

**SHB 2776 - S AMD 413**

By Senators McAuliffe, Gordon, Oemig

ADOPTED AS AMENDED 03/11/2010

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 during the 2011-2013 biennium. Unless otherwise stated, the  
9 numeric values adopted in section 2 of this act represent the  
10 translation of 2009-2010 state funding levels for the basic education  
11 act into the funding factors of the prototypical school funding  
12 formula, based on the expert advice and extensive work of the funding  
13 formula technical working group established by the legislature for this  
14 purpose. The legislature intends to continue to review and revise the  
15 formulas and may make revisions as necessary for technical purposes and  
16 consistency in the event of mathematical or other technical errors.

17 (2) The legislature intends that per-pupil basic education funding  
18 for a school district shall not be decreased as a result of the  
19 transition of basic education funding formulas in effect during the  
20 2009-2011 biennium to the new funding formulas under RCW 28A.150.260  
21 that take effect during the 2011-2013 biennium.

22 (3) It is also the legislature's intent to adopt an implementation  
23 schedule for phasing-in enhancements to the baseline funding levels of  
24 2009-10 beginning in the 2011-2013 biennium for pupil transportation,  
25 class size allocations for grades kindergarten through three, full-day  
26 kindergarten, and allocations for maintenance, supplies, and operating  
27 costs.

28 (4) Finally, it is the legislature's intent to adjust the timelines  
29 for other working groups so that their expertise and advice can be

1 received as soon as possible and to make technical adjustments to  
2 certain provisions of chapter 548, Laws of 2009.

3 **Sec. 2.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to  
4 read as follows:

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

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

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

25 (3)(a) To the extent the technical details of the formula have been  
26 adopted by the legislature and except when specifically provided as a  
27 school district allocation, the distribution formula for the basic  
28 education instructional allocation shall be based on minimum staffing  
29 and nonstaff costs the legislature deems necessary to support  
30 instruction and operations in prototypical schools serving high,  
31 middle, and elementary school students as provided in this section.  
32 The use of prototypical schools for the distribution formula does not  
33 constitute legislative intent that schools should be operated or  
34 structured in a similar fashion as the prototypes. Prototypical  
35 schools illustrate the level of resources needed to operate a school of  
36 a particular size with particular types and grade levels of students  
37 using commonly understood terms and inputs, such as class size, hours

1 of instruction, and various categories of school staff. It is the  
 2 intent that the funding allocations to school districts be adjusted  
 3 from the school prototypes based on the actual number of annual average  
 4 full-time equivalent students in each grade level at each school in the  
 5 district and not based on the grade-level configuration of the school  
 6 to the extent that data is available. The allocations shall be further  
 7 adjusted from the school prototypes with minimum allocations for small  
 8 schools and to reflect other factors identified in the omnibus  
 9 appropriations act.

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

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

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

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

20 ~~((e))~~ (4)(a) The minimum allocation for each level of  
 21 prototypical school shall be based on the number of full-time  
 22 equivalent classroom teachers needed to provide instruction over the  
 23 minimum required annual instructional hours under RCW 28A.150.220 and  
 24 provide at least one teacher planning period per school day, and based  
 25 on ~~((an))~~ the following general education average class size ~~((as~~  
 26 ~~specified in the omnibus appropriations act.))~~ of full-time equivalent  
 27 students per teacher:

	<u>General education</u> <u>average</u> <u>class size</u>
31 <u>Grades K-3 . . . . .</u>	<u>25.23</u>
32 <u>Grade 4 . . . . .</u>	<u>27.00</u>
33 <u>Grades 5-6 . . . . .</u>	<u>27.00</u>
34 <u>Grades 7-8 . . . . .</u>	<u>28.53</u>
35 <u>Grades 9-12 . . . . .</u>	<u>28.74</u>

36 (b) During the 2011-2013 biennium and beginning with schools with  
 37 the highest percentage of students eligible for free and reduced-price  
 38 meals in the prior school year, the general education average class

1 size for grades K-3 shall be reduced until the average class size  
2 funded under this subsection (4) is no more than 17.0 full-time  
3 equivalent students per teacher beginning in the 2017-18 school year.

4 (c) The minimum allocation for each prototypical middle and high  
5 school shall also provide for full-time equivalent classroom teachers  
6 based on the following number of full-time equivalent students per  
7 teacher in career and technical education:

	<u>Career and technical</u>
	<u>education average</u>
	<u>class size</u>
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15 (d) In addition, the omnibus appropriations act shall at a minimum  
16 specify:

17 ~~(i) ((Basic average class size;~~  
18 ~~(ii) Basic))~~ A high-poverty average class size in schools where  
19 more than fifty percent of the students are eligible for free and  
20 reduced-price meals; and

21 ~~((iii))~~ (ii) A specialty average class size for ~~((exploratory and~~  
22 ~~preparatory career and technical education,))~~ laboratory science,  
23 advanced placement, and international baccalaureate courses~~((and~~  
24 ~~(iv) Average class size in grades kindergarten through three))~~.

25 ~~((d))~~ (5) The minimum allocation for each level of prototypical  
26 school shall include allocations for the following types of staff in  
27 addition to classroom teachers:

28 ~~((i) Principals, including assistant principals, and other~~  
29 ~~certificated building level administrators;~~

30 ~~(ii) Teacher librarians, performing functions including information~~  
31 ~~literacy, technology, and media to support school library media~~  
32 ~~programs;~~

33 ~~(iii) Student health services, a function that includes school~~  
34 ~~nurses, whether certificated instructional or classified employee, and~~  
35 ~~social workers;~~

36 ~~(iv) Guidance counselors, performing functions including parent~~  
37 ~~outreach and graduation advisor;~~

38 ~~(v) Professional development coaches;~~

1       ~~(vi) Teaching assistance, which includes any aspect of educational~~  
2 ~~instructional services provided by classified employees;~~  
3       ~~(vii) Office support, technology support, and other~~  
4 ~~noninstructional aides;~~  
5       ~~(viii) Custodians, warehouse, maintenance, laborer, and~~  
6 ~~professional and technical education support employees; and~~  
7       ~~(ix) Classified staff providing student and staff safety.~~  
8       ~~(4)(a))~~

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
	<u>School</u>	<u>School</u>	<u>School</u>
<u>Principals, assistant principals, and other certificated building-level administrators</u> .....	<u>1.253</u>	<u>1.353</u>	<u>1.880</u>
<u>Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs</u> .....	<u>0.663</u>	<u>0.519</u>	<u>0.523</u>
<u>Health and social services:</u>			
<u>School nurses</u> .....	<u>0.076</u>	<u>0.060</u>	<u>0.096</u>
<u>Social workers</u> .....	<u>0.042</u>	<u>0.006</u>	<u>0.015</u>
<u>Psychologists</u> .....	<u>0.017</u>	<u>0.002</u>	<u>0.007</u>
<u>Guidance counselors, a function that includes parent outreach and graduation advising</u> .....	<u>0.493</u>	<u>1.116</u>	<u>1.909</u>
<u>Teaching assistance, including any aspect of educational instructional services provided by classified employees</u> .....	<u>0.936</u>	<u>0.700</u>	<u>0.652</u>
<u>Office support and other noninstructional aides</u> .....	<u>2.012</u>	<u>2.325</u>	<u>3.269</u>
<u>Custodians</u> .....	<u>1.657</u>	<u>1.942</u>	<u>2.965</u>
<u>Classified staff providing student and staff safety</u> .....	<u>0.079</u>	<u>0.092</u>	<u>0.141</u>
<u>Parent involvement coordinators</u> .....	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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

	<u>Staff per 1,000</u>
	<u>K-12 students</u>
<u>Technology</u> .....	<u>0.628</u>
<u>Facilities, maintenance, and grounds</u> .....	<u>1.813</u>
<u>Warehouse, laborers, and mechanics</u> .....	<u>0.332</u>

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

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

10 (8)(a) Except as provided in (b) of this subsection, the minimum  
11 allocation for each school district shall include allocations per  
12 annual average full-time equivalent student for the following  
13 materials, supplies, and operating costs, to be adjusted for inflation  
14 from the 2008-09 school year: ((Student technology; utilities;  
15 curriculum, textbooks, library materials, and instructional supplies;  
16 instructional professional development for both certificated and  
17 classified staff; other building level costs including maintenance,  
18 custodial, and security; and central office administration.))

	<u>Per annual average</u> <u>full-time equivalent student</u> <u>in grades K-12</u>
<u>Technology . . . . .</u>	<u>\$54.43</u>
<u>Utilities and insurance . . . . .</u>	<u>\$147.90</u>
<u>Curriculum and textbooks . . . . .</u>	<u>\$58.44</u>
<u>Other supplies and library materials . . . . .</u>	<u>\$124.07</u>
<u>Instructional professional development for certified and</u> <u>classified staff . . . . .</u>	<u>\$9.04</u>
<u>Facilities maintenance . . . . .</u>	<u>\$73.27</u>
<u>Security and central office . . . . .</u>	<u>\$50.76</u>

30 (b) ((The annual average full-time equivalent student amounts in  
31 (a) of this subsection shall be enhanced)) During the 2011-2013  
32 biennium, the minimum allocation for maintenance, supplies, and  
33 operating costs shall be increased as specified in the omnibus  
34 appropriations act. The following allocations, adjusted for inflation  
35 from the 2007-08 school year, are provided in the 2015-16 school year,  
36 after which the allocations shall be adjusted annually for inflation as  
37 specified in the omnibus appropriations act:

	<u>Per annual average</u>
	<u>full-time equivalent student</u>
	<u>in grades K-12</u>
4 <u>Technology . . . . .</u>	\$113.80
5 <u>Utilities and insurance . . . . .</u>	\$309.21
6 <u>Curriculum and textbooks . . . . .</u>	\$122.17
7 <u>Other supplies and library materials . . . . .</u>	\$259.39
8 <u>Instructional professional development for certificated and</u>	
9 <u>classified staff . . . . .</u>	\$18.89
10 <u>Facilities maintenance . . . . .</u>	\$153.18
11 <u>Security and central office administration . . . . .</u>	\$106.12

12 (9) In addition to the amounts provided in subsection (8) of this  
13 section, the omnibus appropriations act shall provide an amount based  
14 on full-time equivalent student enrollment in each of the following:

15 (a) Exploratory career and technical education courses for students  
16 in grades seven through twelve;

17 (b) Laboratory science courses for students in grades nine through  
18 twelve;

19 (c) Preparatory career and technical education courses for students  
20 in grades nine through twelve offered in a high school; and

21 (d) Preparatory career and technical education courses for students  
22 in grades eleven and twelve offered through a skill center.

23 ~~((+5))~~ (10) In addition to the allocations otherwise provided  
24 under ~~((subsections (3) and (4) of))~~ this section ~~((shall be enhanced~~  
25 ~~as follows to provide additional allocations for classroom teachers and~~  
26 ~~maintenance, supplies, and operating costs))~~, amounts shall be provided  
27 to support the following programs and services:

28 (a) To provide supplemental instruction and services for  
29 underachieving students through the learning assistance program under  
30 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the  
31 ~~((percent))~~ district percentage of students in ~~((each school))~~ grades  
32 K-12 who ~~((are))~~ were eligible for free ~~((and))~~ or reduced-price meals  
33 in the prior school year. The minimum allocation for the ~~((learning~~  
34 assistance)) program shall provide ~~((an extended school day and~~  
35 extended school year)) for each level of prototypical school ~~((and a~~  
36 per student allocation for maintenance, supplies, and operating costs))  
37 resources to provide, on a statewide average, 1.5156 hours per week in

1 extra instruction with a class size of fifteen learning assistance  
2 program students per teacher.

3 (b) To provide supplemental instruction and services for students  
4 whose primary language is other than English, allocations shall be  
5 based on the head count number of students in each school who are  
6 eligible for and enrolled in the transitional bilingual instruction  
7 program under RCW 28A.180.010 through 28A.180.080. The minimum  
8 allocation for each level of prototypical school shall provide (~~for~~  
9 ~~supplemental instruction based on percent of the school day a student~~  
10 ~~is assumed to receive supplemental instruction and a per student~~  
11 ~~allocation for maintenance, supplies, and operating costs~~) resources  
12 to provide, on a statewide average, 4.7780 hours per week in extra  
13 instruction with fifteen transitional bilingual instruction program  
14 students per teacher.

15 (~~(6) The allocations provided under subsections (3) and (4) of~~  
16 ~~this section shall be enhanced~~) (c) To provide additional allocations  
17 to support programs for highly capable students under RCW 28A.185.010  
18 through 28A.185.030, allocations shall be based on two and three  
19 hundred fourteen one-thousandths percent of each school district's  
20 full-time equivalent basic education enrollment. The minimum  
21 allocation for the programs shall provide (~~an extended school day and~~  
22 ~~extended school year for each level of prototypical school and a per~~  
23 ~~student allocation for maintenance, supplies, and operating costs~~)  
24 resources to provide, on a statewide average, 2.1590 hours per week in  
25 extra instruction with fifteen highly capable program students per  
26 teacher.

27 (~~(7)~~) (11) The allocations under subsections (~~(3)~~) (4)(a) and  
28 (b), (~~(c)(i), and (d), (4),~~) (5), (6), and (8) of this section shall  
29 be enhanced as provided under RCW 28A.150.390 on an excess cost basis  
30 to provide supplemental instructional resources for students with  
31 disabilities.

32 (~~(8) The distribution formula shall include allocations to school~~  
33 ~~districts to support certificated and classified staffing of central~~  
34 ~~office administration. The minimum allocation shall be calculated as~~  
35 ~~a percentage, identified in the omnibus appropriations act, of the~~  
36 ~~total allocations for staff under subsections (3) and (6) of this~~  
37 ~~section for all schools in the district.~~



1       ~~(9))~~ (12)(a) For the purposes of allocations for prototypical high  
2 schools and middle schools under subsections ~~((3))~~ (4) and ~~((5))~~  
3 (10) of this section that are based on the percent of students in the  
4 school who are eligible for free and reduced-price meals, the actual  
5 percent of such students in a school shall be adjusted by a factor  
6 identified in the omnibus appropriations act to reflect underreporting  
7 of free and reduced-price meal eligibility among middle and high school  
8 students.

9       (b) Allocations or enhancements provided under subsections ~~((3)~~  
10 ~~and))~~ (4), (7), and (9) of this section for exploratory and preparatory  
11 career and technical education courses shall be provided only for  
12 courses approved by the office of the superintendent of public  
13 instruction under chapter 28A.700 RCW.

14       ~~((10))~~ (13)(a) This formula for distribution of basic education  
15 funds shall be reviewed biennially by the superintendent and governor.  
16 The recommended formula shall be subject to approval, amendment or  
17 rejection by the legislature.

18       (b) In the event the legislature rejects the distribution formula  
19 recommended by the governor, without adopting a new distribution  
20 formula, the distribution formula for the previous school year shall  
21 remain in effect.

22       (c) The enrollment of any district shall be the annual average  
23 number of full-time equivalent students and part-time students as  
24 provided in RCW 28A.150.350, enrolled on the first school day of each  
25 month, including students who are in attendance pursuant to RCW  
26 28A.335.160 and 28A.225.250 who do not reside within the servicing  
27 school district. The definition of full-time equivalent student shall  
28 be determined by rules of the superintendent of public instruction and  
29 shall be included as part of the superintendent's biennial budget  
30 request. The definition shall be based on the minimum instructional  
31 hour offerings required under RCW 28A.150.220. Any revision of the  
32 present definition shall not take effect until approved by the house  
33 ways and means committee and the senate ways and means committee.

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

1           **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to  
2 read as follows:

3           (1) The superintendent of public instruction shall submit to each  
4 regular session of the legislature during an odd-numbered year a  
5 programmed budget request for special education programs for students  
6 with disabilities. Funding for programs operated by local school  
7 districts shall be on an excess cost basis from appropriations provided  
8 by the legislature for special education programs for students with  
9 disabilities and shall take account of state funds accruing through RCW  
10 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8) and federal~~  
11 ~~medical assistance and private funds accruing under RCW 74.09.5249~~  
12 ~~through 74.09.5253 and 74.09.5254 through 74.09.5256)) (4)(a) and (b),  
13 (5), (6), and (8).~~

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

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

21           (b) A district's annual average full-time equivalent basic  
22 education enrollment, multiplied by the district's funded enrollment  
23 percent, multiplied by the district's base allocation per full-time  
24 equivalent student, multiplied by 0.9309.

25           (3) As used in this section:

26           (a) "Base allocation" means the total state allocation to all  
27 schools in the district generated by the distribution formula under RCW  
28 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8))~~) (4)(a) and (b),  
29 (5), (6), and (8), to be divided by the district's full-time equivalent  
30 enrollment.

31           (b) "Basic education enrollment" means enrollment of resident  
32 students including nonresident students enrolled under RCW 28A.225.225  
33 and students from nonhigh districts enrolled under RCW 28A.225.210 and  
34 excluding students residing in another district enrolled as part of an  
35 interdistrict cooperative program under RCW 28A.225.250.

36           (c) "Enrollment percent" means the district's resident special  
37 education annual average enrollment, excluding students ages birth

1 through four and those five year olds not yet enrolled in kindergarten,  
2 as a percent of the district's annual average full-time equivalent  
3 basic education enrollment.

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

6 **Sec. 4.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to  
7 read as follows:

8 (1) Beginning with the 2007-08 school year, funding for voluntary  
9 all-day kindergarten programs shall be phased-in beginning with schools  
10 with the highest poverty levels, defined as those schools with the  
11 highest percentages of students qualifying for free and reduced-price  
12 lunch support in the prior school year. During the 2011-2013 biennium,  
13 funding shall continue to be phased-in each year until full statewide  
14 implementation of all-day kindergarten is achieved in the 2017-18  
15 school year. Once a school receives funding for the all-day  
16 kindergarten program, that school shall remain eligible for funding in  
17 subsequent school years regardless of changes in the school's  
18 percentage of students eligible for free and reduced-price lunches as  
19 long as other program requirements are fulfilled. Additionally,  
20 schools receiving all-day kindergarten program support shall agree to  
21 the following conditions:

- 22 (a) Provide at least a one thousand-hour instructional program;
- 23 (b) Provide a curriculum that offers a rich, varied set of  
24 experiences that assist students in:
- 25 (i) Developing initial skills in the academic areas of reading,  
26 mathematics, and writing;
- 27 (ii) Developing a variety of communication skills;
- 28 (iii) Providing experiences in science, social studies, arts,  
29 health and physical education, and a world language other than English;
- 30 (iv) Acquiring large and small motor skills;
- 31 (v) Acquiring social and emotional skills including successful  
32 participation in learning activities as an individual and as part of a  
33 group; and
- 34 (vi) Learning through hands-on experiences;
- 35 (c) Establish learning environments that are developmentally  
36 appropriate and promote creativity;

1 (d) Demonstrate strong connections and communication with early  
2 learning community providers; and

3 (e) Participate in kindergarten program readiness activities with  
4 early learning providers and parents.

5 (2) Subject to funds appropriated for this purpose, the  
6 superintendent of public instruction shall designate one or more school  
7 districts to serve as resources and examples of best practices in  
8 designing and operating a high-quality all-day kindergarten program.  
9 Designated school districts shall serve as lighthouse programs and  
10 provide technical assistance to other school districts in the initial  
11 stages of implementing an all-day kindergarten program. Examples of  
12 topics addressed by the technical assistance include strategic  
13 planning, developing the instructional program and curriculum, working  
14 with early learning providers to identify students and communicate with  
15 parents, and developing kindergarten program readiness activities.

16 **Sec. 5.** 2009 c 548 s 112 (uncodified) is amended to read as  
17 follows:

18 (1) The legislature intends to continue to redefine the  
19 instructional program of education under RCW 28A.150.220 that fulfills  
20 the obligations and requirements of Article IX of the state  
21 Constitution. The funding formulas under RCW 28A.150.260 to support  
22 the instructional program shall be implemented to the extent the  
23 technical details of the formula have been established and according to  
24 an implementation schedule to be adopted by the legislature. The  
25 object of the schedule is to assure that any increases in funding  
26 allocations are timely, predictable, and occur concurrently with any  
27 increases in program or instructional requirements. It is the intent  
28 of the legislature that no increased programmatic or instructional  
29 expectations be imposed upon schools or school districts without an  
30 accompanying increase in resources as necessary to support those  
31 increased expectations.

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

35 (a) Develop the details of the funding formulas under RCW  
36 28A.150.260;

1 (b) Recommend to the legislature an implementation schedule for  
2 phasing-in any increased program or instructional requirements  
3 concurrently with increases in funding for adoption by the legislature;  
4 and

5 (c) Examine possible sources of revenue to support increases in  
6 funding allocations and present options to the legislature and the  
7 quality education council created in (~~section 114 of this act~~) RCW  
8 28A.290.010 for consideration.

9 (3) The working group shall include representatives of the  
10 legislative evaluation and accountability program committee, school  
11 district and educational service district financial managers, the  
12 Washington association of school business officers, the Washington  
13 education association, the Washington association of school  
14 administrators, the association of Washington school principals, the  
15 Washington state school directors' association, the public school  
16 employees of Washington, and other interested stakeholders with  
17 expertise in education finance. The working group may convene advisory  
18 subgroups on specific topics as necessary to assure participation and  
19 input from a broad array of diverse stakeholders.

20 (4) The working group shall be monitored and overseen by the  
21 legislature and the quality education council established in (~~section~~  
22 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its  
23 recommendations to the legislature by December 1, 2009.

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

30 **Sec. 6.** 2009 c 548 s 302 (uncodified) is amended to read as  
31 follows:

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

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

7 (3) The working group shall also:

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

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

15 (4) The working group shall be composed of representatives from the  
16 department of revenue, the legislative evaluation and accountability  
17 program committee, school district and educational service district  
18 financial managers, and representatives of the Washington association  
19 of school business officers, the Washington education association, the  
20 Washington association of school administrators, the association of  
21 Washington school principals, the Washington state school directors'  
22 association, the public school employees of Washington, and other  
23 interested stakeholders with expertise in education finance. The  
24 working group may convene advisory subgroups on specific topics as  
25 necessary to assure participation and input from a broad array of  
26 diverse stakeholders.

27 ~~((+4))~~ (5) The local funding working group shall be monitored and  
28 overseen by the legislature and by the quality education council  
29 created in ~~((section 114 of this act))~~ RCW 28A.290.010. The working  
30 group shall report to the legislature ~~((December 1))~~ June 30, 2011.

31 **Sec. 7.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to  
32 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 **Sec. 8.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to  
32 read as follows:

33 (1) The superintendent of public instruction shall phase-in the  
34 implementation of the distribution formula under this chapter for  
35 allocating state funds to school districts for the transportation of  
36 students to and from school. The phase-in shall (~~be according to the~~



1 ~~implementation schedule adopted by the legislature and shall))~~ begin no  
2 later than the ~~((2013-14 school year))~~ 2011-2013 biennium and be fully  
3 implemented by the 2013-2015 biennium.

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

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

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

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

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

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

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

36 NEW SECTION. **Sec. 9.** A new section is added to chapter 28A.160  
37 RCW to read as follows:

1 (1) The superintendent of public instruction shall develop,  
2 implement, and provide a copy of the rules specifying the student  
3 transportation reporting requirements to the legislature and school  
4 districts no later than December 1, 2010.

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

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

10 **Sec. 10.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to  
11 read as follows:

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

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

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

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

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

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

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

11 **Sec. 11.** RCW 28A.175.010 and 2005 c 207 s 3 are each amended to  
12 read as follows:

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

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

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

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

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

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

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

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

28 (2) Dropout rates of students in each of the grades seven through  
29 twelve.

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

32 (a) Ethnicity;

33 (b) Gender;

34 (c) Socioeconomic status; and

35 (d) Disability status.

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

1 (5) The superintendent of public instruction shall adopt rules  
2 under chapter 34.05 RCW to assure uniformity in the information  
3 districts are required to report under subsections (1) through (4) of  
4 this section. In developing rules, the superintendent of public  
5 instruction shall consult with school districts, including  
6 administrative and counseling personnel, with regard to the methods  
7 through which information is to be collected and reported.

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

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

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

24 NEW SECTION. Sec. 12. A new section is added to chapter 28A.300  
25 RCW to read as follows:

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

1           **Sec. 13.** RCW 28A.150.100 and 1990 c 33 s 103 are each amended to  
2 read as follows:

3           (1) For the purposes of this section and RCW 28A.150.410 and  
4 28A.400.200, "basic education certificated instructional staff"  
5 (~~shall~~) means all full-time equivalent classroom teachers, teacher  
6 librarians, guidance counselors, certificated student health services  
7 staff, and other certificated instructional staff in the following  
8 programs as defined for statewide school district accounting purposes:  
9 Basic education, secondary vocational education, general instructional  
10 support, and general supportive services.

11           (2) (~~In the 1988-89 school year and thereafter,~~) Each school  
12 district shall maintain a ratio of at least forty-six basic education  
13 certificated instructional staff to one thousand annual average full  
14 time equivalent students.

15           **Sec. 14.** 2009 c 548 s 710 (uncodified) is amended to read as  
16 follows:

17           (1) RCW 28A.150.030 (School day) and 1971 ex.s. c 161 s 1 & 1969  
18 ex.s. c 223 s 28A.01.010;

19           (2) RCW 28A.150.060 (Certificated employee) and 2005 c 497 s 212,  
20 1990 c 33 s 102, 1977 ex.s. c 359 s 17, 1975 1st ex.s. c 288 s 21, &  
21 1973 1st ex.s. c 105 s 1;

22           (3) (~~RCW 28A.150.100 (Basic education certificated instructional~~  
23 ~~staff Definition Ratio to students) and 1990 c 33 s 103 & 1987 1st~~  
24 ~~ex.s. c 2 s 203;~~

25           ~~(4))~~ RCW 28A.150.040 (School year--Beginning--End) and 1990 c 33  
26 s 101, 1982 c 158 s 5, 1977 ex.s. c 286 s 1, 1975-'76 2nd ex.s. c 118  
27 s 22, & 1969 ex.s. c 223 s 28A.01.020;

28           ~~((5))~~ (4) RCW 28A.150.370 (Additional programs for which  
29 legislative appropriations must or may be made) and 1995 c 335 s 102,  
30 1995 c 77 s 5, 1990 c 33 s 114, 1982 1st ex.s. c 24 s 1, & 1977 ex.s.  
31 c 359 s 7; and

32           ~~((6))~~ (5) RCW 28A.155.180 (Safety net funds--Application--  
33 Technical assistance--Annual survey) and 2007 c 400 s 8.

34           **Sec. 15.** RCW 28A.290.010 and 2009 c 548 s 114 are each amended to  
35 read as follows:

36           (1) The quality education council is created to recommend and

1 inform the ongoing implementation by the legislature of an evolving  
2 program of basic education and the financing necessary to support such  
3 program. The council shall develop strategic recommendations on the  
4 program of basic education for the common schools. The council shall  
5 take into consideration the capacity report produced under RCW  
6 28A.300.172 and the availability of data and progress of implementing  
7 the data systems required under RCW 28A.655.210. Any recommendations  
8 for modifications to the program of basic education shall be based on  
9 evidence that the programs effectively support student learning. The  
10 council shall update the statewide strategic recommendations every four  
11 years. The recommendations of the council are intended to:

12 (a) Inform future educational policy and funding decisions of the  
13 legislature and governor;

14 (b) Identify measurable goals and priorities for the educational  
15 system in Washington state for a ten-year time period, including the  
16 goals of basic education and ongoing strategies for coordinating  
17 statewide efforts to eliminate the achievement gap and reduce student  
18 dropout rates; and

19 (c) Enable the state of Washington to continue to implement an  
20 evolving program of basic education.

21 (2) The council may request updates and progress reports from the  
22 office of the superintendent of public instruction, the state board of  
23 education, the professional educator standards board, and the  
24 department of early learning on the work of the agencies as well as  
25 educational working groups established by the legislature.

26 (3) The chair of the council shall be selected from the  
27 councilmembers. The council shall be composed of the following  
28 members:

29 (a) Four members of the house of representatives, with two members  
30 representing each of the major caucuses and appointed by the speaker of  
31 the house of representatives;

32 (b) Four members of the senate, with two members representing each  
33 of the major caucuses and appointed by the president of the senate;  
34 (~~and~~)

35 (c) One representative each from the office of the governor, office  
36 of the superintendent of public instruction, state board of education,  
37 professional educator standards board, and department of early  
38 learning; and

1 (d) One nonlegislative representative from the achievement gap  
2 oversight and accountability committee established under RCW  
3 28A.300.136, to be selected by the members of the committee.

4 (4) In the 2009 fiscal year, the council shall meet as often as  
5 necessary as determined by the chair. In subsequent years, the council  
6 shall meet no more than four times a year.

7 (5)(a) The council shall submit an initial report to the governor  
8 and the legislature by January 1, 2010, detailing its recommendations,  
9 including recommendations for resolving issues or decisions requiring  
10 legislative action during the 2010 legislative session, and  
11 recommendations for any funding necessary to continue development and  
12 implementation of chapter 548, Laws of 2009.

13 (b) The initial report shall, at a minimum, include:

14 (i) Consideration of how to establish a statewide beginning teacher  
15 mentoring and support system;

16 (ii) Recommendations for a program of early learning for at-risk  
17 children;

18 (iii) A recommended schedule for the concurrent phase-in of the  
19 changes to the instructional program of basic education and the  
20 implementation of the funding formulas and allocations to support the  
21 new instructional program of basic education as established under  
22 chapter 548, Laws of 2009. The phase-in schedule shall have full  
23 implementation completed by September 1, 2018; and

24 (iv) A recommended schedule for phased-in implementation of the new  
25 distribution formula for allocating state funds to school districts for  
26 the transportation of students to and from school, with phase-in  
27 beginning no later than September 1, 2013.

28 (6) The council shall submit a report to the governor and the  
29 legislature by December 1, 2010, that includes:

30 (a) Recommendations for specific strategies, programs, and funding,  
31 including funding allocations through the funding distribution formula  
32 in RCW 28A.150.260, that are designed to close the achievement gap and  
33 increase the high school graduation rate in Washington public schools.  
34 The council shall consult with the achievement gap oversight and  
35 accountability committee and the building bridges work group in  
36 developing its recommendations; and

37 (b) Recommendations for assuring adequate levels of state-funded  
38 classified staff to support essential school and district services.

1        (7) The council shall be staffed by the office of the  
2 superintendent of public instruction and the office of financial  
3 management. Additional staff support shall be provided by the state  
4 entities with representatives on the committee. Senate committee  
5 services and the house of representatives office of program research  
6 may provide additional staff support.

7        ~~((7))~~ (8) Legislative members of the council shall serve without  
8 additional compensation but may be reimbursed for travel expenses in  
9 accordance with RCW 44.04.120 while attending sessions of the council  
10 or on official business authorized by the council. Nonlegislative  
11 members of the council may be reimbursed for travel expenses in  
12 accordance with RCW 43.03.050 and 43.03.060.

13        **Sec. 16.** 2009 c 548 s 805 (uncodified) is amended to read as  
14 follows:

15        Sections 304 through 311 of this act take effect September 1,  
16 ~~((2013))~~ 2011.

17        NEW SECTION. **Sec. 17.** 2009 c 548 s 112, as amended by section 5  
18 of this act, is codified as a section in chapter 28A.290 RCW.

19        NEW SECTION. **Sec. 18.** RCW 43.41.398 is recodified as a section in  
20 chapter 28A.400 RCW.

21        NEW SECTION. **Sec. 19.** Sections 2, 3, 4, 8, 10, 13, and 14 of this  
22 act take effect September 1, 2011.

23        NEW SECTION. **Sec. 20.** Section 6 of this act is necessary for the  
24 immediate preservation of the public peace, health, or safety, or  
25 support of the state government and its existing public institutions,  
26 and takes effect immediately."



**ADOPTED AS AMENDED 03/11/2010**

1        On page 1, line 2 of the title, after "education;" strike the  
2 remainder of the title and insert "amending RCW 28A.150.260,  
3 28A.150.390, 28A.150.315, 43.41.398, 28A.160.192, 28A.150.410,  
4 28A.175.010, 28A.150.100, and 28A.290.010; amending 2009 c 548 s 112  
5 (uncodified); amending 2009 c 548 s 302 (uncodified); amending 2009 c  
6 548 s 710 (uncodified); amending 2009 c 548 s 805 (uncodified); adding  
7 a new section to chapter 28A.160 RCW; adding a new section to chapter  
8 28A.300 RCW; adding a new section to chapter 28A.290 RCW; adding a new  
9 section to chapter 28A.400 RCW; creating a new section; recodifying RCW  
10 43.41.398; providing effective dates; and declaring an emergency."

**--- END ---**