

INITIATIVE 728

to the People

Chapter 3, Laws of 2001

SCHOOL CLASS SIZES

EFFECTIVE DATE: 1/1/01

Exception: Section 4 which takes
effect on July 1, 2001

Approved by the
People of the State of Washington
in the General Election on
November 7, 2000

ORIGINALLY FILED

March 1, 2000

**Secretary of State
State of Washington**

1 AN ACT Relating to public education and directing surplus state
2 revenues to provide additional resources to support high standards of
3 achievement for all students through class size reductions; extended
4 learning opportunities for students who need or want additional time in
5 school; investments in educators and their professional development;
6 dedicating unrestricted lottery proceeds to schools; and authorizing
7 school districts to receive funds from the state property tax levy;
8 amending RCW 67.70.240, 84.52.067, 43.135.035, 43.135.045, and
9 28A.150.380; adding a new section to chapter 28A.505 RCW; adding a new
10 section to chapter 84.52 RCW; creating new sections; and providing
11 effective dates.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

13 NEW SECTION. **Sec. 1.** This act may be known and cited as the K-12
14 2000 student achievement act.

15 NEW SECTION. **Sec. 2.**

16 **GENERAL PURPOSE**

17 The citizens of Washington state expect and deserve great public
18 schools for our generation of school children and for those who will

1 follow. A quality public education system is crucial for our state's
2 future economic success and prosperity, and for our children and their
3 children to lead successful lives.

4 The purpose of this act is to improve public education and to
5 achieve higher academic standards for all students through smaller
6 class sizes and other improvements. A portion of the state's surplus
7 general fund revenues is dedicated to this purpose.

8 In 1993, Washington state made a major commitment to improved
9 public education by passing the Washington education reform act. This
10 act established new, higher standards of academic achievement for all
11 students. It also established new levels of accountability for
12 students, teachers, schools, and school districts. However, the K-12
13 finance system has not been changed to respond to the new standards and
14 individual student needs.

15 To make higher student achievement a reality, schools need the
16 additional resources and flexibility to provide all students with more
17 individualized quality instruction, more time, and the extra support
18 that they may require. We need to ensure that curriculum, instruction
19 methods, and assessments of student performance are aligned with the
20 new standards and student needs. The current level of state funding
21 does not provide adequate resources to support higher academic
22 achievement for all students. In fact, inflation-adjusted per-student
23 state funding has declined since the legislature adopted the 1993
24 education reform act.

25 The erosion of state funding for K-12 education is directly at odds
26 with the state's "paramount duty to make ample provision for the
27 education of all children...." Now is the time to invest some of our
28 surplus state revenues in K-12 education and redirect state lottery
29 funds to education, as was originally intended, so that we can fulfill
30 the state's paramount duty.

31 Conditions and needs vary across Washington's two hundred ninety-
32 six school districts. School boards accountable to their local
33 communities should therefore have the flexibility to decide which of
34 the following strategies will be most effective in increasing student
35 performance and in helping students meet the state's new, higher
36 academic standards:

- 37 (1) Major reductions in K-4 class size;
38 (2) Selected class size reductions in grades 5-12, such as small
39 high school writing classes;

1 (3) Extended learning opportunities for students who need or want
2 additional time in school;

3 (4) Investments in educators and their professional development;

4 (5) Early assistance for children who need prekindergarten support
5 in order to be successful in school; and

6 (6) Providing improvements or additions to facilities to support
7 class size reductions and extended learning opportunities.

8 **REDUCING CLASS SIZE**

9 Smaller classes in the early grades can significantly increase the
10 amount of learning that takes place in the classroom. Washington state
11 now ranks forty-eighth in the nation in its student-teacher ratio.
12 This is unacceptable.

13 Significant class size reductions will provide our children with
14 more individualized instruction and the attention they need and deserve
15 and will reduce behavioral problems in classrooms. The state's long-
16 term goal should be to reduce class size in grades K-4 to no more than
17 eighteen students per teacher in a class.

18 The people recognize that class size reduction should be phased-in
19 over several years. It should be accompanied by the necessary funds
20 for school construction and modernization and for high-quality, well-
21 trained teachers.

22 **EXTENDED LEARNING OPPORTUNITIES**

23 Student achievement will also be increased if we expand learning
24 opportunities beyond our traditional-length school day and year. In
25 many school districts, educators and parents want a longer school day,
26 a longer school year, and/or all-day kindergarten to help students
27 improve their academic performance or explore new learning
28 opportunities. In addition, special programs such as before-and-after-
29 school tutoring will help struggling students catch and keep up with
30 their classmates. Extended learning opportunities will be increasingly
31 important as attainment of a certificate of mastery becomes a high
32 school graduation requirement.

33 **TEACHER QUALITY**

34 Key to every student's academic success is a quality teacher in
35 every classroom. Washington state's new standards for student
36 achievement make teacher quality more important than ever. We are

1 asking our teachers to teach more demanding curriculum in new ways, and
2 we are holding our educators and schools to new, higher levels of
3 accountability for student performance. Resources are needed to give
4 teachers the content knowledge and skills to teach to higher standards
5 and to give school leaders the skills to improve instruction and manage
6 organizational change.

7 The ability of school districts throughout the state to attract and
8 retain the highest quality teaching corps by offering competitive
9 salaries and effective working conditions is an essential element of
10 basic education. The state legislature is responsible for establishing
11 teacher salaries. It is imperative that the legislature fund salary
12 levels that ensure school districts' ability to recruit and retain the
13 highest quality teachers.

14 **EARLY ASSISTANCE**

15 The importance of a child's intellectual development in the first
16 five years has been established by widespread scientific research.
17 This is especially true for children with disabilities and special
18 needs. Providing assistance appropriate to children's developmental
19 needs will enhance the academic achievement of these children in grades
20 K-12. Early assistance will also lessen the need for more expensive
21 remedial efforts in later years.

22 **NO SUPPLANTING OF EXISTING EDUCATION FUNDS**

23 It is the intent of the people that existing state funding for
24 education, including all sources of such funding, shall not be reduced,
25 supplanted, or otherwise adversely impacted by appropriations or
26 expenditures from the student achievement fund created in RCW
27 43.135.045 or the education construction fund.

28 **INVESTING SURPLUS IN SCHOOLS UNTIL GOAL MET**

29 It is the intent of the people to invest a portion of state surplus
30 revenues in their schools. This investment should continue until the
31 state's contribution to funding public education achieves a reasonable
32 goal. The goal should reflect the state's paramount duty to make ample
33 provision for the education of all children and our citizens' desire
34 that all students receive a quality education. The people set a goal
35 of per-student state funding for the maintenance and operation of K-12
36 education being equal to at least ninety percent of the national

1 average per-student expenditure from all sources. When this goal is
2 met, further deposits to the student achievement fund shall be required
3 only to the extent necessary to maintain the ninety percent level.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.505
5 RCW to read as follows:

6 **ACCOUNTABILITY.** School districts shall have the authority to
7 decide the best use of student achievement funds to assist students in
8 meeting and exceeding the new, higher academic standards in each
9 district consistent with the provisions of this act.

10 (1) Student achievement funds shall be allocated for the following
11 uses:

12 (a) To reduce class size by hiring certificated elementary
13 classroom teachers in grades K-4 and paying nonemployee-related costs
14 associated with those new teachers;

15 (b) To make selected reductions in class size in grades 5-12, such
16 as small high school writing classes;

17 (c) To provide extended learning opportunities to improve student
18 academic achievement in grades K-12, including, but not limited to,
19 extended school year, extended school day, before-and-after-school
20 programs, special tutoring programs, weekend school programs, summer
21 school, and all-day kindergarten;

22 (d) To provide additional professional development for educators,
23 including additional paid time for curriculum and lesson redesign and
24 alignment, training to ensure that instruction is aligned with state
25 standards and student needs, reimbursement for higher education costs
26 related to enhancing teaching skills and knowledge, and mentoring
27 programs to match teachers with skilled, master teachers. The funding
28 shall not be used for salary increases or additional compensation for
29 existing teaching duties, but may be used for extended year and
30 extended day teaching contracts;

31 (e) To provide early assistance for children who need
32 prekindergarten support in order to be successful in school;

33 (f) To provide improvements or additions to school building
34 facilities which are directly related to the class size reductions and
35 extended learning opportunities under (a) through (c) of this
36 subsection.

37 (2) Annually on or before May 1st, the school district board of
38 directors shall meet at the time and place designated for the purpose

1 of a public hearing on the proposed use of these funds to improve
2 student achievement for the coming year. Any person may appear or by
3 written submission have the opportunity to comment on the proposed plan
4 for the use of these funds. No later than August 31st, as a part of
5 the process under RCW 28A.505.060, each school district shall adopt a
6 plan for the use of these funds for the upcoming school year.
7 Annually, each school district shall provide to the citizens of their
8 district a public accounting of the funds made available to the
9 district during the previous school year under this act, how the funds
10 were used, and the progress the district has made in increasing student
11 achievement, as measured by required state assessments and other
12 assessments deemed appropriate by the district. Copies of this report
13 shall be provided to the superintendent of public instruction and to
14 the academic achievement and accountability commission.

15 **Sec. 4.** RCW 67.70.240 and 1997 c 220 s 206 are each amended to
16 read as follows:

17 The moneys in the state lottery account shall be used only:

18 (1) For the payment of prizes to the holders of winning lottery
19 tickets or shares;

20 (2) For purposes of making deposits into the reserve account
21 created by RCW 67.70.250 and into the lottery administrative account
22 created by RCW 67.70.260;

23 (3) For purposes of making deposits into the (~~state's general~~
24 fund) education construction fund and student achievement fund created
25 in RCW 43.135.045. For the transition period from the effective date
26 of this section until and including June 30, 2002, fifty percent of the
27 moneys not otherwise obligated under this section shall be placed in
28 the student achievement fund and fifty percent of these moneys shall be
29 placed in the education construction fund. On and after July 1, 2002,
30 until June 30, 2004, seventy-five percent of these moneys shall be
31 placed in the student achievement fund and twenty-five percent shall be
32 placed in the education construction fund. On and after July 1, 2004,
33 all deposits not otherwise obligated under this section shall be placed
34 in the education construction fund. Moneys in the state lottery
35 account deposited in the education construction fund and the student
36 achievement fund are included in "general state revenues" under RCW
37 39.42.070;

1 (4) For distribution to a county for the purpose of paying the
2 principal and interest payments on bonds issued by the county to
3 construct a baseball stadium, as defined in RCW 82.14.0485, including
4 reasonably necessary preconstruction costs. Three million dollars
5 shall be distributed under this subsection during calendar year 1996.
6 During subsequent years, such distributions shall equal the prior
7 year's distributions increased by four percent. Distributions under
8 this subsection shall cease when the bonds issued for the construction
9 of the baseball stadium are retired, but not more than twenty years
10 after the tax under RCW 82.14.0485 is first imposed;

11 (5) For distribution to the stadium and exhibition center account,
12 created in RCW 43.99N.060. Subject to the conditions of RCW
13 43.99N.070, six million dollars shall be distributed under this
14 subsection during the calendar year 1998. During subsequent years,
15 such distribution shall equal the prior year's distributions increased
16 by four percent. No distribution may be made under this subsection
17 after December 31, 1999, unless the conditions for issuance of the
18 bonds under RCW 43.99N.020(2) are met. Distributions under this
19 subsection shall cease when the bonds are retired, but not later than
20 December 31, 2020;

21 (6) For the purchase and promotion of lottery games and game-
22 related services; and

23 (7) For the payment of agent compensation.

24 The office of financial management shall require the allotment of
25 all expenses paid from the account and shall report to the ways and
26 means committees of the senate and house of representatives any changes
27 in the allotments.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.52 RCW
29 to read as follows:

30 (1) A portion of the proceeds of the state property tax levy shall
31 be distributed to school districts in the amounts and in the manner
32 provided in this section.

33 (2) The amount of the distribution to each school district shall be
34 based upon the average number of full-time equivalent students in the
35 school district during the previous school year, and shall be
36 calculated as follows:

37 (a) Out of taxes collected in calendar years 2001 through and
38 including 2003, an annual amount equal to one hundred forty dollars per

1 each full-time equivalent student in all school districts shall be
2 deposited in the student achievement fund to be distributed to each
3 school district based on one hundred forty dollars per full-time
4 equivalent student in the school district for each year beginning with
5 the school year 2001-2002.

6 (b) Out of taxes collected in calendar year 2004, an annual amount
7 equal to four hundred fifty dollars per full-time equivalent student in
8 all school districts shall be deposited in the student achievement fund
9 to be distributed to each school district based on four hundred fifty
10 dollars per full-time equivalent student for each year beginning with
11 the school year 2004-2005. Each subsequent year, the amount deposited
12 shall be adjusted for inflation as defined in RCW 43.135.025(7).

13 (3) The office of the superintendent of public instruction shall
14 verify the average number of full-time equivalent students in each
15 school district from the previous school year to the state treasurer by
16 August 1st of each year.

17 NEW SECTION. **Sec. 6.** Section 5 of this act applies to taxes
18 levied in 2000 for collection in 2001 and thereafter.

19 **Sec. 7.** RCW 84.52.067 and 1967 ex.s. c 133 s 2 are each amended to
20 read as follows:

21 All property taxes levied by the state for the support of common
22 schools shall be paid into the general fund of the state treasury as
23 provided in RCW 84.56.280, except for the amounts collected under
24 section 5 of this act which shall be directly deposited into the
25 student achievement fund and distributed to school districts as
26 provided in section 5 of this act.

27 **Sec. 8.** RCW 43.135.035 and 1994 c 2 s 4 are each amended to read
28 as follows:

29 (1) After July 1, 1995, any action or combination of actions by the
30 legislature that raises state revenue or requires revenue-neutral tax
31 shifts may be taken only if approved by a two-thirds vote of each
32 house, and then only if state expenditures in any fiscal year,
33 including the new revenue, will not exceed the state expenditure limits
34 established under this chapter.

35 (2)(a) If the legislative action under subsection (1) of this
36 section will result in expenditures in excess of the state expenditure

1 limit, then the action of the legislature shall not take effect until
2 approved by a vote of the people at a November general election. The
3 office of financial management shall adjust the state expenditure limit
4 by the amount of additional revenue approved by the voters under this
5 section. This adjustment shall not exceed the amount of revenue
6 generated by the legislative action during the first full fiscal year
7 in which it is in effect. The state expenditure limit shall be
8 adjusted downward upon expiration or repeal of the legislative action.

9 (b) The ballot title for any vote of the people required under this
10 section shall be substantially as follows:

11 "Shall taxes be imposed on in order to allow a
12 spending increase above last year's authorized spending adjusted for
13 inflation and population increases?"

14 (3)(a) The state expenditure limit may be exceeded upon declaration
15 of an emergency for a period not to exceed twenty-four months by a law
16 approved by a two-thirds vote of each house of the legislature and
17 signed by the governor. The law shall set forth the nature of the
18 emergency, which is limited to natural disasters that require immediate
19 government action to alleviate human suffering and provide humanitarian
20 assistance. The state expenditure limit may be exceeded for no more
21 than twenty-four months following the declaration of the emergency and
22 only for the purposes contained in the emergency declaration.

23 (b) Additional taxes required for an emergency under this section
24 may be imposed only until thirty days following the next general
25 election, unless an extension is approved at that general election.
26 The additional taxes shall expire upon expiration of the declaration of
27 emergency. The legislature shall not impose additional taxes for
28 emergency purposes under this subsection unless funds in the education
29 construction fund have been exhausted.

30 (c) The state or any political subdivision of the state shall not
31 impose any tax on intangible property listed in RCW 84.36.070 as that
32 statute exists on January 1, 1993.

33 (4) If the cost of any state program or function is shifted from
34 the state general fund on or after January 1, 1993, to another source
35 of funding, or if moneys are transferred from the state general fund to
36 another fund or account, the office of financial management shall lower
37 the state expenditure limit to reflect the shift. This subsection does
38 not apply to the dedication or use of lottery revenues under RCW

1 67.70.240(3) or property taxes under section 5 of this act, in support
2 of education or education expenditures.

3 **Sec. 9.** RCW 43.135.045 and 1994 c 2 s 3 are each amended to read
4 as follows:

5 (1) The emergency reserve fund is established in the state
6 treasury. During each fiscal year, the state treasurer shall deposit
7 in the emergency reserve fund all general fund--state revenues in
8 excess of the state expenditure limit for that fiscal year. Deposits
9 shall be made at the end of each fiscal quarter based on projections of
10 state revenues and the state expenditure limit.

11 (2) The legislature may appropriate moneys from the emergency
12 reserve fund only with approval of at least two-thirds of the members
13 of each house of the legislature, and then only if the appropriation
14 does not cause total expenditures to exceed the state expenditure limit
15 under this chapter.

16 (3) The emergency reserve fund balance shall not exceed five
17 percent of ~~((biennial))~~ annual general fund--state revenues as
18 projected by the official state revenue forecast. Any balance in
19 excess of five percent shall be transferred on a quarterly basis by the
20 state treasurer ~~((to the education construction fund hereby created in~~
21 ~~the treasury))~~ as follows: Seventy-five percent to the student
22 achievement fund hereby created in the state treasury and twenty-five
23 percent to the general fund balance. When per-student state funding
24 for the maintenance and operation of K-12 education meets a level of no
25 less than ninety percent of the national average of total funding from
26 all sources per student as determined by the most recent published data
27 from the national center for education statistics of the United States
28 department of education, as calculated by the office of financial
29 management, further deposits to the student achievement fund shall be
30 required only to the extent necessary to maintain the ninety percent
31 level. Remaining funds are part of the general fund balance and these
32 funds are subject to the expenditure limits of this chapter.

33 (4) The education construction fund is hereby created in the state
34 treasury.

35 (a) Funds may be appropriated from the education construction fund
36 exclusively for common school construction or higher education
37 construction.

1 (b) Funds may be appropriated for any other purpose only if
2 approved by a two-thirds vote of each house of the legislature and if
3 approved by a vote of the people at the next general election. An
4 appropriation approved by the people under this subsection shall result
5 in an adjustment to the state expenditure limit only for the fiscal
6 period for which the appropriation is made and shall not affect any
7 subsequent fiscal period.

8 (5) Funds from the student achievement fund shall be appropriated
9 to the superintendent of public instruction strictly for distribution
10 to school districts to meet the provisions set out in the student
11 achievement act. Allocations shall be made on an equal per full-time
12 equivalent student basis to each school district.

13 **Sec. 10.** RCW 28A.150.380 and 1995 c 335 s 103 are each amended to
14 read as follows:

15 (1) The state legislature shall, at each regular session in an odd-
16 numbered year, appropriate from the state general fund for the current
17 use of the common schools such amounts as needed for state support to
18 the common schools during the ensuing biennium as provided in this
19 chapter, RCW 28A.160.150 through 28A.160.210, 28A.300.170, and
20 28A.500.010.

21 (2) The state legislature shall also, at each regular session in an
22 odd-numbered year, appropriate from the student achievement fund and
23 education construction fund solely for the purposes of and in
24 accordance with the provisions of the student achievement act during
25 the ensuing biennium.

26 NEW SECTION. **Sec. 11.** The provisions of this act are to be
27 liberally construed to effectuate the policies and purposes of this
28 act.

29 NEW SECTION. **Sec. 12.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 13.** This act takes effect January 1, 2001,
34 except for section 4 of this act which takes effect July 1, 2001.

Originally filed in Office of Secretary of State March 1, 2000.
Approved by the People of the State of Washington in the General
Election on November 7, 2000.