

E2SSB 6362 - H COMM AMD
By Committee on Appropriations

NOT ADOPTED 03/08/2018

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

3 "PART I: PROGRAM FUNDING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Laboratory science average class size
25 Grades 9-12.	19.98

26 (b)(i) Beginning September 1, (~~2018~~) 2019, funding for average
27 K-3 class sizes in this subsection (4) may be provided only to the
28 extent of, and proportionate to, the school district's demonstrated
29 actual class size in grades K-3, up to the funded class sizes.

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

32 (c)(i) The minimum allocation for each prototypical middle and
33 high school shall also provide for full-time equivalent classroom
34

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29			Per annual average	
30			full-time equivalent student	
31			in grades K-12	
32	Technology.			\$130.76
33	Utilities and insurance.			\$355.30
34	Curriculum and textbooks.			\$140.39
35	Other supplies ((and library materials)).		((\$298.05))	<u>\$278.05</u>
36	<u>Library materials.</u>			<u>\$20.00</u>

37 Instructional professional development for certificated and

1	classified staff.	\$21.71
2	Facilities maintenance.	\$176.01
3	Security and central office administration.	\$121.94

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

	Per annual average full-time equivalent student in grades 9-12
10	
11	
12	
13	Technology. \$36.35
14	Curriculum and textbooks. \$39.02
15	Other supplies ((and library materials)). ((\$82.84)) <u>\$77.28</u>
16	<u>Library materials. \$5.56</u>
17	Instructional professional development for certificated and
18	classified staff. \$6.04

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

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

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

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

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

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

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

34 (ii) To provide supplemental instruction and services for
35 students who have exited the transitional bilingual program,
36 allocations shall be based on the head count number of students in
37 each school who have exited the transitional bilingual program within
38 the previous two years based on their performance on the English
39 proficiency assessment and are eligible for and enrolled in the
40 transitional bilingual instruction program under RCW

1 28A.180.040(1)(g). The minimum allocation for each prototypical
2 school shall provide resources to provide, on a statewide average,
3 3.0 hours per week in extra instruction with fifteen exited students
4 per teacher.

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

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

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

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

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

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

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

1 school district. The definition of full-time equivalent student shall
2 be determined by rules of the superintendent of public instruction
3 and shall be included as part of the superintendent's biennial budget
4 request. The definition shall be based on the minimum instructional
5 hour offerings required under RCW 28A.150.220. Any revision of the
6 present definition shall not take effect until approved by the house
7 ways and means committee and the senate ways and means committee.

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

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

13 (1) The superintendent of public instruction shall submit to each
14 regular session of the legislature during an odd-numbered year a
15 programmed budget request for special education programs for students
16 with disabilities. Funding for programs operated by local school
17 districts shall be on an excess cost basis from appropriations
18 provided by the legislature for special education programs for
19 students with disabilities and shall take account of state funds
20 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
21 28A.150.415.

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

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

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

33 (3) As used in this section:

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

38 (b) "Basic education enrollment" means enrollment of resident
39 students including nonresident students enrolled under RCW

1 28A.225.225 and students from nonhigh districts enrolled under RCW
2 28A.225.210 and excluding students residing in another district
3 enrolled as part of an interdistrict cooperative program under RCW
4 28A.225.250.

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

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

13 NEW SECTION. **Sec. 103.** A new section is added to chapter
14 28A.160 RCW to read as follows:

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

18 (2) As part of the award process for the grants, the
19 superintendent of public instruction must include a review of the
20 school district's efficiency rating, key performance indicators, and
21 local school district characteristics such as unique geographic
22 constraints, low enrollment, geographic density of students, the
23 percentage of students served under the McKinney-Vento homeless
24 assistance act from outside the district, or whether the district is
25 a nonhigh district.

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

28 (1) The funds for the learning assistance program shall be
29 appropriated in accordance with RCW 28A.150.260 and the omnibus
30 appropriations act. The distribution formula is for school district
31 allocation purposes only, except as provided in RCW
32 28A.150.260(10)(a)(ii), but all funds appropriated for the learning
33 assistance program must be expended for the purposes of RCW
34 28A.165.005 through 28A.165.065.

35 (2) A district's high poverty-based allocation is generated by
36 its qualifying schools ~~((buildings))~~ as defined in RCW
37 28A.150.260(10) and must be expended by the district for those
38 ~~((buildings))~~ schools. This funding must supplement and not supplant

1 the district's expenditures under this chapter for those schools
2 ((buildings)).

3 NEW SECTION. **Sec. 105.** A new section is added to chapter
4 28A.300 RCW to read as follows:

5 (1) The superintendent of public instruction must require school
6 districts to have identification procedures for their highly capable
7 programs that are clearly stated and implemented by school districts
8 using the following criteria:

9 (a) Districts must use multiple objective criteria to identify
10 students who are among the most highly capable. Multiple pathways for
11 qualifications must be available and no single criterion may
12 disqualify a student from identification;

13 (b) Highly capable selection decisions must be based on
14 consideration of criteria benchmarked on local norms, but local norms
15 may not be used as a more restrictive criteria than national norms at
16 the same percentile;

17 (c) Subjective measures such as teacher recommendations or report
18 card grades may not be used to screen out a student from assessment.
19 These data points may be used alongside other criteria during
20 selection to support identification, but may not be used to
21 disqualify a student from being identified; and

22 (d) To the extent practicable, screening and assessments must be
23 given in the native language of the student. If native language
24 screening and assessments are not available, a nonverbal screening
25 and assessment must be used.

26 (2) The superintendent of public instruction must disseminate
27 guidance on referral, screening, assessment, selection, and placement
28 best practices for highly capable programs. The guidance must be
29 regularly updated and aligned with evidence-based practices.

30 **Sec. 106.** RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each
31 amended to read as follows:

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

36 (b) If the federal safety net awards based on the federal
37 eligibility threshold exceed the federal appropriation in any fiscal

1 year, then the superintendent shall expend all available federal
2 discretionary funds necessary to meet this need.

3 (2) Safety net funds shall be awarded by the state safety net
4 oversight committee subject to the following conditions and
5 limitations:

6 (a) The committee shall award additional funds for districts that
7 can convincingly demonstrate that all legitimate expenditures for
8 special education exceed all available revenues from state funding
9 formulas.

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

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

15 (d) In the determination of need, the committee shall require
16 that districts demonstrate that they are maximizing their eligibility
17 for all state revenues related to services for special education-
18 eligible students and all federal revenues from federal impact aid,
19 medicaid, and the individuals with disabilities education act-Part B
20 and appropriate special projects. Awards associated with (e) and (f)
21 of this subsection shall not exceed the total of a district's
22 specific determination of need.

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

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

35 (g) The committee shall then consider the extraordinary high cost
36 needs of one or more individual special education students served in
37 residential schools as defined in RCW 28A.190.020, programs for
38 juveniles under the department of corrections, and programs for
39 juveniles operated by city and county jails to the extent they are

1 providing a program of education for students enrolled in special
2 education.

3 (h) The maximum allowable indirect cost for calculating safety
4 net eligibility may not exceed the federal restricted indirect cost
5 rate for the district plus one percent.

6 ~~((+h))~~ (i) Safety net awards shall be adjusted based on the
7 percent of potential medicaid eligible students billed as calculated
8 by the superintendent of public instruction in accordance with
9 chapter 318, Laws of 1999.

10 ~~((+i))~~ (j) Safety net awards must be adjusted for any audit
11 findings or exceptions related to special education funding.

12 (3) The superintendent of public instruction shall adopt such
13 rules and procedures as are necessary to administer the special
14 education funding and safety net award process. By September 1, 2019,
15 the superintendent shall review and revise the rules to achieve full
16 and complete implementation of the requirements of this subsection
17 and subsection (4) of this section. Before revising any standards,
18 procedures, or rules, the superintendent shall consult with the
19 office of financial management and the fiscal committees of the
20 legislature. In adopting and revising the rules, the superintendent
21 shall ensure the application process to access safety net funding is
22 streamlined, timelines for submission are not in conflict, feedback
23 to school districts is timely and provides sufficient information to
24 allow school districts to understand how to correct any deficiencies
25 in a safety net application, and that there is consistency between
26 awards approved by school district and by application period. The
27 office of the superintendent of public instruction shall also provide
28 technical assistance to school districts in preparing and submitting
29 special education safety net applications.

30 (4) On an annual basis, the superintendent shall survey districts
31 regarding their satisfaction with the safety net process and consider
32 feedback from districts to improve the safety net process. Each year
33 by December 1st, the superintendent shall prepare and submit a report
34 to the office of financial management and the appropriate policy and
35 fiscal committees of the legislature that summarizes the survey
36 results and those changes made to the safety net process as a result
37 of the school district feedback.

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

1 (a) One staff member from the office of the superintendent of
2 public instruction;

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

5 (c) One or more representatives from school districts or
6 educational service districts knowledgeable of special education
7 programs and funding.

8 **PART II: COMPENSATION**

9 NEW SECTION. **Sec. 201.** The legislature recognizes that
10 Initiative Measure No. 1433 was approved by the voters of the state
11 of Washington in 2016 requiring employers to provide paid sick leave
12 to each of its employees. The legislature acknowledges that the
13 enactment of this initiative contributes to the costs of operations
14 of the state's public schools and intends to provide funding in the
15 omnibus appropriations act to support school districts with these
16 additional costs.

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

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

28 (2) Through the 2017-18 school year, salary allocations for
29 state-funded basic education certificated instructional staff shall
30 be calculated by the superintendent of public instruction by
31 determining the district's average salary for certificated
32 instructional staff, using the statewide salary allocation schedule
33 and related documents, conditions, and limitations established by the
34 omnibus appropriations act.

35 (3) Through the 2017-18 school year, no more than ninety college
36 quarter-hour credits received by any employee after the baccalaureate
37 degree may be used to determine compensation allocations under the

1 state salary allocation schedule and LEAP documents referenced in the
2 omnibus appropriations act, or any replacement schedules and
3 documents, unless:

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

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

7 (4) Beginning in the 2007-08 school year and through the 2017-18
8 school year, the calculation of years of service for occupational
9 therapists, physical therapists, speech-language pathologists,
10 audiologists, nurses, social workers, counselors, and psychologists
11 regulated under Title 18 RCW may include experience in schools and
12 other nonschool positions as occupational therapists, physical
13 therapists, speech-language pathologists, audiologists, nurses,
14 social workers, counselors, or psychologists. The calculation shall
15 be that one year of service in a nonschool position counts as one
16 year of service for purposes of this chapter, up to a limit of two
17 years of nonschool service. Nonschool years of service included in
18 calculations under this subsection shall not be applied to service
19 credit totals for purposes of any retirement benefit under chapter
20 41.32, 41.35, or 41.40 RCW, or any other state retirement system
21 benefits.

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

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

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

39 ~~((To implement the new minimum salary allocations in~~
40 ~~subsections (5) through (7) of this section, the legislature must~~

1 ~~fund fifty percent of the increased salary allocation in the 2018-19~~
2 ~~school year and the entire increased salary allocation in the 2019-20~~
3 ~~school year.)~~) For school year 2018-19, a district's minimum state
4 allocation for salaries is the greater of the district's 2017-18
5 state salary allocation, adjusted for inflation, or the district's
6 allocation based on the state salary level specified in subsections
7 (5) through (7) of this section, and as further specified in the
8 omnibus appropriations act.

9 (9) Beginning with the 2018-19 school year, state allocations for
10 salaries for certificated instructional staff, certificated
11 administrative staff, and classified staff must be adjusted for
12 regional differences in the cost of hiring staff. Adjustments for
13 regional differences must be specified in the omnibus appropriations
14 act for each school year through at least school year 2022-23. For
15 school years 2018-19 through school year 2022-23, the school district
16 regionalization factors are based on the median single-family
17 residential value of each school district and proximate school
18 district median single-family residential value as described in RCW
19 28A.150.412.

20 (10) Beginning with the 2023-24 school year and every six years
21 thereafter, the minimum state salary allocations and school district
22 regionalization factors for certificated instructional staff,
23 certificated (~~administration—[administrative]~~) administrative
24 staff, and classified staff must be reviewed and rebased, as provided
25 under RCW 28A.150.412, to ensure that state salary allocations
26 continue to align with staffing costs for the state's program of
27 basic education.

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

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

33 (1) Beginning with the 2023 regular legislative session, and
34 every six years thereafter, the legislature shall review and rebase
35 state basic education compensation allocations compared to school
36 district compensation data, regionalization factors, what
37 inflationary measure is the most representative of actual market
38 experience for school districts, and other economic information. The
39 legislature shall revise the minimum allocations (~~and~~),

1 regionalization factors, and inflationary measure if necessary to
2 ensure that state basic education allocations continue to provide
3 market-rate salaries and that regionalization adjustments reflect
4 actual economic differences between school districts.

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

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

10 (ii) For school districts in tercile 2, state salary allocations
11 for school district employees are regionalized by twelve percent; and

12 (iii) For school districts in tercile 3, state salary allocations
13 for school district employees are regionalized by eighteen percent.

14 (b) In addition to the regionalization factors specified in (a)
15 of this subsection, school districts located west of the crest of the
16 Cascade mountains and sharing a boundary with any school district
17 with a regionalization factor more than one tercile higher, are
18 regionalized by six additional percentage points.

19 (c) In addition to the regionalization factors specified in this
20 subsection, for school districts that have certificated instructional
21 staff median years of experience that exceed the statewide average
22 certificated instructional staff years of experience and a ratio of
23 certificated instructional staff advanced degrees to bachelor degrees
24 above the statewide ratio, an experience factor of four percentage
25 points is added to the regionalization factor.

26 (d) Additional school district adjustments are identified in the
27 omnibus appropriations act, and these adjustments are partially
28 reduced or eliminated by the 2022-23 school year as follows:

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

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

37 (3) To aid the legislature in reviewing and rebasing
38 regionalization factors, the department of revenue shall, by November
39 1, 2022, and by November 1st every six years thereafter, determine
40 the median single-family residential value of each school district as

1 well as the median value of proximate districts within fifteen miles
2 of the boundary of the school district for which the median
3 residential value is being calculated.

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

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

10 (a) "Median residential value of each school district" means the
11 median value of all single-family residential parcels included within
12 a school district and any other school district that is proximate to
13 the school district.

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

17 (c) "School district employees" means state-funded certificated
18 instructional staff, certificated administrative staff, and
19 classified staff.

20 (d) "School districts in tercile 1" means school districts with
21 median single-family residential values in the first tercile of
22 districts with single-family residential values above the statewide
23 median residential value.

24 (e) "School districts in tercile 2" means school districts with
25 median single-family residential values in the second tercile of
26 districts with single-family residential values above the statewide
27 median residential value.

28 (f) "School districts in tercile 3" means school districts with
29 median single-family residential values in the third tercile of
30 districts with single-family residential values above the statewide
31 median residential value.

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

35 **Sec. 204.** RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each
36 amended to read as follows:

37 (1) A school district may not (~~provide any~~) increase average
38 total school district expenditures for certificated administrative
39 staff (~~with a percentage increase to total salary~~) for the 2018-19

1 school year(~~(, including supplemental contracts, that exceeds the~~
2 ~~previous calendar year's annual average consumer price index, using~~
3 ~~the official current base compiled by the bureau of labor statistics,~~
4 ~~United States department of labor, for the city of Seattle. However,~~
5 ~~if a district's average certificated administrative staff salary is~~
6 ~~less than the average certificated administrative salary allocated by~~
7 ~~the state for that year, the district may increase salaries not to~~
8 ~~exceed the point where the district's average certificated~~
9 ~~administrative staff salary equals the average certificated~~
10 ~~administrative staff salary allocated by the state)) in excess of the
11 following:~~

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

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

20 (c) School districts with an average total certificated
21 administrative staff salary less than the statewide average
22 certificated administrative staff salary allocation used to
23 distribute funds for basic education as estimated by the office of
24 the superintendent of public instruction for the 2018-19 school year
25 may provide salary increases up to the statewide average allocation.

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

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

30 **Sec. 205.** RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each
31 amended to read as follows:

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

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

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

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

6 (i) Salaries for full-time certificated instructional staff must
7 not be less than forty thousand dollars, to be adjusted for regional
8 differences in the cost of hiring staff as specified in RCW
9 28A.150.410, and to be adjusted annually by the same inflationary
10 measure as provided in RCW 28A.400.205;

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

14 (iii) A district may not pay full-time certificated instructional
15 staff a salary that exceeds ninety thousand dollars, subject to
16 adjustment for regional differences in the cost of hiring staff as
17 specified in RCW 28A.150.410. This maximum salary is adjusted
18 annually by the inflationary measure in RCW 28A.400.205;

19 (iv) These minimum and maximum salaries apply to the services
20 provided as part of the state's statutory program of basic education
21 and exclude supplemental contracts for additional time,
22 responsibility, or incentive pursuant to this section or for
23 enrichment pursuant to RCW 28A.150.276;

24 (v) A district may pay a salary that exceeds this maximum salary
25 by up to ten percent for full-time certificated instructional staff:
26 Who are educational staff associates; who teach in the subjects of
27 science, technology, engineering, or math; or who teach in the
28 transitional bilingual instruction or special education programs.

29 (3)(a)(i) Through the 2017-18 school year the actual average
30 salary paid to certificated instructional staff shall not exceed the
31 district's average certificated instructional staff salary used for
32 the state basic education allocations for that school year as
33 determined pursuant to RCW 28A.150.410.

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

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

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

19 (c) Salary and benefits for certificated instructional staff in
20 programs other than basic education shall be consistent with the
21 salary and benefits paid to certificated instructional staff in the
22 basic education program.

23 (4)(a) Salaries and benefits for certificated instructional staff
24 may exceed the limitations in subsection (3) of this section only by
25 separate contract for additional time, for additional
26 responsibilities, or for incentives. Supplemental contracts shall not
27 cause the state to incur any present or future funding obligation.
28 Supplemental contracts must be accounted for by a school district
29 when the district is developing its four-year budget plan under RCW
30 28A.505.040.

31 (b) Supplemental contracts shall be subject to the collective
32 bargaining provisions of chapter 41.59 RCW and the provisions of RCW
33 28A.405.240, shall not exceed one year, and if not renewed shall not
34 constitute adverse change in accordance with RCW 28A.405.300 through
35 28A.405.380. No district may enter into a supplemental contract under
36 this subsection for the provision of services which are a part of the
37 basic education program required by Article IX, section 1 of the
38 state Constitution and RCW 28A.150.220. Beginning September 1, 2019,
39 supplemental contracts for certificated instructional staff are
40 subject to the following additional restrictions: School districts

1 may enter into supplemental contracts only for enrichment activities
2 as defined in and subject to the limitations of RCW 28A.150.276. The
3 rate the district pays under a supplemental contract may not exceed
4 the hourly rate provided to that same instructional staff for
5 services under the basic education salary identified pursuant to
6 subsection (3)(a)(iii) of this section.

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

9 **Sec. 206.** RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each
10 amended to read as follows:

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

13 (a) The inflationary increase shall be calculated by applying the
14 rate of the yearly increase in the inflationary adjustment index to
15 any state-funded salary base used in state funding formulas for
16 teachers and other school district employees. Beginning with the
17 (~~(2020-21)~~) 2019-20 school year, each school district shall be
18 provided an inflationary adjustment allocation sufficient to grant
19 this inflationary increase.

20 (b) A school district shall distribute its inflationary
21 adjustment allocation for salaries and salary-related benefits in
22 accordance with the district's collective bargaining agreements and
23 compensation policies. No later than the end of the school year, each
24 school district shall certify to the superintendent of public
25 instruction that it has spent funds provided for inflationary
26 increases on salaries and salary-related benefits.

27 (c) Any funded inflationary increase shall be included in the
28 salary base used to determine inflationary increases for school
29 employees in subsequent years. For teachers and other certificated
30 instructional staff, the rate of the annual inflationary increase
31 funded for certificated instructional staff shall be applied to the
32 base salary used with the statewide salary allocation methodology
33 established under RCW 28A.150.410 and to any other salary allocation
34 methodologies used to recognize school district personnel costs.

35 (2) For the purposes of this section, "inflationary adjustment
36 index" means, for any school year, the implicit price deflator for
37 that fiscal year, using the official current base, compiled by the
38 bureau of (~~labor statistics, United States department of labor for~~

1 ~~the state of Washington)) economic analysis, United States department~~
2 ~~of commerce.~~

3 **Sec. 207.** RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each
4 amended to read as follows:

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

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

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

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

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

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

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

1 **Sec. 208.** RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each
2 amended to read as follows:

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

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

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

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

28 (d) Salary changes to provide professional learning under RCW
29 28A.415.430;

30 (e) Increases related to bonuses for attaining certification from
31 the national board for professional teaching standards;

32 (f) School districts with an average total certificated
33 instructional staff salary less than the statewide average
34 certificated instructional staff salary allocation used to distribute
35 funds for basic education as estimated by the office of the
36 superintendent of public instruction for the 2018-19 school year may
37 provide salary increases up to the statewide average allocation; or

38 (g) Salaries for new certificated instructional staff hired in
39 the 2018-19 school year.

1 (i) Extracurricular activities, extended school days, or an
2 extended school year;

3 (ii) Additional course offerings beyond the minimum instructional
4 program established in the state's statutory program of basic
5 education;

6 (iii) Activities associated with early learning programs;

7 (iv) Any additional salary costs attributable to the provision or
8 administration of the enrichment activities allowed under this
9 subsection; and

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

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

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

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

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

29 **Sec. 302.** RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each
30 amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (5) For districts in a high/nonhigh relationship, the enrollments
36 of the nonhigh students attending the high school shall only be
37 counted by the nonhigh school districts for purposes of funding under
38 this section.

39 (6) For school districts participating in an innovation academy
40 cooperative established under RCW 28A.340.080, enrollments of

1 students attending the academy shall be adjusted so that each
2 participant district receives its proportional share of student
3 enrollments for purposes of funding under this section.

4 **Sec. 303.** RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each
5 amended to read as follows:

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

23 (2)(a) Except as provided in (b) of this subsection, after a
24 school district has received voter approval for a levy for an
25 enrichment levy under RCW 84.52.053, a school district may change its
26 spending plan for the voter-approved levy by submitting a revised
27 spending plan to the office of the superintendent of public
28 instruction for review and approval. To revise a previously approved
29 spending plan, the district must provide notice and an opportunity
30 for review and comment at an open meeting of the school board, and
31 the board must adopt the revised spending plan by resolution. The
32 board must then submit the plan to the office of the superintendent
33 of public instruction. Within thirty days after receiving the revised
34 spending plan the office must notify the school district whether the
35 revised spending plan is approved. The office of the superintendent
36 of public instruction may approve a revised spending plan only if it
37 determines that the enrichment levy and other local revenues as
38 defined in RCW 28A.150.276(1) will be used solely for permitted
39 enrichment activities as provided in RCW 28A.150.276(2).

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

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

10 NEW SECTION. **Sec. 304.** A new section is added to chapter 84.52
11 RCW to read as follows:

12 For districts in a high/nonhigh relationship, if the high school
13 district is subject to the maximum per pupil limit under RCW
14 84.52.0531, the high school district's maximum levy amount must be
15 reduced by an amount equal to the estimated amount of the nonhigh
16 payment due to the high school district under RCW 28A.545.030(3) and
17 28A.545.050 for the school year commencing the year of the levy.

18 **Sec. 305.** RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each
19 amended to read as follows:

20 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
21 and 84.52.043 shall not prevent the levy of taxes by school
22 districts, when authorized so to do by the voters of such school
23 district in the manner and for the purposes and number of years
24 allowable under Article VII, section 2(a) and Article IX, section 1
25 of the Constitution of this state. Elections for such taxes shall be
26 held in the year in which the levy is made or, in the case of
27 propositions authorizing two-year through four-year levies for
28 enrichment funding for a school district, authorizing two-year levies
29 for transportation vehicle funds established in RCW 28A.160.130
30 (~~through calendar year 2019, authorizing two-year levies for~~
31 ~~transportation vehicle enrichment beginning with calendar year~~
32 ~~2020,~~) or authorizing two-year through six-year levies to support
33 the construction, modernization, or remodeling of school facilities,
34 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
35 year in which the first annual levy is made.

36 (2)(a) Once additional tax levies have been authorized for
37 enrichment funding for a school district for a two-year through four-
38 year period as provided under subsection (1) of this section, no

1 further additional tax levies for enrichment funding for the district
2 for that period may be authorized, except for additional levies to
3 provide for subsequently enacted increases affecting the district's
4 maximum levy.

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

11 (i) An election for a proposition authorizing two-year through
12 four-year levies for enrichment funding for a school district may be
13 called and held before the effective date of dissolution to replace
14 existing enrichment levies and to provide for increases due to the
15 dissolution.

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

19 (iii) In the event a replacement levy election under (b)(i) of
20 this subsection is held but does not pass, the affected school
21 district may subsequently hold a supplemental levy election pursuant
22 to (b)(ii) of this subsection if the supplemental levy election is
23 held before the effective date of dissolution. In the event a
24 supplemental levy election is held under (b)(ii) of this subsection
25 but does not pass, the affected school district may subsequently hold
26 a replacement levy election pursuant to (b)(i) of this subsection if
27 the replacement levy election is held before the effective date of
28 dissolution. Failure of a replacement levy or supplemental levy
29 election does not affect any previously approved and existing
30 enrichment levy within the affected school district or districts.

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

35 (3) A special election may be called and the time therefor fixed
36 by the board of school directors, by giving notice thereof by
37 publication in the manner provided by law for giving notices of
38 general elections, at which special election the proposition
39 authorizing such excess levy shall be submitted in such form as to

1 enable the voters favoring the proposition to vote "yes" and those
2 opposed thereto to vote "no."

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

7 (b) Beginning with propositions for enrichment levies (~~(and~~
8 ~~transportation—vehicle—enrichment—levies))~~) for collection in calendar
9 year 2020 and thereafter, a district must receive approval of an
10 enrichment levy expenditure plan from the superintendent of public
11 instruction under RCW 28A.505.240 before submission of the
12 proposition to the voters.

13 **Sec. 306.** RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each
14 amended to read as follows:

15 (1)(a) Beginning with taxes levied for collection in 2019, the
16 maximum dollar amount which may be levied by or for any school
17 district for enrichment levies under RCW 84.52.053 is equal to the
18 lesser of one dollar and fifty cents per thousand dollars of the
19 assessed value of property in the school district or the maximum per-
20 pupil limit, except as provided in (b) of this subsection.

21 (b) A school district may levy a maximum dollar amount equal to
22 the greater of the maximum per-pupil limit or one dollar fifty cents
23 per thousand dollars of the assessed value of property in the school
24 district, if the sum of the school district's enrichment levy under
25 (a) of this subsection and local effort assistance under RCW
26 28A.500.015 is less than half of the sum of the maintenance and
27 operations levy and local effort assistance provided under law as it
28 existed on January 1, 2017. For purposes of the calculation in this
29 subsection (1)(b), the maintenance of operations levy is limited to
30 the lesser of the voter-approved levy as of January 1, 2017, or the
31 maximum levy under law as of January 1, 2017.

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

34 (a) For the purpose of this section, "inflation" means
35 ((inflation as defined in RCW 84.55.005)), for any school year, the
36 rate of the yearly increase of the previous calendar year's annual
37 average consumer price index for all urban consumers, Seattle area,
38 using the official current base compiled by the bureau of labor
39 statistics, United States department of labor.

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

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

9 (3) For districts in a high/nonhigh relationship, the enrollments
10 of the nonhigh students attending the high school shall only be
11 counted by the nonhigh school districts for purposes of funding under
12 this section.

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

18 (5) Beginning with propositions for enrichment levies for
19 collection in calendar year 2020 and thereafter, a district must
20 receive approval of an enrichment levy expenditure plan under RCW
21 28A.505.240 before submission of the proposition to the voters.

22 ~~((+4))~~ (6) The superintendent of public instruction shall
23 develop rules and regulations and inform school districts of the
24 pertinent data necessary to carry out the provisions of this section.

25 ~~((+5))~~ (7) Beginning with taxes levied for collection in
26 ~~((2020))~~ 2018, enrichment levy revenues must be deposited in a
27 separate subfund of the school district's general fund pursuant to
28 RCW 28A.320.330, and are subject to the restrictions of RCW
29 28A.150.276 and the audit requirements of RCW 43.09.2856.

30 ~~((+6))~~ (8) Funds collected from ~~((transportation—vehicle~~
31 ~~enrichment levies shall not be subject to the levy limitations in))~~
32 levies for transportation vehicles, construction, modernization, or
33 remodeling of school facilities as established in RCW 84.52.053 are
34 not subject to the levy limitations in subsections (1) through (5) of
35 this section.

36 **Sec. 307.** RCW 84.52.054 and 2007 c 54 s 27 are each amended to
37 read as follows:

38 (1) The additional tax provided for in Article VII, section 2 of
39 the state Constitution, and specifically authorized by RCW 84.52.052,

1 84.52.053, 84.52.0531, and 84.52.130, shall be set forth in terms of
2 dollars on the ballot of the proposition to be submitted to the
3 voters except as provided in subsection (2) of this section, together
4 with an estimate of the dollar rate of tax levy that will be required
5 to produce the dollar amount; and the county assessor, in spreading
6 this tax upon the rolls, shall determine the eventual dollar rate
7 required to produce the amount of dollars so voted upon, regardless
8 of the estimate of dollar rate of tax levy carried in said
9 proposition. In the case of a school district or fire protection
10 district proposition for a particular period, the dollar amount and
11 the corresponding estimate of the dollar rate of tax levy shall be
12 set forth for each of the years in that period. The dollar amount for
13 each annual levy in the particular period may be equal or in
14 different amounts.

15 (2) For school districts levying the maximum enrichment funding
16 levy rate of one dollar and fifty cents as authorized by RCW
17 84.52.053 and 84.52.0531, the additional tax shall be set forth in
18 terms of the dollar rate of tax levy on the ballot of the proposition
19 to be submitted to the voters.

20 **PART IV: OTHER POLICIES**

21 NEW SECTION. **Sec. 401.** (1) For the 2018-19 and 2019-20 school
22 years, the office of the superintendent of public instruction shall
23 allocate a hold-harmless payment to school districts if the sum of
24 (b) of this subsection is greater than the sum of (a) of this
25 subsection for either of the respective school years.

26 (a) The current school year is calculated as the sum of (a)(i)
27 through (iii) of this subsection using the enrollments and values in
28 effect for that school year for the school district's:

29 (i) Formula-driven state allocations in part V of the state
30 omnibus appropriations act for these programs: General apportionment,
31 employee compensation adjustments, pupil transportation, special
32 education programs, institutional education programs, transitional
33 bilingual programs, highly capable, and learning assistance programs;

34 (ii) Local effort assistance funding received under chapter
35 28A.500 RCW; and

36 (iii) The lesser of the school district's voter-approved
37 enrichment levy collection or the maximum levy authority provided
38 under RCW 84.52.0531 for the previous calendar year.

1 (b) The baseline school year is calculated as the sum of (b)(i)
2 through (iii) of this subsection using the current school year
3 enrollments and the values in effect during the 2017-18 school year
4 for the school district's:

5 (i) Formula-driven state allocations in part V of the state
6 omnibus appropriations act for these programs: General apportionment,
7 employee compensation adjustments, pupil transportation, special
8 education programs, institutional education programs, transitional
9 bilingual programs, highly capable, and learning assistance programs;

10 (ii) Local effort assistance funding received under chapter
11 28A.500 RCW; and

12 (iii) Maintenance and operation levy collection under RCW
13 84.52.0531 in the 2017 calendar year.

14 (2) Districts eligible for hold-harmless payments under
15 subsection (1) of this section shall receive the difference between
16 subsection (1)(b) and (a) of this section through the apportionment
17 payment process in RCW 28A.510.250.

18 (3) The voters of the school district must approve an enrichment
19 levy under RCW 84.52.0531 to be eligible for a hold-harmless payment
20 under this section.

21 (4) This section expires December 31, 2020.

22 **Sec. 402.** RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each
23 amended to read as follows:

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

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

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

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

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

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

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

14 ((+3)) (4) The professional learning days must meet the
15 definitions and standards provided in RCW 28A.415.430, 28A.415.432,
16 and 28A.415.434.

17 (5) As the legislature phases in the funding for professional
18 learning days under this section, the number of late start or early
19 release of students resulting in partial days of instruction shall be
20 phased down in the following manner:

21 (a) In the school years when one professional learning day is
22 funded, each school district shall limit the number of partial days
23 of instruction to no more than thirteen during the school years.

24 (b) In the school years when two professional learning days are
25 funded, each school district shall limit the number of partial days
26 of instruction to no more than ten during the school years.

27 (c) In the school years when three professional learning days are
28 funded, each school district shall limit the number of partial days
29 of instruction to no more than seven during the school years.

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

34 **Sec. 403.** RCW 28A.710.280 and 2016 c 241 s 128 are each amended
35 to read as follows:

36 (1) The legislature intends that state funding for charter
37 schools be distributed equitably with state funding provided for
38 other public schools.

1 (2) For eligible students enrolled in a charter school
2 established and operating in accordance with this chapter, the
3 superintendent of public instruction shall transmit to each charter
4 school an amount calculated as provided in this section and based on
5 the statewide average (~~(staff mix factor)~~) salaries set forth in RCW
6 28A.150.410 for certificated instructional staff adjusted by the
7 regionalization factor that applies to the school district in which
8 the charter school is geographically located, including any
9 enrichment to those statutory formulae that is specified in the
10 omnibus appropriations act. The amount must be the sum of (a) and (b)
11 of this subsection(~~(, as applicable)~~).

12 (a) The superintendent shall, for purposes of making
13 distributions under this section, separately calculate and distribute
14 to charter schools moneys appropriated for general apportionment
15 under the same ratios as in RCW 28A.150.260.

16 (b) The superintendent also shall, for purposes of making
17 distributions under this section, and in accordance with the
18 applicable formulae for categorical programs specified in (b)(i)
19 through (v) of this subsection (2) and any enrichment to those
20 statutory formulae that is specified in the omnibus appropriations
21 act, separately calculate and distribute moneys appropriated by the
22 legislature to charter schools for:

23 (i) Supplemental instruction and services for underachieving
24 students through the learning assistance program under RCW
25 28A.165.005 through 28A.165.065;

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

30 (iii) The opportunity for an appropriate education at public
31 expense as defined by RCW 28A.155.020 for all eligible students with
32 disabilities as defined in RCW 28A.155.020;

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

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

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

4 **Sec. 404.** RCW 28A.715.040 and 2013 c 242 s 5 are each amended to
5 read as follows:

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

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

35 (3) Any moneys received by a school that is the subject of a
36 state-tribal education compact from any source that remain in the
37 school's accounts at the end of any budget year must remain in the
38 school's accounts for use by the school during subsequent budget
39 years.

1 **Sec. 405.** RCW 72.40.028 and 2009 c 381 s 7 are each amended to
2 read as follows:

3 All teachers employed by the Washington state center for
4 childhood deafness and hearing loss and the state school for the
5 blind shall meet all certification requirements and the programs
6 shall meet all accreditation requirements and conform to the
7 standards defined by law or by rule of the Washington professional
8 educator standards board or the office of the state superintendent of
9 public instruction. The superintendent and the director, by rule, may
10 adopt additional educational standards for their respective
11 facilities. Salaries of all certificated employees shall be (~~set se~~
12 ~~as to conform to and be contemporary with salaries paid to other~~
13 ~~certificated employees of similar background and experience in~~)
14 based on the statewide average salary set forth in RCW 28A.150.410,
15 adjusted by the regionalization factor that applies to the school
16 district in which the program or facility is located. The
17 superintendent and the director may provide for provisional
18 certification for teachers in their respective facilities including
19 certification for emergency, temporary, substitute, or provisional
20 duty.

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

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

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

38 (3) The use of the state allocation provided for professional
39 learning under RCW 28A.150.415 must be audited as part of the regular

1 financial audits of school districts by the state auditor's office to
2 ensure compliance with the limitations and conditions of RCW
3 28A.150.415.

4 **Sec. 407.** RCW 28A.510.250 and 2017 3rd sp.s. c 13 s 1004 are
5 each amended to read as follows:

6 (1) On or before the last business day of September 1969 and each
7 month thereafter, the superintendent of public instruction shall
8 apportion from the state general fund to the several educational
9 service districts of the state the proportional share of the total
10 annual amount due and apportionable to such educational service
11 districts for the school districts thereof as follows:

12	September	9%
13	October	8%
14	November	5%
15	December	9%
16	January	8.5%
17	February	((9%))
18		<u>8%</u>
19	March	((9%))
20		<u>8%</u>
21	April	((9%))
22		<u>8.5%</u>
23	May	5%
24	June	6.0%
25	July	12.5%
26	August	((10.0%))
27		<u>12.5%</u>

28 The annual amount due and apportionable shall be the amount
29 apportionable for all apportionment credits estimated to accrue to
30 the schools during the apportionment year beginning September 1st and
31 continuing through August 31st. Appropriations made for school
32 districts for each year of a biennium shall be apportioned according
33 to the schedule set forth in this section for the fiscal year
34 starting September 1st of the then calendar year and ending August
35 31st of the next calendar year, except as provided in subsection (2)
36 of this section. The apportionment from the state general fund for

1 each month shall be an amount which will equal the amount due and
2 apportionable to the several educational service districts during
3 such month: PROVIDED, That any school district may petition the
4 superintendent of public instruction for an emergency advance of
5 funds which may become apportionable to it but not to exceed ten
6 percent of the total amount to become due and apportionable during
7 the school districts apportionment year. The superintendent of public
8 instruction shall determine if the emergency warrants such advance
9 and if the funds are available therefor. If the superintendent
10 determines in the affirmative, he or she may approve such advance
11 and, at the same time, add such an amount to the apportionment for
12 the educational service district in which the school district is
13 located: PROVIDED, That the emergency advance of funds and the
14 interest earned by school districts on the investment of temporary
15 cash surpluses resulting from obtaining such advance of state funds
16 shall be deducted by the superintendent of public instruction from
17 the remaining amount apportionable to said districts during that
18 apportionment year in which the funds are advanced.

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

25 **Sec. 408.** RCW 41.05.740 and 2017 3rd sp.s. c 13 s 801 are each
26 amended to read as follows:

27 (1) The school employees' benefits board is created within the
28 authority. The function of the board is to design and approve
29 insurance benefit plans for school employees and to establish
30 eligibility criteria for participation in insurance benefit plans.

31 (2) By September 30, 2017, the governor shall appoint the
32 following voting members to the board as follows:

33 (a) Two members from associations representing certificated
34 employees;

35 (b) Two members from associations representing classified
36 employees;

37 (c) Four members with expertise in employee health benefits
38 policy and administration, one of which is nominated by an
39 association representing school business officials; and

1 (d) The director of the authority or his or her designee.

2 (3) Initial members of the board shall serve staggered terms not
3 to exceed four years. Members appointed thereafter shall serve two-
4 year terms.

5 (4) Members of the board must be compensated in accordance with
6 RCW 43.03.250 and must be reimbursed for their travel expenses while
7 on official business in accordance with RCW 43.03.050 and 43.03.060.

8 (5) The director of the authority or his or her designee shall be
9 the chair and another member shall be selected by the board as vice
10 chair. The chair shall conduct meetings of the board. The vice chair
11 shall preside over meetings in the absence of the chair. The board
12 shall develop bylaws for the conduct of its business.

13 (6) The board shall:

14 (a) Study all matters connected with the provision of health care
15 coverage, life insurance, liability insurance, accidental death and
16 dismemberment, and disability insurance, or any of, or combination
17 of, the enumerated types of insurance for eligible employees and
18 their dependents on the best basis possible with relation both to the
19 welfare of the employees and the state. However, liability insurance
20 should not be made available to dependents;

21 (b) Develop employee benefit plans that include comprehensive,
22 evidence-based health care benefits for employees. In developing
23 these plans, the board shall consider the following elements:

24 (i) Methods of maximizing cost containment while ensuring access
25 to quality health care;

26 (ii) Development of provider arrangements that encourage cost
27 containment and ensure access to quality care including, but not
28 limited to, prepaid delivery systems and prospective payment methods;

29 (iii) Wellness, preventive care, chronic disease management, and
30 other incentives that focus on proven strategies;

31 (iv) Utilization review procedures to support cost-effective
32 benefits delivery;

33 (v) Ways to leverage efficient purchasing by coordinating with
34 the public employees' benefits board;

35 (vi) Effective coordination of benefits; and

36 (vii) Minimum standards for insuring entities;

37 (c) Authorize premium contributions for an employee and the
38 employee's dependents in a manner that encourages the use of cost-
39 efficient health care systems. For participating employees, the
40 required employee share of the cost for family coverage under a plan

1 may not exceed three times the required employee share of the cost
2 for employee-only coverage;

3 (d) Determine the terms and conditions of employee and dependent
4 eligibility criteria, enrollment policies, and scope of coverage. At
5 a minimum, the eligibility criteria established by the board shall
6 address the following:

7 (i) The effective date of coverage following hire;

8 (ii) An employee must work at least six hundred thirty hours per
9 year to qualify for coverage; and

10 (iii) Coverage for dependents, including criteria for legal
11 spouses; children up to age twenty-six; children of any age with
12 disabilities, mental illness, or intellectual or other developmental
13 disabilities; and state registered domestic partners, as defined in
14 RCW 26.60.020, and others authorized by the legislature;

15 (e) Determine the terms and conditions of purchasing system
16 participation, consistent with chapter 13, Laws of 2017 3rd sp.
17 sess., including establishment of criteria for employing districts
18 and individual employees;

19 (f) Establish penalties to be imposed when the employing district
20 fails to comply with established participation criteria; and

21 (g) Participate with the authority in the preparation of
22 specifications and selection of carriers contracted for employee
23 benefit plan coverage of eligible employees in accordance with the
24 criteria set forth in rules. To the extent possible, the board shall
25 leverage efficient purchasing by coordinating with the public
26 employees' benefits board.

27 (7) By November 30, 2021, the authority shall review the benefit
28 plans provided through the school employees' benefits board, complete
29 an analysis of the benefits provided and the administration of the
30 benefits plans, and determine whether provisions in chapter 13, Laws
31 of 2017 3rd sp. sess. have resulted in cost savings to the state. The
32 authority shall submit a report to the relevant legislative policy
33 and fiscal committees summarizing the results of the review and
34 analysis.

35 **Sec. 409.** 2017 3rd sp.s. c 13 s 1005 (uncodified) is amended to
36 read as follows:

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

1 NEW SECTION. **Sec. 410.** The following acts or parts of acts are
2 each repealed:

3 (1) RCW 28A.415.020 (Credit on salary schedule for approved in-
4 service training, continuing education, and internship) and 2011 1st
5 sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2,
6 1990 c 33 s 415, & 1987 c 519 s 1;

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

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

13 NEW SECTION. **Sec. 411.** (1) Section 407 of this act takes effect
14 September 1, 2018.

15 (2) Sections 302 and 306 of this act take effect January 1,
16 2019."

17 Correct the title.

EFFECT: (1) Delays requirement to meet 17:1 class size ratio for
kindergarten through 3rd grade to receive funding at that ratio until
September 1, 2019.

(2) Reverts to rebasing school salaries every six years rather
than every four years beginning in 2023.

(3) Revises language related to increasing regionalization for
districts west of the crest of the Cascade Mountains and adds
language describing experience factor increases to regionalization.

(4) Removes the section creating the Salary Safety Net grant
program.

(5) Restores the \$90,000 salary limit for Certificated
Instructional Staff (CIS), subject to regional adjustments, in
current law.

(6) Reverts to current statutory language relating to salaries
that may exceed the maximum CIS salary by ten percent.

(7) Adds salary increases to hire new CIS staff in the 2018-19
school year to the list of allowable increases for the 2018-19 school
year.

(8) Removes references to "resident" students in sections related
to local enrichment levies and Local Effort Assistance.

(9) Removes language related to "enrichment beyond the state
provided funding" from the statute authorizing school district
levies.

(10) Removes the section revising criteria for special education
safety net funding and requiring revisions to safety net rules.

(11) Adds a section requiring salaries for the State School for
the Blind and the Washington State Center for Childhood Deafness and
Hearing Loss to be based on salaries and regionalization factors of

the school district in which the facilities are located (currently the Vancouver School District).

(12) Revises hold-harmless language to be based on local levies collected in 2017, rather than based on current law as of January 1, 2017.

(13) Removes requirements that school districts convert accounting and budget systems by the 2018-19 school year, keeping the current deadline of the 2019-20 school year.

(14) Requires that under the School Employees' Benefits Board the employee share of the premium for family health benefits not exceed three times the employee share for individual coverage.

(15) Removes the section changing fees paid to higher education institutions for Running Start students.

(16) Splits the allocation for "library materials" out from "other supplies and library materials" in the prototypical school funding formula.

(17) Adds the percentage of homeless students served under the McKinney-Vento Homeless Assistance Act from outside the district as a local school district characteristic reviewed for Transportation Alternate Funding Grant awards.

(18) Adds a section requiring the special education Safety Net Oversight Committee to consider the extraordinary high-cost needs of special education students served in institutional settings for safety net awards.

(19) Adds a section requiring school districts to have identification procedures for highly capable students based on specified criteria. The section also requires the Superintendent of Public Instruction to disseminate guidance for highly capable programs.

(20) Allows school districts to levy a maximum of either \$2,500 per pupil or \$1.50 per \$1,000 of assessed property value, if the district would receive less than half in local levies and Local Effort Assistance (based on the lesser of \$2,500 per pupil or \$1.50 per \$1,000 of assessed property value) than it would have received under law as it existed on January 1, 2017.

--- END ---