

SHB 2776 - S COMM AMD

By Committee on Early Learning & K-12 Education

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

3 "NEW SECTION. **Sec. 1.** (1) It is the legislature's intent to
4 continue implementation of chapter 548, Laws of 2009, by adopting the
5 technical details of a new distribution formula for the instructional
6 program of basic education and authorizing a phase-in of implementation
7 of a new distribution formula for pupil transportation, both to take
8 effect September 1, 2011. Unless otherwise stated, the numeric values
9 adopted in section 3 of this act represent the translation of 2009-2010
10 state funding levels for the basic education act into the funding
11 factors of the prototypical school funding formula, based on the expert
12 advice and extensive work of the funding formula technical working
13 group established by the legislature for this purpose. The legislature
14 intends to continue to review and revise the formulas and may make
15 revisions as necessary for technical purposes and consistency in the
16 event of mathematical or other technical errors.

17 (2) It is also the legislature's intent to adopt an implementation
18 schedule for phasing-in enhancements to the baseline funding levels of
19 2009-10 beginning in the 2011-12 school year for pupil transportation,
20 class size allocations for grades kindergarten through three, full-day
21 kindergarten, and allocations for maintenance, supplies, and operating
22 costs.

23 (3) Finally, it is the legislature's intent to adjust the timelines
24 for other working groups so that their expertise and advice can be
25 received as soon as possible and to make technical adjustments to
26 certain provisions of chapter 548, Laws of 2009.

27 NEW SECTION. **Sec. 2.** The legislature finds that:

28 (1) The Washington supreme court has determined that the state must
29 rely on dependable and regular tax sources to support basic education;

1 (2) Washington, like most states across the country, relies on the
2 property tax to provide financial support for public schools;

3 (3) Property tax support for public schools has been shifting from
4 the statewide, uniform tax to increasing reliance on excess property
5 tax levies that are not dependable and vary widely from school district
6 to school district;

7 (4) A dependable and regular source of financing for K-12 capital
8 facilities has not been identified; and

9 (5) Individual citizens have proposed innovative, comprehensive
10 solutions to provide ongoing, substantial financial support for K-12
11 public schools, and these solutions should be thoughtfully considered
12 for their possible adoption as a new state education finance policy.

13 **Sec. 3.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to
14 read as follows:

15 The purpose of this section is to provide for the allocation of
16 state funding that the legislature deems necessary to support school
17 districts in offering the minimum instructional program of basic
18 education under RCW 28A.150.220. The allocation shall be determined as
19 follows:

20 (1) The governor shall and the superintendent of public instruction
21 may recommend to the legislature a formula for the distribution of a
22 basic education instructional allocation for each common school
23 district.

24 (2) The distribution formula under this section shall be for
25 allocation purposes only. Except as may be required under chapter
26 28A.165, 28A.180, 28A.185, or 28A.155 RCW, or federal laws and
27 regulations, nothing in this section requires school districts to use
28 basic education instructional funds to implement a particular
29 instructional approach or service. Nothing in this section requires
30 school districts to maintain a particular classroom teacher-to-student
31 ratio or other staff-to-student ratio or to use allocated funds to pay
32 for particular types or classifications of staff. Nothing in this
33 section entitles an individual teacher to a particular teacher planning
34 period.

35 (3)(a) To the extent the technical details of the formula have been
36 adopted by the legislature, the distribution formula for the basic
37 education instructional allocation shall be based on minimum staffing

1 and nonstaff costs the legislature deems necessary to support
2 instruction and operations in prototypical schools serving high,
3 middle, and elementary school students as provided in this section.
4 The use of prototypical schools for the distribution formula does not
5 constitute legislative intent that schools should be operated or
6 structured in a similar fashion as the prototypes. Prototypical
7 schools illustrate the level of resources needed to operate a school of
8 a particular size with particular types and grade levels of students
9 using commonly understood terms and inputs, such as class size, hours
10 of instruction, and various categories of school staff. It is the
11 intent that the funding allocations to school districts be adjusted
12 from the school prototypes based on the actual number of annual average
13 full-time equivalent students in each grade level at each school in the
14 district and not based on the grade-level configuration of the school
15 to the extent that data is available. The allocations shall be further
16 adjusted from the school prototypes with minimum allocations for small
17 schools and to reflect other factors identified in the omnibus
18 appropriations act.

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

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

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

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

29 (c) The minimum allocation for each level of prototypical school
30 shall be based on the number of full-time equivalent classroom teachers
31 needed to provide instruction over the minimum required annual
32 instructional hours under RCW 28A.150.220 and provide at least one
33 teacher planning period per school day, and based on an average class
34 size as specified in the omnibus appropriations act. The omnibus
35 appropriations act shall at a minimum specify the following:

- 36 (i) Basic average class size((÷)) for:
37 (A) Grades kindergarten through three 25.23
38 (B) Grade four 27.00

| | | | | |
|----|---|-------|-------|-------|
| 1 | a function that includes | | | |
| 2 | school nurses, whether | | | |
| 3 | certificated instructional | | | |
| 4 | or classified employee, and | | | |
| 5 | social workers((+)) | 0.135 | 0.068 | 0.118 |
| 6 | (iv) Guidance counselors, | | | |
| 7 | performing functions including | | | |
| 8 | parent outreach and graduation | | | |
| 9 | advisor((+)) | 0.493 | 1.116 | 1.909 |
| 10 | (v) (Professional development coaches; | | | |
| 11 | (vi)) Teaching assistance, | | | |
| 12 | which includes any aspect of | | | |
| 13 | educational instructional | | | |
| 14 | services provided by classified | | | |
| 15 | employees((+)) | 0.936 | 0.700 | 0.652 |
| 16 | ((vii)) (vi) Office support((, technology support,) | | | |
| 17 | and other noninstructional | | | |
| 18 | aides((+)) | 2.012 | 2.325 | 3.269 |
| 19 | ((viii)) (vii) Custodians((, warehouse, | | | |
| 20 | maintenance, laborer, and professional | | | |
| 21 | and technical education support | | | |
| 22 | employees; and)) | 1.657 | 1.942 | 2.965 |
| 23 | ((ix)) (viii) Classified | | | |
| 24 | staff providing student and staff | | | |
| 25 | safety | 0.079 | 0.092 | 0.141 |

26 (e) The distribution formula shall include staffing allocations to
27 school districts for career and technical education and skill center
28 administrative staff, as specified in the omnibus appropriations act.

29 (4)(a) The minimum allocation for each school district shall
30 include allocations per annual average full-time equivalent student for
31 the following materials, supplies, and operating costs, which shall be
32 adjusted annually for inflation from the following 2008-09 school year
33 funding values as specified in the omnibus appropriations act:

| | | | | |
|----|--|--|--|----------|
| 34 | ((Student)) | | | |
| 35 | (i) Technology((+)) | | | \$54.43 |
| 36 | (ii) Utilities((+)) and insurance | | | \$147.90 |
| 37 | (iii) Curriculum((-)) and textbooks((-)) | | | \$58.44 |
| 38 | (iv) Other supplies and library | | | |

1 materials(~~(, and instructional supplies;)~~) \$124.07
2 (v) Instructional professional development
3 for both certificated and classified
4 staff(~~(; other building level costs~~
5 including)) \$9.04
6 (vi) Facilities maintenance(~~(, custodial, and)~~) \$73.27
7 (vii) Security(~~(;)~~) and central office
8 administration(~~(-)~~) \$50.76
9 (b) Beginning in the 2011-12 school year, the allocations based on
10 the funding values in (a) of this subsection shall be increased
11 annually after being adjusted for inflation until the following 2007-08
12 school year funding values, adjusted for inflation, are provided in the
13 2013-14 school year, after which the funding values shall be adjusted
14 annually for inflation as specified in the omnibus appropriations act:
15 (i) Technology \$113.80
16 (ii) Utilities and insurance \$309.21
17 (iii) Curriculum and textbooks \$122.17
18 (iv) Other supplies and library materials \$259.39
19 (v) Instructional professional development for both
20 certificated and classified staff \$18.89
21 (vi) Facilities maintenance \$153.18
22 (vii) Security and central office administration \$106.12
23 (c) The annual average full-time equivalent student amounts in (a)
24 and (b) of this subsection shall be (~~enhanced~~) multiplied by the
25 following minimum percentages based on full-time equivalent student
26 enrollment in the following courses:
27 (i) Exploratory career and technical education courses for students
28 in grades seven through twelve(~~(; laboratory science courses for~~
29 students in grades nine through twelve;)) 247.54%
30 (ii) Preparatory career and technical education courses for
31 students in grades nine through twelve offered in a high school(~~(;~~
32 and)) 247.54%
33 (iii) Preparatory career and technical education courses for
34 students in grades eleven and twelve offered through a skill
35 center(~~(-)~~) 224.65%
36 (5) The allocations provided under subsections (3) and (4) of this
37 section shall be enhanced as follows to provide additional allocations
38 for classroom teachers and maintenance, supplies, and operating costs:

1 (a) To provide supplemental instruction and services for
2 underachieving students through the learning assistance program under
3 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
4 prior year enrollment and prior year percent of students in each school
5 who are eligible for free and reduced-price meals. The minimum
6 allocation for the learning assistance program shall provide (~~an~~
7 ~~extended school day and extended school year~~) the following resources
8 for each level of prototypical school (~~and a per student allocation~~
9 ~~for maintenance, supplies, and operating costs.~~), on a statewide
10 average:

11 Instructional hours per week in a
12 class size of fifteen 1.5156

13 (b) To provide supplemental instruction and services for students
14 whose primary language is other than English, allocations shall be
15 based on the number of students in each school who are eligible for and
16 enrolled in the transitional bilingual instruction program under RCW
17 28A.180.010 through 28A.180.080. The minimum allocation for each level
18 of prototypical school shall provide (~~for supplemental instruction~~
19 ~~based on percent of the school day a student is assumed to receive~~
20 ~~supplemental instruction and a per student allocation for maintenance,~~
21 ~~supplies, and operating costs.~~), on a statewide average, the following
22 resources:

23 Instructional hours per week in a
24 class size of fifteen 4.778

25 (6) The allocations provided under subsections (3) and (4) of this
26 section shall be enhanced to provide additional allocations to support
27 programs for highly capable students under RCW 28A.185.010 through
28 28A.185.030, based on two and three hundred fourteen one-thousandths
29 percent of each school district's full-time equivalent enrollment. The
30 minimum allocation for the programs shall provide (~~an extended school~~
31 ~~day and extended school year~~) the following resources for each level
32 of prototypical school (~~and a per student allocation for maintenance,~~
33 ~~supplies, and operating costs.~~), on a statewide average:

34 Instructional hours per week in a
35 class size of fifteen 2.159

36 (7) The allocations under subsections (3)(b), (c)(i) and (ii), and
37 (d), (4)(a) and (b), (~~and~~) (8), and (9) of this section shall be

1 enhanced as provided under RCW 28A.150.390 on an excess cost basis to
2 provide supplemental instructional resources for students with
3 disabilities.

4 (8) The distribution formula shall include minimum staffing
5 allocations per one thousand annual average full-time equivalent
6 students enrolled in grades kindergarten through twelve in the district
7 for the following district-wide support activities:

8 (a) Technology support 0.628

9 (b) Facilities maintenance and grounds 1.813

10 (c) Warehouse, laborers, and mechanics 0.332

11 (9) The distribution formula shall include allocations to school
12 districts to support certificated and classified staffing of central
13 office administration. The minimum staffing units allocation shall be
14 calculated as (~~a percentage, identified in the omnibus appropriations~~
15 ~~act,~~) five and three-tenths percent of the total staffing units
16 allocations (~~for staff~~) under subsections (3)(c)(i) and (ii) and (d)
17 and (~~(6)~~) (8) of this section for all schools in the district.

18 (~~(9)~~) (10)(a) For the purposes of allocations for prototypical
19 high schools and middle schools under subsections (3) and (5) of this
20 section that are based on the percent of students in the school who are
21 eligible for free and reduced-price meals, the actual percent of such
22 students in a school shall be adjusted by a factor identified in the
23 omnibus appropriations act to reflect underreporting of free and
24 reduced-price meal eligibility among middle and high school students.

25 (b) Allocations or enhancements provided under subsections (3) and
26 (4) of this section for exploratory and preparatory career and
27 technical education courses shall be provided only for courses approved
28 by the office of the superintendent of public instruction under chapter
29 28A.700 RCW.

30 (~~(10)~~) (11)(a) This formula for distribution of basic education
31 funds shall be reviewed biennially by the superintendent and governor.
32 The recommended formula shall be subject to approval, amendment or
33 rejection by the legislature.

34 (b) In the event the legislature rejects the distribution formula
35 recommended by the governor, without adopting a new distribution
36 formula, the distribution formula for the previous school year shall
37 remain in effect.

1 (c) The enrollment of any district shall be the annual average
2 number of full-time equivalent students and part-time students as
3 provided in RCW 28A.150.350, enrolled on the first school day of each
4 month, including students who are in attendance pursuant to RCW
5 28A.335.160 and 28A.225.250 who do not reside within the servicing
6 school district. The definition of full-time equivalent student shall
7 be determined by rules of the superintendent of public instruction and
8 shall be included as part of the superintendent's biennial budget
9 request. The definition shall be based on the minimum instructional
10 hour offerings required under RCW 28A.150.220. Any revision of the
11 present definition shall not take effect until approved by the house
12 ways and means committee and the senate ways and means committee.

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

16 **Sec. 4.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to
17 read as follows:

18 (1) The superintendent of public instruction shall submit to each
19 regular session of the legislature during an odd-numbered year a
20 programmed budget request for special education programs for students
21 with disabilities. Funding for programs operated by local school
22 districts shall be on an excess cost basis from appropriations provided
23 by the legislature for special education programs for students with
24 disabilities and shall take account of state funds accruing through RCW
25 28A.150.260 (3)(b), (c)(i) and (ii), and (d), (4) (a) and (b), ~~((and))~~
26 (8) ~~((and federal medical assistance and private funds accruing under~~
27 ~~RCW 74.09.5249 through 74.09.5253 and 74.09.5254 through 74.09.5256))~~,
28 and (9).

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

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

36 (b) A district's annual average full-time equivalent basic

1 education enrollment, multiplied by the district's funded enrollment
2 percent, multiplied by the district's base allocation per full-time
3 equivalent student, multiplied by 0.9309.

4 (3) As used in this section:

5 (a) "Base allocation" means the total state allocation to all
6 schools in the district generated by the distribution formula under RCW
7 28A.150.260 (3)(b), (c)(i) and (ii), and (d), (4) (a) and (b), (~~and~~)
8 (8), and (9), to be divided by the district's full-time equivalent
9 enrollment.

10 (b) "Basic education enrollment" means enrollment of resident
11 students including nonresident students enrolled under RCW 28A.225.225
12 and students from nonhigh districts enrolled under RCW 28A.225.210 and
13 excluding students residing in another district enrolled as part of an
14 interdistrict cooperative program under RCW 28A.225.250.

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

20 (d) "Funded enrollment percent" means the lesser of the district's
21 actual enrollment percent or twelve and seven-tenths percent.

22 **Sec. 5.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to
23 read as follows:

24 (1) Beginning with the 2007-08 school year, funding for voluntary
25 all-day kindergarten programs shall be phased-in beginning with schools
26 with the highest poverty levels, defined as those schools with the
27 highest percentages of students qualifying for free and reduced-price
28 lunch support in the prior school year. Beginning with the 2011-12
29 school year, funding shall continue to be phased-in incrementally each
30 year until full statewide implementation of all-day kindergarten is
31 achieved in the 2017-18 school year. Once a school receives funding
32 for the all-day kindergarten program, that school shall remain eligible
33 for funding in subsequent school years regardless of changes in the
34 school's percentage of students eligible for free and reduced-price
35 lunches as long as other program requirements are fulfilled.
36 Additionally, schools receiving all-day kindergarten program support
37 shall agree to the following conditions:

- 1 (a) Provide at least a one thousand-hour instructional program;
- 2 (b) Provide a curriculum that offers a rich, varied set of
3 experiences that assist students in:
- 4 (i) Developing initial skills in the academic areas of reading,
5 mathematics, and writing;
- 6 (ii) Developing a variety of communication skills;
- 7 (iii) Providing experiences in science, social studies, arts,
8 health and physical education, and a world language other than English;
- 9 (iv) Acquiring large and small motor skills;
- 10 (v) Acquiring social and emotional skills including successful
11 participation in learning activities as an individual and as part of a
12 group; and
- 13 (vi) Learning through hands-on experiences;
- 14 (c) Establish learning environments that are developmentally
15 appropriate and promote creativity;
- 16 (d) Demonstrate strong connections and communication with early
17 learning community providers; and
- 18 (e) Participate in kindergarten program readiness activities with
19 early learning providers and parents.
- 20 (2) Subject to funds appropriated for this purpose, the
21 superintendent of public instruction shall designate one or more school
22 districts to serve as resources and examples of best practices in
23 designing and operating a high-quality all-day kindergarten program.
24 Designated school districts shall serve as lighthouse programs and
25 provide technical assistance to other school districts in the initial
26 stages of implementing an all-day kindergarten program. Examples of
27 topics addressed by the technical assistance include strategic
28 planning, developing the instructional program and curriculum, working
29 with early learning providers to identify students and communicate with
30 parents, and developing kindergarten program readiness activities.

31 **Sec. 6.** 2009 c 548 s 112 (uncodified) is amended to read as
32 follows:

- 33 (1) The legislature intends to continue to redefine the
34 instructional program of education under RCW 28A.150.220 that fulfills
35 the obligations and requirements of Article IX of the state
36 Constitution. The funding formulas under RCW 28A.150.260 to support
37 the instructional program shall be implemented to the extent the

1 technical details of the formula have been established and according to
2 an implementation schedule to be adopted by the legislature. The
3 object of the schedule is to assure that any increases in funding
4 allocations are timely, predictable, and occur concurrently with any
5 increases in program or instructional requirements. It is the intent
6 of the legislature that no increased programmatic or instructional
7 expectations be imposed upon schools or school districts without an
8 accompanying increase in resources as necessary to support those
9 increased expectations.

10 (2) The office of financial management, with assistance and support
11 from the office of the superintendent of public instruction, shall
12 convene a technical working group to:

13 (a) Develop the details of the funding formulas under RCW
14 28A.150.260;

15 (b) Recommend to the legislature an implementation schedule for
16 phasing-in any increased program or instructional requirements
17 concurrently with increases in funding for adoption by the legislature;
18 and

19 (c) Examine possible sources of revenue to support increases in
20 funding allocations and present options to the legislature and the
21 quality education council created in (~~section 114 of this act~~) RCW
22 28A.290.010 for consideration.

23 (3) The working group shall include representatives of the
24 legislative evaluation and accountability program committee, school
25 district and educational service district financial managers, the
26 Washington association of school business officers, the Washington
27 education association, the Washington association of school
28 administrators, the association of Washington school principals, the
29 Washington state school directors' association, the public school
30 employees of Washington, and other interested stakeholders with
31 expertise in education finance. The working group may convene advisory
32 subgroups on specific topics as necessary to assure participation and
33 input from a broad array of diverse stakeholders.

34 (4) The working group shall be monitored and overseen by the
35 legislature and the quality education council established in (~~section~~
36 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its
37 recommendations to the legislature by December 1, 2009.

1 (5) After the 2009 report to the legislature, the office of
2 financial management and the office of the superintendent of public
3 instruction shall periodically reconvene the working group to monitor
4 and provide advice on further development and implementation of the
5 funding formulas under RCW 28A.150.260 and provide technical assistance
6 to the ongoing work of the quality education council.

7 **Sec. 7.** 2009 c 548 s 302 (uncodified) is amended to read as
8 follows:

9 (1) Beginning (~~(July)~~) April 1, 2010, the office of financial
10 management, with assistance and support from the office of the
11 superintendent of public instruction, shall convene a technical working
12 group to develop options for a new system of supplemental school
13 funding through local school levies and local effort assistance.

14 (2) The working group shall consider the impact on overall school
15 district revenues of the new basic education funding system established
16 under (~~(this act)~~) chapter 548, Laws of 2009 and shall recommend a
17 phase-in plan that ensures that no school district suffers a decrease
18 in funding from one school year to the next due to implementation of
19 the new system of supplemental funding.

20 (3)(a) The working group shall also examine options for a
21 comprehensive K-12 finance policy based on the following principles:

22 (i) Increasing support for public schools through the statewide
23 property tax;

24 (ii) Reducing reliance on property taxes from voter-approved excess
25 levies;

26 (iii) Removing historical inequities caused by grandfathering of
27 levy lids in certain school districts;

28 (iv) Providing a consistent source of financing to support K-12
29 capital facilities; and

30 (v) Providing a fair and equitable means of adjusting tax burden
31 for property-poor school districts.

32 (b) The working group shall consider innovative proposals that have
33 previously been developed, identify possible alternatives, analyze
34 their strengths and weaknesses, and examine the impact on taxpayers in
35 various regions of the state. The working group shall report to the
36 quality education council and the legislature on its findings and
37 analysis of options under this subsection (3) by November 30, 2010.

1 (4) The working group shall also:

2 (a) Examine local school district capacity to address facility
3 needs associated with phasing-in full-day kindergarten across the state
4 and reducing class size in kindergarten through third grade; and

5 (b) Provide the quality education council with analysis on the
6 potential use of local funds that may become available for redeployment
7 and redirection as a result of increased state funding allocations for
8 pupil transportation and maintenance, supplies, and operating costs.

9 (5) The working group shall be composed of representatives from the
10 department of revenue, the legislative evaluation and accountability
11 program committee, school district and educational service district
12 financial managers, and representatives of the Washington association
13 of school business officers, the Washington education association, the
14 Washington association of school administrators, the association of
15 Washington school principals, the Washington state school directors'
16 association, the public school employees of Washington, and other
17 interested stakeholders with expertise in education finance. The
18 working group may convene advisory subgroups on specific topics as
19 necessary to assure participation and input from a broad array of
20 diverse stakeholders. In addition to the staff support provided by the
21 office of financial management and the office of the superintendent of
22 public instruction, the department of revenue shall provide technical
23 assistance, including financial and legal analysis, to support the
24 working group's findings and analysis under subsection (3) of this
25 section.

26 ~~((+4))~~ (6) The local funding working group shall be monitored and
27 overseen by the legislature and by the quality education council
28 created in ~~((section 114 of this act))~~ RCW 28A.290.010. The working
29 group shall report to the legislature ~~((December 1))~~ June 30, 2011.

30 **Sec. 8.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to
31 read as follows:

32 (1) The legislature recognizes that providing students with the
33 opportunity to access a world-class educational system depends on our
34 continuing ability to provide students with access to world-class
35 educators. The legislature also understands that continuing to attract
36 and retain the highest quality educators will require increased
37 investments. The legislature intends to enhance the current salary

1 allocation model and recognizes that changes to the current model
2 cannot be imposed without great deliberation and input from teachers,
3 administrators, and classified employees. Therefore, it is the intent
4 of the legislature to begin the process of developing an enhanced
5 salary allocation model that is collaboratively designed to ensure the
6 rationality of any conclusions regarding what constitutes adequate
7 compensation.

8 (2) Beginning July 1, 2011, the office of the superintendent of
9 public instruction, in collaboration with the office of financial
10 management, shall convene a technical working group to recommend the
11 details of an enhanced salary allocation model that aligns state
12 expectations for educator development and certification with the
13 compensation system and establishes recommendations for a concurrent
14 implementation schedule. In addition to any other details the
15 technical working group deems necessary, the technical working group
16 shall make recommendations on the following:

17 (a) How to reduce the number of tiers within the existing salary
18 allocation model;

19 (b) How to account for labor market adjustments;

20 (c) How to account for different geographic regions of the state
21 where districts may encounter difficulty recruiting and retaining
22 teachers;

23 (d) The role of and types of bonuses available;

24 (e) Ways to accomplish salary equalization over a set number of
25 years; and

26 (f) Initial fiscal estimates for implementing the recommendations
27 including a recognition that staff on the existing salary allocation
28 model would have the option to grandfather in permanently to the
29 existing schedule.

30 (3) As part of its work, the technical working group shall conduct
31 or contract for a preliminary comparative labor market analysis of
32 salaries and other compensation for school district employees to be
33 conducted and shall include the results in any reports to the
34 legislature. For the purposes of this subsection, "salaries and other
35 compensation" includes average base salaries, average total salaries,
36 average employee basic benefits, and retirement benefits.

37 (4) The analysis required under subsection (1) of this section
38 must:

1 (a) Examine salaries and other compensation for teachers, other
2 certificated instructional staff, principals, and other building-level
3 certificated administrators, and the types of classified employees for
4 whom salaries are allocated;

5 (b) Be calculated at a statewide level that identifies labor
6 markets in Washington through the use of data from the United States
7 bureau of the census and the bureau of labor statistics; and

8 (c) Include a comparison of salaries and other compensation to the
9 appropriate labor market for at least the following subgroups of
10 educators: Beginning teachers and types of educational staff
11 associates.

12 (5) The working group shall include representatives of the
13 department of personnel, the professional educator standards board, the
14 office of the superintendent of public instruction, the Washington
15 education association, the Washington association of school
16 administrators, the association of Washington school principals, the
17 Washington state school directors' association, the public school
18 employees of Washington, and other interested stakeholders with
19 appropriate expertise in compensation related matters. The working
20 group may convene advisory subgroups on specific topics as necessary to
21 assure participation and input from a broad array of diverse
22 stakeholders.

23 (6) The working group shall be monitored and overseen by the
24 legislature and the quality education council created in RCW
25 28A.290.010. The working group shall make an initial report to the
26 legislature by (~~December 1~~) June 30, 2012, and shall include in its
27 report recommendations for whether additional further work of the group
28 is necessary.

29 **Sec. 9.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to
30 read as follows:

31 (1) The superintendent of public instruction shall phase-in the
32 implementation of the distribution formula under this chapter for
33 allocating state funds to school districts for the transportation of
34 students to and from school. The phase-in shall (~~be according to the~~
35 ~~implementation schedule adopted by the legislature and shall~~) begin no
36 later than the (~~2013-14~~) 2011-12 school year and be fully implemented
37 by the 2013-14 school year.

1 (a) The formula must be developed and revised on an ongoing basis
2 using the major cost factors in student transportation, including basic
3 and special student loads, school district land area, average distance
4 to school, roadway miles, and number of locations served. Factors must
5 include all those site characteristics that are statistically
6 significant after analysis of the data required by the revised
7 reporting process.

8 (b) The formula must allocate funds to school districts based on
9 the average predicted costs of transporting students to and from
10 school, using a regression analysis.

11 (2) During the phase-in period, funding provided to school
12 districts for student transportation operations shall be distributed on
13 the following basis:

14 (a) Annually, each school district shall receive the lesser of the
15 previous school year's pupil transportation operations allocation, or
16 the total of allowable pupil transportation expenditures identified on
17 the previous school year's final expenditure report to the state plus
18 district indirect expenses using the state recovery rate identified by
19 the superintendent; and

20 (b) Annually, any funds appropriated by the legislature in excess
21 of the maintenance level funding amount for student transportation
22 shall be distributed among school districts on a prorated basis using
23 the difference between the amount identified in (a) of this subsection
24 and the amount determined under the formula in RCW 28A.160.180.

25 ~~((3) The superintendent shall develop, implement, and provide a
26 copy of the rules specifying the student transportation reporting
27 requirements to the legislature and school districts no later than
28 December 1, 2009.~~

29 ~~(4) Beginning in December 2009, and continuing until December 2014,
30 the superintendent shall provide quarterly updates and progress reports
31 to the fiscal committees of the legislature on the implementation and
32 testing of the distribution formula.))~~

33 NEW SECTION. **Sec. 10.** A new section is added to chapter 28A.160
34 RCW to read as follows:

35 (1) The superintendent of public instruction shall develop,
36 implement, and provide a copy of the rules specifying the student

1 transportation reporting requirements to the legislature and school
2 districts no later than December 1, 2010.

3 (2) Beginning in December 2010, and continuing until December 2014,
4 the superintendent shall provide quarterly updates and progress reports
5 to the fiscal committees of the legislature on the implementation and
6 testing of the distribution formula.

7 (3) This section expires June 30, 2015.

8 **Sec. 11.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to
9 read as follows:

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

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

24 (3) Beginning January 1, 1992, no more than ninety college quarter-
25 hour credits received by any employee after the baccalaureate degree
26 may be used to determine compensation allocations under the state
27 salary allocation schedule and LEAP documents referenced in the omnibus
28 appropriations act, or any replacement schedules and documents, unless:

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

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

32 (4) Beginning in the 2007-08 school year, the calculation of years
33 of service for occupational therapists, physical therapists, speech-
34 language pathologists, audiologists, nurses, social workers,
35 counselors, and psychologists regulated under Title 18 RCW may include
36 experience in schools and other nonschool positions as occupational
37 therapists, physical therapists, speech-language pathologists,

1 audiologists, nurses, social workers, counselors, or psychologists.
2 The calculation shall be that one year of service in a nonschool
3 position counts as one year of service for purposes of this chapter, up
4 to a limit of two years of nonschool service. Nonschool years of
5 service included in calculations under this subsection shall not be
6 applied to service credit totals for purposes of any retirement benefit
7 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
8 system benefits.

9 **Sec. 12.** RCW 28A.175.010 and 2005 c 207 s 3 are each amended to
10 read as follows:

11 Each school district shall account for the educational progress of
12 each of its students. To achieve this, school districts shall be
13 required to report annually to the superintendent of public
14 instruction:

15 (1) For students enrolled in each of a school district's high
16 school programs:

17 (a) The number of students who graduate in fewer than four years;

18 (b) The number of students who graduate in four years;

19 (c) The number of students who remain in school for more than four
20 years but who eventually graduate and the number of students who remain
21 in school for more than four years but do not graduate;

22 (d) The number of students who transfer to other schools;

23 (e) The number of students in the ninth through twelfth grade who
24 drop out of school over a four-year period; and

25 (f) The number of students whose status is unknown.

26 (2) Dropout rates of students in each of the grades seven through
27 twelve.

28 (3) Dropout rates for student populations in each of the grades
29 seven through twelve by:

30 (a) Ethnicity;

31 (b) Gender;

32 (c) Socioeconomic status; and

33 (d) Disability status.

34 (4) The causes or reasons, or both, attributed to students for
35 having dropped out of school in grades seven through twelve.

36 (5) The superintendent of public instruction shall adopt rules
37 under chapter 34.05 RCW to assure uniformity in the information

1 districts are required to report under subsections (1) through (4) of
2 this section. In developing rules, the superintendent of public
3 instruction shall consult with school districts, including
4 administrative and counseling personnel, with regard to the methods
5 through which information is to be collected and reported.

6 (6) In reporting on the causes or reasons, or both, attributed to
7 students for having dropped out of school, school building officials
8 shall, to the extent reasonably practical, obtain such information
9 directly from students. In lieu of obtaining such information directly
10 from students, building principals and counselors shall identify the
11 causes or reasons, or both, based on their professional judgment.

12 (7) The superintendent of public instruction shall report annually
13 to the legislature the information collected under subsections (1)
14 through (4) of this section.

15 (8) The Washington state institute for public policy shall
16 calculate an annual estimate of the savings to taxpayers resulting from
17 any improvement compared to the prior school year in the extended
18 graduation rate, as calculated by the superintendent of public
19 instruction. The superintendent shall include the estimate from the
20 institute in an appendix of the report required under subsection (7) of
21 this section, beginning with the 2010 report.

22 NEW SECTION. Sec. 13. A new section is added to chapter 28A.300
23 RCW to read as follows:

24 The office of the superintendent of public instruction shall
25 implement and maintain an internet-based portal that provides ready
26 public access to the state's prototypical school funding model for
27 basic education under RCW 28A.150.260. The portal must provide
28 citizens the opportunity to view, for each local school building, the
29 staffing levels and other prototypical school funding elements that are
30 assumed under the state funding formula. The portal must also provide
31 a matrix displaying how individual school districts are deploying those
32 same state resources through their allocation of staff and other
33 resources to school buildings, so that citizens are able to compare the
34 state assumptions to district allocation decisions for each local
35 school building.

options for a new system of supplemental school funding must also examine options for a comprehensive K-12 finance policy based on the following principles: Increasing support for public schools through the statewide property tax; reducing reliance on property taxes from voter-approved excess levies; removing historical inequities caused by grandfathering of levy lids in certain school districts; providing a consistent source of financing to support K-12 capital facilities; and providing a fair and equitable means of adjusting tax burden for property-poor school districts.

The working group must consider innovative proposals that have previously been developed, identify possible alternatives, analyze their strengths and weaknesses, and examine the impact on taxpayers in various regions of the state. The Department of Revenue (DOR) must provide technical assistance, including financial and legal analysis.

Strikes the basic education level of funding in the prototypical school model for classified education support employees and inserts the current level of funding.

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