 28A.340.080, enrollments of
12 students attending the academy shall be adjusted so that each
13 participant district receives its proportional share of student
14 enrollments for purposes of funding under this section.

15 **Sec. 304.** RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each
16 amended to read as follows:

17 (1) As required by RCW 84.52.053(4), before a school district may
18 submit an enrichment levy(~~(, including a transportation vehicle~~
19 ~~enrichment levy,~~) under RCW 84.52.053 to the voters, it must have
20 received approval from the office of the superintendent of public
21 instruction of an expenditure plan for the district's enrichment levy
22 and other local revenues as defined in RCW 28A.150.276. Within thirty
23 days after receiving the plan the office of the superintendent of
24 public instruction must notify the school district whether the
25 spending plan is approved. If the office of the superintendent of
26 public instruction rejects a district's proposed spending plan, then
27 the district may submit a revised spending plan, and the
28 superintendent must approve or reject the revised submission within
29 thirty days. The office of the superintendent of public instruction
30 may approve a spending plan only if it determines that the enrichment
31 levy and other local revenues as defined in RCW 28A.150.276(1) will
32 be used solely for permitted enrichment activities as provided in RCW
33 28A.150.276(2).

34 (2)(a) Except as provided in (b) of this subsection, after a
35 school district has received voter approval for a levy for an
36 enrichment levy under RCW 84.52.053, a school district may change its
37 spending plan for the voter-approved levy by submitting a revised
38 spending plan to the office of the superintendent of public
39 instruction for review and approval. To revise a previously approved

1 spending plan, the district must provide notice and an opportunity
2 for review and comment at an open meeting of the school board, and
3 the board must adopt the revised spending plan by resolution. The
4 board must then submit the plan to the office of the superintendent
5 of public instruction. Within thirty days after receiving the revised
6 spending plan the office must notify the school district whether the
7 revised spending plan is approved. The office of the superintendent
8 of public instruction may approve a revised spending plan only if it
9 determines that the enrichment levy and other local revenues as
10 defined in RCW 28A.150.276(1) will be used solely for permitted
11 enrichment activities as provided in RCW 28A.150.276(2).

12 (b) If the superintendent has approved expenditures for specific
13 purposes under (a) of this subsection, a district may change the
14 relative amounts to be spent for those respective purposes for the
15 same levy in subsequent years without having to first receive
16 approval for the change from the office of the superintendent of
17 public instruction if the district adopts the change as part of its
18 annual budget proposal after a public hearing under RCW 28A.505.060.

19 (3) This section applies to taxes levied for collection beginning
20 in calendar year 2020 and thereafter.

21 NEW SECTION. **Sec. 305.** A new section is added to chapter 84.52
22 RCW to read as follows:

23 For districts in a high/nonhigh relationship, if the district is
24 subject to the maximum per pupil limit under RCW 84.52.0531, the high
25 school district's maximum levy amount must be reduced by an amount
26 equal to the estimated amount of the nonhigh payment due to the high
27 school district under RCW 28A.545.030(3) and 28A.545.050 for the
28 school year commencing the year of the levy.

29 **Sec. 306.** RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each
30 amended to read as follows:

31 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
32 and 84.52.043 shall not prevent the levy of taxes by school
33 districts, when authorized so to do by the voters of such school
34 district in the manner and for the purposes and number of years
35 allowable under Article VII, section 2(a) and Article IX, section 1
36 of the Constitution of this state. Elections for such taxes shall be
37 held in the year in which the levy is made or, in the case of
38 propositions authorizing two-year through four-year levies for

1 enrichment funding for a school district, authorizing two-year levies
2 for transportation vehicle funds established in RCW 28A.160.130
3 (~~through calendar year 2019, authorizing two-year levies for~~
4 ~~transportation vehicle enrichment beginning with calendar year~~
5 ~~2020,~~) or authorizing two-year through six-year levies to support
6 the construction, modernization, or remodeling of school facilities,
7 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
8 year in which the first annual levy is made. School district levies
9 authorized under this section shall only be used for enrichment
10 beyond the state-provided funding in the omnibus appropriations act
11 for the basic education program components under RCW 28A.150.200,
12 28A.150.220, 28A.150.260, 28A.150.390, or 28A.160.180.

13 (2)(a) Once additional tax levies have been authorized for
14 enrichment funding for a school district for a two-year through four-
15 year period as provided under subsection (1) of this section, no
16 further additional tax levies for enrichment funding for the district
17 for that period may be authorized, except for additional levies to
18 provide for subsequently enacted increases affecting the district's
19 maximum levy.

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

26 (i) An election for a proposition authorizing two-year through
27 four-year levies for enrichment funding for a school district may be
28 called and held before the effective date of dissolution to replace
29 existing enrichment levies and to provide for increases due to the
30 dissolution.

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

34 (iii) In the event a replacement levy election under (b)(i) of
35 this subsection is held but does not pass, the affected school
36 district may subsequently hold a supplemental levy election pursuant
37 to (b)(ii) of this subsection if the supplemental levy election is
38 held before the effective date of dissolution. In the event a
39 supplemental levy election is held under (b)(ii) of this subsection
40 but does not pass, the affected school district may subsequently hold

1 a replacement levy election pursuant to (b)(i) of this subsection if
2 the replacement levy election is held before the effective date of
3 dissolution. Failure of a replacement levy or supplemental levy
4 election does not affect any previously approved and existing
5 enrichment levy within the affected school district or districts.

6 (c) For the purpose of applying the limitation of this subsection
7 (2), a two-year through six-year levy to support the construction,
8 modernization, or remodeling of school facilities shall not be deemed
9 to be a tax levy for enrichment funding for a school district.

10 (3) A special election may be called and the time therefor fixed
11 by the board of school directors, by giving notice thereof by
12 publication in the manner provided by law for giving notices of
13 general elections, at which special election the proposition
14 authorizing such excess levy shall be submitted in such form as to
15 enable the voters favoring the proposition to vote "yes" and those
16 opposed thereto to vote "no."

17 (4)(a) Beginning September 1, (~~(2019)~~) 2018, school districts may
18 use enrichment levies (~~((and—transportation—vehicle—enrichment~~
19 ~~levies))~~) solely to enrich the state's statutory program of basic
20 education as authorized under RCW 28A.150.276.

21 (b) Beginning with propositions for enrichment levies (~~(and~~
22 ~~transportation—vehicle—enrichment—levies))~~) for collection in calendar
23 year 2020 and thereafter, a district must receive approval of an
24 enrichment levy expenditure plan from the superintendent of public
25 instruction under RCW 28A.505.240 before submission of the
26 proposition to the voters.

27 **Sec. 307.** RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each
28 amended to read as follows:

29 (1) Beginning with taxes levied for collection in 2019, the
30 maximum dollar amount which may be levied by or for any school
31 district for enrichment levies under RCW 84.52.053 is equal to the
32 lesser of one dollar and fifty cents per thousand dollars of the
33 assessed value of property in the school district or the maximum per-
34 pupil limit.

35 (2) The definitions in this subsection apply to this section
36 unless the context clearly requires otherwise.

37 (a) For the purpose of this section, "inflation" means
38 ((inflation as defined in RCW 84.55.005)), for any school year, the
39 rate of the yearly increase of the previous calendar year's annual

1 average consumer price index for all urban consumers, Seattle area,
2 using the official current base compiled by the bureau of labor
3 statistics, United States department of labor.

4 (b) "Maximum per-pupil limit" means two thousand five hundred
5 dollars, multiplied by the number of average annual resident full-
6 time equivalent students enrolled in the school district in the prior
7 school year. Beginning with property taxes levied for collection in
8 2020, the maximum per-pupil limit shall be increased by inflation.

9 (c) "Prior school year" means the most recent school year
10 completed prior to the year in which the levies are to be collected.

11 (d) "Resident" means a student who:

12 (i) Resides within the geographic boundaries of the school
13 district; or

14 (ii) Transfers into the district by choice under RCW 28A.225.225;
15 except students who participate in an online course or online school
16 program as defined in RCW 28A.250.010, and do not also attend a
17 school within the district or receive direct instruction from
18 district certificated instructional staff, are excluded from the
19 definition.

20 (3) The home district of a student who transfers into another
21 district by choice under chapter 28A.225 RCW shall not receive levy
22 revenues under this section.

23 (4) For districts in a high/nonhigh relationship, the enrollments
24 of the nonhigh resident students attending the high school shall only
25 be counted by the nonhigh school districts for purposes of funding
26 under this section.

27 (5) For school districts participating in an innovation academy
28 cooperative established under RCW 28A.340.080, enrollments of
29 students attending the academy shall be adjusted so that each
30 participant district receives its proportional share of student
31 enrollments for purposes of funding under this section.

32 (6) Beginning with propositions for enrichment levies for
33 collection in calendar year 2020 and thereafter, a district must
34 receive approval of an enrichment levy expenditure plan under RCW
35 28A.505.240 before submission of the proposition to the voters.

36 ~~((+4))~~ (7) The superintendent of public instruction shall
37 develop rules and regulations and inform school districts of the
38 pertinent data necessary to carry out the provisions of this section.

39 ~~((+5))~~ (8) Beginning with taxes levied for collection in
40 ~~((2020))~~ 2018, enrichment levy revenues must be deposited in a

1 separate subfund of the school district's general fund pursuant to
2 RCW 28A.320.330, and are subject to the restrictions of RCW
3 28A.150.276 and the audit requirements of RCW 43.09.2856.

4 ~~((+6))~~ (9) Funds collected from ~~((transportation—vehicle~~
5 ~~enrichment levies shall not be subject to the levy limitations in))~~
6 levies for transportation vehicles, construction, modernization, or
7 remodeling of school facilities as established in RCW 84.52.053 are
8 not subject to the levy limitations in subsections (1) through (6) of
9 this section.

10 **Sec. 308.** RCW 84.52.054 and 2007 c 54 s 27 are each amended to
11 read as follows:

12 (1) The additional tax provided for in Article VII, section 2 of
13 the state Constitution, and specifically authorized by RCW 84.52.052,
14 84.52.053, 84.52.0531, and 84.52.130, shall be set forth in terms of
15 dollars on the ballot of the proposition to be submitted to the
16 voters except as provided in subsection (2) of this section, together
17 with an estimate of the dollar rate of tax levy that will be required
18 to produce the dollar amount; and the county assessor, in spreading
19 this tax upon the rolls, shall determine the eventual dollar rate
20 required to produce the amount of dollars so voted upon, regardless
21 of the estimate of dollar rate of tax levy carried in said
22 proposition. In the case of a school district or fire protection
23 district proposition for a particular period, the dollar amount and
24 the corresponding estimate of the dollar rate of tax levy shall be
25 set forth for each of the years in that period. The dollar amount for
26 each annual levy in the particular period may be equal or in
27 different amounts.

28 (2) For school districts levying the maximum enrichment funding
29 levy rate of one dollar and fifty cents as authorized by RCW
30 84.52.053 and 84.52.0531, the additional tax shall be set forth in
31 terms of the dollar rate of tax levy on the ballot of the proposition
32 to be submitted to the voters.

33 **PART IV: OTHER POLICIES**

34 NEW SECTION. **Sec. 401.** (1) For the 2018-19 and 2019-20 school
35 years, a school district qualifies for a hold harmless payment if the
36 sum of the school district's state basic education allocations plus
37 its enrichment levy and local effort assistance under chapter 13,

1 Laws of 2017 3rd sp. sess. is less than the sum of state basic
2 education allocations, local maintenance and operation levy, and
3 local effort assistance provided under the law as it existed on
4 January 1, 2017. For the purposes of this section, the local levy is
5 limited to the lesser of the voter-approved levy as of January 1,
6 2017, or the maximum levy allowed under the law as of January 1,
7 2017.

8 (2) This section expires December 31, 2020.

9 **Sec. 402.** RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each
10 amended to read as follows:

11 (1)(a) To the extent necessary, funds shall be made available for
12 safety net awards for districts with demonstrated needs for special
13 education funding beyond the amounts provided through the special
14 education funding formula under RCW 28A.150.390.

15 (b) If the federal safety net awards based on the federal
16 eligibility threshold exceed the federal appropriation in any fiscal
17 year, then the superintendent shall expend all available federal
18 discretionary funds necessary to meet this need.

19 (2) Safety net funds shall be awarded by the state safety net
20 oversight committee subject to the following conditions and
21 limitations:

22 (a) The committee shall award additional funds for districts that
23 can convincingly demonstrate that all legitimate expenditures for
24 special education exceed all available revenues from state funding
25 formulas.

26 (b) In the determination of need, the committee shall consider
27 additional available revenues from federal sources.

28 (c) Differences in program costs attributable to district
29 philosophy(~~(, service delivery choice,)~~) or accounting practices are
30 not a legitimate basis for safety net awards.

31 (d) In the determination of need, the committee shall require
32 that districts demonstrate that they are maximizing their eligibility
33 for all state revenues related to services for special education-
34 eligible students and all federal revenues from federal impact aid,
35 medicaid, and the individuals with disabilities education act-Part B
36 and appropriate special projects. Awards associated with (e) and (f)
37 of this subsection shall not exceed the total of a district's
38 specific determination of need.

1 (e) The committee shall then consider the extraordinary high cost
2 needs of one or more individual special education students.
3 Differences in costs attributable to district philosophy(~~(service~~
4 ~~delivery choice,~~) or accounting practices are not a legitimate basis
5 for safety net awards.

6 (f) Using criteria developed by the committee, the committee
7 shall then consider extraordinary costs associated with communities
8 that draw a larger number of families with children in need of
9 special education services, which may include consideration of
10 proximity to group homes, military bases, and regional hospitals.
11 Safety net awards under this subsection (2)(f) shall be adjusted to
12 reflect amounts awarded under (e) of this subsection.

13 (g) The maximum allowable indirect cost for calculating safety
14 net eligibility may not exceed the federal restricted indirect cost
15 rate for the district plus one percent.

16 (h) Safety net awards shall be adjusted based on the percent of
17 potential medicaid eligible students billed as calculated by the
18 superintendent of public instruction in accordance with chapter 318,
19 Laws of 1999.

20 (i) Safety net awards must be adjusted for any audit findings or
21 exceptions related to special education funding.

22 (3) The superintendent of public instruction shall adopt such
23 rules and procedures as are necessary to administer the special
24 education funding and safety net award process. By September 1,
25 (~~2019~~) 2018, the superintendent shall review and revise the rules
26 to achieve full and complete implementation of the requirements of
27 this subsection and subsection (4) of this section including
28 revisions to the rules that provide easier access by districts to the
29 safety net funds by reducing the required annual threshold that must
30 be exceeded for high cost students and additional flexibility to
31 access community impact awards. Before revising any standards,
32 procedures, or rules, the superintendent shall consult with the
33 office of financial management and the fiscal committees of the
34 legislature. In adopting and revising the rules, the superintendent
35 shall ensure the application process to access safety net funding is
36 streamlined, timelines for submission are not in conflict, feedback
37 to school districts is timely and provides sufficient information to
38 allow school districts to understand how to correct any deficiencies
39 in a safety net application, and that there is consistency between
40 awards approved by school district and by application period. The

1 office of the superintendent of public instruction shall also provide
2 technical assistance to school districts in preparing and submitting
3 special education safety net applications.

4 (4) On an annual basis, the superintendent shall survey districts
5 regarding their satisfaction with the safety net process and consider
6 feedback from districts to improve the safety net process. Each year
7 by December 1st, the superintendent shall prepare and submit a report
8 to the office of financial management and the appropriate policy and
9 fiscal committees of the legislature that summarizes the survey
10 results and those changes made to the safety net process as a result
11 of the school district feedback.

12 (5) The safety net oversight committee appointed by the
13 superintendent of public instruction shall consist of:

14 (a) One staff member from the office of the superintendent of
15 public instruction;

16 (b) Staff of the office of the state auditor who shall be
17 nonvoting members of the committee; and

18 (c) One or more representatives from school districts or
19 educational service districts knowledgeable of special education
20 programs and funding.

21 **Sec. 403.** RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each
22 amended to read as follows:

23 (1) Beginning with the ((2018-19)) 2019-20 school year, the
24 legislature shall begin phasing in funding for professional learning
25 days for certificated instructional staff. The state allocation must
26 be used solely for the purpose of providing professional learning. At
27 a minimum, the state must allocate funding for:

28 (a) One professional learning day in the ((2018-19)) 2019-20
29 school year;

30 (b) Two professional learning days in the ((2019-20)) 2020-21
31 school year; and

32 (c) Three professional learning days in the ((2020-21)) 2021-22
33 school year.

34 (2) The office of the superintendent of public instruction shall
35 calculate each school district's professional learning allocation as
36 provided in subsection (1) of this section separate from the minimum
37 state allocation for salaries as specified in RCW 28A.150.410 and
38 associated fringe benefits on the apportionment reports provided to
39 each local educational agency. The professional learning allocation

1 shall be equal to the proportional increase resulting from adding the
2 professional learning days provided in subsection (1) of this section
3 to the required minimum number of school days in RCW
4 28A.150.220(5)(a) applied to the school district's minimum state
5 allocation for salaries and associated fringe benefits for
6 certificated instructional staff as specified in the omnibus
7 appropriations act. Professional learning allocations shall be
8 included in per-pupil calculations for programs funded on a per
9 student rate calculation.

10 (3) Nothing in this section entitles an individual certificated
11 instructional staff to any particular number of professional learning
12 days.

13 ~~((3))~~ (4) Nothing in this section requires a school district to
14 fund additional professional learning in excess of what is funded by
15 this allotment.

16 (5) The professional learning days must meet the definitions and
17 standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

18 (6) The use of the funding provided under this section must be
19 audited as part of the regular financial audits of school districts
20 by the state auditor's office to ensure compliance with the
21 limitations and conditions of this section.

22 **Sec. 404.** RCW 28A.710.280 and 2016 c 241 s 128 are each amended
23 to read as follows:

24 (1) The legislature intends that state funding for charter
25 schools be distributed equitably with state funding provided for
26 other public schools.

27 (2) For eligible students enrolled in a charter school
28 established and operating in accordance with this chapter, the
29 superintendent of public instruction shall transmit to each charter
30 school an amount calculated as provided in this section and based on
31 the statewide average ~~((staff mix factor))~~ salaries set forth in RCW
32 28A.150.410 for certificated instructional staff adjusted by the
33 regionalization factor that applies to the school district in which
34 the charter school is geographically located, including any
35 enrichment to those statutory formulae that is specified in the
36 omnibus appropriations act. The amount must be the sum of (a) and (b)
37 of this subsection ~~((, as applicable))~~.

38 (a) The superintendent shall, for purposes of making
39 distributions under this section, separately calculate and distribute

1 to charter schools moneys appropriated for general apportionment
2 under the same ratios as in RCW 28A.150.260.

3 (b) The superintendent also shall, for purposes of making
4 distributions under this section, and in accordance with the
5 applicable formulae for categorical programs specified in (b)(i)
6 through (v) of this subsection (2) and any enrichment to those
7 statutory formulae that is specified in the omnibus appropriations
8 act, separately calculate and distribute moneys appropriated by the
9 legislature to charter schools for:

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

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

17 (iii) 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;

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

22 (v) Pupil transportation services to and from school in
23 accordance with RCW 28A.160.150 through 28A.160.180. Distributions
24 for pupil transportation must be calculated on a per eligible student
25 basis based on the allocation for the previous school year to the
26 school district in which the charter school is located.

27 (3) The superintendent of public instruction must adopt rules
28 necessary for the distribution of funding required by this section
29 and to comply with federal reporting requirements.

30 **Sec. 405.** RCW 28A.715.040 and 2013 c 242 s 5 are each amended to
31 read as follows:

32 (1) A school that is the subject of a state-tribal education
33 compact must report student enrollment. Reporting must be done in the
34 same manner and use the same definitions of enrolled students and
35 annual average full-time equivalent enrollment as is required of
36 school districts. The reporting requirements in this subsection are
37 required for a school to receive state or federal funding that is
38 allocated based on student characteristics.

1 (2) Funding for a school that is the subject of a state-tribal
2 education compact shall be apportioned by the superintendent of
3 public instruction according to the schedule established under RCW
4 28A.510.250, including general apportionment, special education,
5 categorical, and other nonbasic education moneys. Allocations for
6 certificated instructional staff must be based on the statewide
7 average ((~~staff mix ratio of the school, as calculated by the~~
8 ~~superintendent of public instruction using the statewide salary~~
9 ~~allocation schedule and related documents, conditions, and~~
10 ~~limitations established by the omnibus appropriations act)) salary~~
11 set forth in RCW 28A.150.410, adjusted by the regionalization factor
12 that applies to the school district in which the school is located.
13 Allocations for classified staff and certificated administrative
14 staff must be based on the salary allocations of the school district
15 in which the school is located(~~(, subject to conditions and~~
16 ~~limitations established by the omnibus appropriations act)) as set
17 forth in RCW 28A.150.410, adjusted by the regionalization factor that
18 applies to the school district in which the school is located.
19 Nothing in this section requires a school that is the subject of a
20 state-tribal education compact to use the statewide salary allocation
21 schedule. Such a school is eligible to apply for state grants on the
22 same basis as a school district.~~

23 (3) Any moneys received by a school that is the subject of a
24 state-tribal education compact from any source that remain in the
25 school's accounts at the end of any budget year must remain in the
26 school's accounts for use by the school during subsequent budget
27 years.

28 **Sec. 406.** RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each
29 amended to read as follows:

30 (1) Beginning with the 2019-20 school year, to ensure that school
31 district local revenues are used solely for purposes of enriching the
32 state's statutory program of basic education, the state auditor's
33 regular financial audits of school districts must include a review of
34 the expenditure of school district local revenues for compliance with
35 RCW 28A.150.276, including the spending plan approved by the
36 superintendent of public instruction under RCW 28A.505.240 and its
37 implementation, and any supplemental contracts entered into under RCW
38 28A.400.200.

1 (2) If an audit under subsection (1) of this section results in
2 findings that a school district has failed to comply with these
3 requirements, then within ninety days of completing the audit the
4 auditor must report the findings to the superintendent of public
5 instruction, the office of financial management, and the education
6 and operating budget committees of the legislature.

7 (3) The use of the state allocation provided for professional
8 learning under RCW 28A.150.415 must be audited as part of the regular
9 financial audits of school districts by the state auditor's office to
10 ensure compliance with the limitations and conditions of RCW
11 28A.150.415.

12 **Sec. 407.** RCW 28A.600.310 and 2015 c 202 s 4 are each amended to
13 read as follows:

14 (1)(a) Eleventh and twelfth grade students or students who have
15 not yet received the credits required for the award of a high school
16 diploma and are eligible to be in the eleventh or twelfth grades may
17 apply to a participating institution of higher education to enroll in
18 courses or programs offered by the institution of higher education.

19 (b) The course sections and programs offered as running start
20 courses must also be open for registration to matriculated students
21 at the participating institution of higher education and may not be a
22 course consisting solely of high school students offered at a high
23 school campus.

24 (c) A student receiving home-based instruction enrolling in a
25 public high school for the sole purpose of participating in courses
26 or programs offered by institutions of higher education shall not be
27 counted by the school district in any required state or federal
28 accountability reporting if the student's parents or guardians filed
29 a declaration of intent to provide home-based instruction and the
30 student received home-based instruction during the school year before
31 the school year in which the student intends to participate in
32 courses or programs offered by the institution of higher education.
33 Students receiving home-based instruction under chapter 28A.200 RCW
34 and students attending private schools approved under chapter 28A.195
35 RCW shall not be required to meet the student learning goals, obtain
36 a certificate of academic achievement or a certificate of individual
37 achievement to graduate from high school, or to master the essential
38 academic learning requirements. However, students are eligible to
39 enroll in courses or programs in participating universities only if

1 the board of directors of the student's school district has decided
2 to participate in the program. Participating institutions of higher
3 education, in consultation with school districts, may establish
4 admission standards for these students. If the institution of higher
5 education accepts a secondary school pupil for enrollment under this
6 section, the institution of higher education shall send written
7 notice to the pupil and the pupil's school district within ten days
8 of acceptance. The notice shall indicate the course and hours of
9 enrollment for that pupil.

10 (2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020
11 and 28B.15.041:

12 (i) Running start students shall pay to the community or
13 technical college all other mandatory fees as established by each
14 community or technical college and, in addition, the state board for
15 community and technical colleges may authorize a fee of up to ten
16 percent of tuition and fees as defined in RCW 28B.15.020 and
17 28B.15.041; and

18 (ii) All other institutions of higher education operating a
19 running start program may charge running start students a fee of up
20 to ten percent of tuition and fees as defined in RCW 28B.15.020 and
21 28B.15.041 in addition to technology fees.

22 (b) The fees charged under this subsection (2) shall be prorated
23 based on credit load.

24 (c) Students may pay fees under this subsection with advanced
25 college tuition payment program tuition units at a rate set by the
26 advanced college tuition payment program governing body under chapter
27 28B.95 RCW.

28 (3)(a) The institutions of higher education must make available
29 fee waivers for low-income running start students. Each institution
30 must establish a written policy for the determination of low-income
31 students before offering the fee waiver. A student shall be
32 considered low income and eligible for a fee waiver upon proof that
33 the student is currently qualified to receive free or reduced-price
34 lunch. Acceptable documentation of low-income status may also
35 include, but is not limited to, documentation that a student has been
36 deemed eligible for free or reduced-price lunches in the last five
37 years, or other criteria established in the institution's policy.

38 (b) Institutions of higher education, in collaboration with
39 relevant student associations, shall aim to have students who can
40 benefit from fee waivers take advantage of these waivers.

1 Institutions shall make every effort to communicate to students and
2 their families the benefits of the waivers and provide assistance to
3 students and their families on how to apply. Information about
4 waivers shall, to the greatest extent possible, be incorporated into
5 financial aid counseling, admission information, and individual
6 billing statements. Institutions also shall, to the greatest extent
7 possible, use all means of communication, including but not limited
8 to web sites, online catalogues, admission and registration forms,
9 mass email messaging, social media, and outside marketing to ensure
10 that information about waivers is visible, compelling, and reaches
11 the maximum number of students and families that can benefit.

12 (4) The pupil's school district shall transmit to the institution
13 of higher education an amount per each full-time equivalent college
14 student at statewide uniform rates for vocational and nonvocational
15 students. The superintendent of public instruction shall separately
16 calculate and allocate moneys appropriated for basic education under
17 RCW 28A.150.260 to school districts for purposes of making such
18 payments and for granting school districts seven percent thereof to
19 offset program related costs. (~~The calculations and allocations~~
20 ~~shall be based upon the estimated statewide annual average per full-~~
21 ~~time equivalent high school student allocations under RCW~~
22 ~~28A.150.260, excluding small high school enhancements, and applicable~~
23 ~~rules adopted under chapter 34.05 RCW.))~~

24 (a) In school year 2017-18, the superintendent of public
25 instruction shall allocate six thousand five hundred seventy dollars
26 per full-time equivalent college student to the pupil's school
27 district. Each school year thereafter, this allocation shall be
28 increased by the rate of inflation, as defined in RCW 28A.400.205.

29 (b) For running start career and technical education students,
30 the superintendent of public instruction shall allocate an additional
31 twelve and one-half percent of the base amount established in (a) of
32 this subsection.

33 (c) The superintendent of public instruction, participating
34 institutions of higher education, and the state board for community
35 and technical colleges shall consult on the calculation and
36 distribution of the funds. The funds received by the institution of
37 higher education from the school district shall not be deemed tuition
38 or operating fees and may be retained by the institution of higher
39 education. A student enrolled under this subsection shall be counted

1 for the purpose of meeting enrollment targets in accordance with
2 terms and conditions specified in the omnibus appropriations act.

3 **Sec. 408.** RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each
4 amended to read as follows:

5 (1) Notwithstanding any other provision of law, the
6 superintendent of public instruction shall adopt such rules as will
7 ensure proper budgetary procedures and practices, including monthly
8 financial statements consistent with the provisions of RCW 43.09.200,
9 and this chapter. By the ((2019-20)) 2018-19 school year, the rules
10 must require school districts to provide separate accounting of state
11 and local revenues to expenditures.

12 (2) If the superintendent of public instruction determines upon a
13 review of the budget of any district that said budget does not comply
14 with the budget procedures established by this chapter or by rules
15 adopted by the superintendent of public instruction, or the
16 provisions of RCW 43.09.200, the superintendent shall give written
17 notice of this determination to the board of directors of the local
18 school district.

19 (3) The local school district, notwithstanding any other
20 provision of law, shall, within thirty days from the date the
21 superintendent of public instruction issues a notice pursuant to
22 subsection (2) of this section, submit a revised budget which meets
23 the requirements of RCW 43.09.200, this chapter, and the rules of the
24 superintendent of public instruction.

25 **Sec. 409.** RCW 28A.510.250 and 2017 3rd sp.s. c 13 s 1004 are
26 each amended to read as follows:

27 (1) On or before the last business day of September 1969 and each
28 month thereafter, the superintendent of public instruction shall
29 apportion from the state general fund to the several educational
30 service districts of the state the proportional share of the total
31 annual amount due and apportionable to such educational service
32 districts for the school districts thereof as follows:

33	September	9%
34	October	8%
35	November	5%
36	December	9%
37	January	8.5%

1	February	.....	((9%))
2			<u>8%</u>
3	March	.....	((9%))
4			<u>8%</u>
5	April	.....	((9%))
6			<u>8.5%</u>
7	May	.....	5%
8	June	.....	6.0%
9	July	.....	12.5%
10	August	.....	((10.0%))
11			<u>12.5%</u>

12 The annual amount due and apportionable shall be the amount
13 apportionable for all apportionment credits estimated to accrue to
14 the schools during the apportionment year beginning September 1st and
15 continuing through August 31st. Appropriations made for school
16 districts for each year of a biennium shall be apportioned according
17 to the schedule set forth in this section for the fiscal year
18 starting September 1st of the then calendar year and ending August
19 31st of the next calendar year, except as provided in subsection (2)
20 of this section. The apportionment from the state general fund for
21 each month shall be an amount which will equal the amount due and
22 apportionable to the several educational service districts during
23 such month: PROVIDED, That any school district may petition the
24 superintendent of public instruction for an emergency advance of
25 funds which may become apportionable to it but not to exceed ten
26 percent of the total amount to become due and apportionable during
27 the school districts apportionment year. The superintendent of public
28 instruction shall determine if the emergency warrants such advance
29 and if the funds are available therefor. If the superintendent
30 determines in the affirmative, he or she may approve such advance
31 and, at the same time, add such an amount to the apportionment for
32 the educational service district in which the school district is
33 located: PROVIDED, That the emergency advance of funds and the
34 interest earned by school districts on the investment of temporary
35 cash surpluses resulting from obtaining such advance of state funds
36 shall be deducted by the superintendent of public instruction from
37 the remaining amount apportionable to said districts during that
38 apportionment year in which the funds are advanced.

1 (2) In the 2010-11 school year, the June apportionment payment to
2 school districts shall be reduced by one hundred twenty-eight million
3 dollars, and an additional apportionment payment shall be made on
4 July 1, 2011, in the amount of one hundred twenty-eight million
5 dollars. This July 1st payment shall be in addition to the regularly
6 calculated July apportionment payment.

7 **Sec. 410.** 2017 3rd sp.s. c 13 s 1005 (uncodified) is amended to
8 read as follows:

9 Section 1004 of this act takes effect September 1, (~~2019~~) 2018.

10 NEW SECTION. **Sec. 411.** The following acts or parts of acts are
11 each repealed:

12 (1) RCW 28A.415.020 (Credit on salary schedule for approved in-
13 service training, continuing education, and internship) and 2011 1st
14 sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2,
15 1990 c 33 s 415, & 1987 c 519 s 1;

16 (2) RCW 28A.415.023 (Credit on salary schedule for approved in-
17 service training, continuing education, or internship—Course content
18 —Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6; and

19 (3) RCW 28A.415.024 (Credit on salary schedule—Accredited
20 institutions—Verification—Penalty for submitting credits from
21 unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1.

22 NEW SECTION. **Sec. 412.** (1) Section 409 of this act takes effect
23 September 1, 2018.

24 (2) Sections 303 and 307 of this act take effect January 1,
25 2019."

2SSB 6362 - S AMD **670**
By Senator Wellman

ADOPTED AS AMENDED 02/14/2018

26 On page 1, line 1 of the title, after "provisions;" strike the
27 remainder of the title and insert "amending RCW 28A.150.260,
28 28A.150.390, 28A.165.055, 28A.150.410, 28A.150.412, 28A.400.006,
29 28A.400.200, 28A.400.205, 41.56.800, 41.59.800, 28A.150.276,
30 28A.320.330, 28A.500.015, 28A.505.240, 84.52.053, 84.52.0531,
31 84.52.054, 28A.150.392, 28A.150.415, 28A.710.280, 28A.715.040,

1 43.09.2856, 28A.600.310, 28A.505.140, and 28A.510.250; amending 2017
2 3rd sp.s c 13 s 1005 (uncodified); adding a new section to chapter
3 28A.160 RCW; adding a new section to chapter 84.52 RCW; creating new
4 sections; repealing RCW 28A.415.020, 28A.415.023, and 28A.415.024;
5 providing effective dates; and providing expiration dates."

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