

E2SSB 6362 - H AMD 1472

By Representative Dolan

ADOPTED AS AMENDED 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:

	Elementary	Middle	High
	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,~~
15 ~~2019))~~ December 1, 2018, the superintendent shall review and revise
16 the rules to achieve full and complete implementation of the
17 requirements of this subsection and subsection (4) of this section
18 including revisions to rules that provide additional flexibility to
19 access community impact awards. Before revising any standards,
20 procedures, or rules, the superintendent shall consult with the
21 office of financial management and the fiscal committees of the
22 legislature. In adopting and revising the rules, the superintendent
23 shall ensure the application process to access safety net funding is
24 streamlined, timelines for submission are not in conflict, feedback
25 to school districts is timely and provides sufficient information to
26 allow school districts to understand how to correct any deficiencies
27 in a safety net application, and that there is consistency between
28 awards approved by school district and by application period. The
29 office of the superintendent of public instruction shall also provide
30 technical assistance to school districts in preparing and submitting
31 special education safety net applications.

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

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

3 (a) One staff member from the office of the superintendent of
4 public instruction;

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

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

10 **PART II: COMPENSATION**

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

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

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

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

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

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

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

10 (4) Beginning in the 2007-08 school year and through the 2017-18
11 school year, the calculation of years of service for occupational
12 therapists, physical therapists, speech-language pathologists,
13 audiologists, nurses, social workers, counselors, and psychologists
14 regulated under Title 18 RCW may include experience in schools and
15 other nonschool positions as occupational therapists, physical
16 therapists, speech-language pathologists, audiologists, nurses,
17 social workers, counselors, or psychologists. The calculation shall
18 be that one year of service in a nonschool position counts as one
19 year of service for purposes of this chapter, up to a limit of two
20 years of nonschool service. Nonschool years of service included in
21 calculations under this subsection shall not be applied to service
22 credit totals for purposes of any retirement benefit under chapter
23 41.32, 41.35, or 41.40 RCW, or any other state retirement system
24 benefits.

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

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

36 (7) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
37 allocation for salaries for classified staff in the basic education
38 program must be increased ~~((beginning in the 2018-19 school year))~~ to
39 provide a statewide average allocation of forty-five thousand nine

1 hundred twelve dollars adjusted by inflation from the 2017-18 school
2 year.

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

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

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

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

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

37 (1) Beginning with the 2023 regular legislative session, and
38 every ~~((six))~~ four years thereafter, the legislature shall review and
39 rebase state basic education compensation allocations compared to

1 school district compensation data, regionalization factors, what
2 inflationary measure is the most representative of actual market
3 experience for school districts, and other economic information. The
4 legislature shall revise the minimum allocations ~~((and))~~,
5 regionalization factors, and inflationary measure if necessary to
6 ensure that state basic education allocations continue to provide
7 market-rate salaries and that regionalization adjustments reflect
8 actual economic differences between school districts.

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

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

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

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

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

23 (c) In addition to the regionalization factors specified in this
24 subsection, for school districts that have certificated instructional
25 staff median years of experience that exceed the statewide average
26 certificated instructional staff years of experience and a ratio of
27 certificated instructional staff advanced degrees to bachelor degrees
28 above the statewide ratio, an experience factor of four percentage
29 points is added to the regionalization factor, beginning in the
30 2019-20 school year.

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

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

38 (ii) Adjustments that increase the regionalization factor to a
39 value that is less than or equal to the tercile 3 regionalization

1 factor must be reduced by one percentage point each school year
2 beginning with school year 2020-21, through 2022-23.

3 (3) To aid the legislature in reviewing and rebasing
4 regionalization factors, the department of revenue shall, by November
5 1, 2022, and by November 1st every (~~six~~) four years thereafter,
6 determine the median single-family residential value of each school
7 district as well as the median value of proximate districts within
8 fifteen miles of the boundary of the school district for which the
9 median residential value is being calculated.

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

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

16 (a) "Median residential value of each school district" means the
17 median value of all single-family residential parcels included within
18 a school district and any other school district that is proximate to
19 the school district.

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

23 (c) "School district employees" means state-funded certificated
24 instructional staff, certificated administrative staff, and
25 classified staff.

26 (d) "School districts in tercile 1" means school districts with
27 median single-family residential values in the first tercile of
28 districts with single-family residential values above the statewide
29 median residential value.

30 (e) "School districts in tercile 2" means school districts with
31 median single-family residential values in the second tercile of
32 districts with single-family residential values above the statewide
33 median residential value.

34 (f) "School districts in tercile 3" means school districts with
35 median single-family residential values in the third tercile of
36 districts with single-family residential values above the statewide
37 median residential value.

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

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

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

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

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

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

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

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

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

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

1 (2)(a) Through the 2017-18 school year, salaries for certificated
2 instructional staff 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 baccalaureate degree and zero years of service;

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

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

10 (i) Salaries for full-time certificated instructional staff must
11 not be less than forty thousand dollars, to be adjusted for regional
12 differences in the cost of hiring staff as specified in RCW
13 28A.150.410, and to be adjusted annually by the same inflationary
14 measure as provided in RCW 28A.400.205;

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

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

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

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

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

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

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

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

24 (c) Salary and benefits for certificated instructional staff in
25 programs other than basic education shall be consistent with the
26 salary and benefits paid to certificated instructional staff in the
27 basic education program.

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

36 (b) Supplemental contracts shall be subject to the collective
37 bargaining provisions of chapter 41.59 RCW and the provisions of RCW
38 28A.405.240, shall not exceed one year, and if not renewed shall not
39 constitute adverse change in accordance with RCW 28A.405.300 through
40 28A.405.380. No district may enter into a supplemental contract under

1 this subsection for the provision of services which are a part of the
2 basic education program required by Article IX, section 1 of the
3 state Constitution and RCW 28A.150.220.

4 (c)(i) Beginning September 1, 2019, supplemental contracts for
5 certificated instructional staff are subject to the following
6 additional restrictions: School districts may enter into supplemental
7 contracts only for enrichment activities as defined in and subject to
8 the limitations of RCW 28A.150.276. (~~The rate the district pays~~
9 ~~under a supplemental contract may not exceed the hourly rate provided~~
10 ~~to that same instructional staff for services under the basic~~
11 ~~education salary identified pursuant to subsection (3)(a)(iii) of~~
12 ~~this section.~~)

13 (ii) For a supplemental contract, or portion of a supplemental
14 contract, that is time-based, the hourly rate the district pays may
15 not exceed the hourly rate provided to that same instructional staff
16 for services under the basic education salary identified under
17 subsection (3)(a)(iii) of this section. For a supplemental contract,
18 or portion of a supplemental contract that is not time-based, the
19 contract must document the additional duties, responsibilities, or
20 incentives that are being funded in the contract. The rate the
21 district pays under a supplemental contract may not exceed the hourly
22 rate provided to that same instructional staff for services under the
23 basic education salary identified under subsection (3)(a)(iii) of
24 this section.

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

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

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

31 (a) The inflationary increase shall be calculated by applying the
32 rate of the yearly increase in the inflationary adjustment index to
33 any state-funded salary base used in state funding formulas for
34 teachers and other school district employees. Beginning with the
35 (~~2020-21~~) 2019-20 school year, each school district shall be
36 provided an inflationary adjustment allocation sufficient to grant
37 this inflationary increase.

38 (b) A school district shall distribute its inflationary
39 adjustment allocation for salaries and salary-related benefits in

1 accordance with the district's collective bargaining agreements and
2 compensation policies. No later than the end of the school year, each
3 school district shall certify to the superintendent of public
4 instruction that it has spent funds provided for inflationary
5 increases on salaries and salary-related benefits.

6 (c) Any funded inflationary increase shall be included in the
7 salary base used to determine inflationary increases for school
8 employees in subsequent years. For teachers and other certificated
9 instructional staff, the rate of the annual inflationary increase
10 funded for certificated instructional staff shall be applied to the
11 base salary used with the statewide salary allocation methodology
12 established under RCW 28A.150.410 and to any other salary allocation
13 methodologies used to recognize school district personnel costs.

14 (2) For the purposes of this section, "inflationary adjustment
15 index" means, for any school year, the implicit price deflator for
16 that fiscal year, using the official current base, compiled by the
17 bureau of ~~((labor statistics, United States department of labor for
18 the state of Washington))~~ economic analysis, United States department
19 of commerce.

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

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

36 (a) Annual salary inflationary adjustments based on the rate of
37 the yearly increase of the previous calendar year's annual average
38 consumer price index, using the official current base compiled by the

1 bureau of labor statistics, United States department of labor, for
2 the city of Seattle;

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

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

7 (d) School districts with an average total classified staff
8 salary less than the statewide average classified salary allocation
9 used to distribute funds for basic education as estimated by the
10 office of the superintendent of public instruction for the 2018-19
11 school year may provide salary increases up to the statewide average
12 allocation.

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

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

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

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

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

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

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

5 (d) Salary changes to provide professional learning under RCW
6 28A.415.430;

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

9 (f) School districts with an average total certificated
10 instructional staff salary less than the statewide average
11 certificated instructional staff salary allocation used to distribute
12 funds for basic education as estimated by the office of the
13 superintendent of public instruction for the 2018-19 school year may
14 provide salary increases up to the statewide average allocation; or

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

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

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

21 NEW SECTION. Sec. 209. The superintendent of public instruction
22 shall convene a work group, that must include representatives of
23 diverse school districts and education stakeholders to make
24 recommendations to define the duties and responsibilities that entail
25 a "school day" under the state's statutory program of basic education
26 under RCW 28A.150.220 and 28A.150.260. The recommendations must
27 consider: The professional responsibilities, time, and effort
28 required to provide the state's statutory program of basic education
29 that exceed the required number of instructional hours specified in
30 RCW 28A.150.220, and duties covered by state salary allocations that
31 may be outside of school instructional time including, but not
32 limited to, direct instruction required in RCW 28A.150.220; the
33 necessary preparations, planning, and coordination for that
34 instruction; meeting with and collaborating with parents and other
35 teachers or other staff regarding the program of basic education; and
36 the necessary evaluation of student learning from that instruction.
37 The superintendent shall report the recommendations to the education
38 policy and operating budget committees of the legislature by January
39 14, 2019.

PART III: LEVIES

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

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

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

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

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

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

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

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

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

(b) Permitted enrichment activities consist of:

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

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

(iii) Activities associated with early learning programs;

1 (iv) Any additional salary costs attributable to the provision or
2 administration of the enrichment activities allowed under this
3 subsection; and

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

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

13 (a) If a school district spends local revenues for salary costs
14 attributable to the administration of enrichment programs, the
15 portion of administrator salaries attributable to that purpose may
16 not exceed (~~the proportion~~) twenty-five percent of the (~~district's~~
17 ~~local revenues to its other revenues~~) total district expenditures
18 for administrator salaries; and

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

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

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

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

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

30 (b) By the (~~2019-20~~) 2018-19 school year, a local revenue
31 subfund of its general fund to account for the financial operations
32 of a school district that are paid from local revenues. The local
33 revenues that must be deposited in the local revenue subfund are
34 enrichment levies and transportation vehicle (~~enrichment~~) levies
35 collected under RCW 84.52.053, local effort assistance funding
36 received under chapter 28A.500 RCW, and other school district local
37 revenues including, but not limited to, grants, donations, and state
38 and federal payments in lieu of taxes, but do not include other
39 federal revenues, or local revenues that operate as an offset to the

1 district's basic education allocation under RCW 28A.150.250. School
2 districts must track expenditures from this subfund separately to
3 account for the expenditure of each of these streams of revenue by
4 source, and must provide any supplemental expenditure schedules
5 required by the superintendent of public instruction or state auditor
6 for purposes of RCW 43.09.2856.

7 (2) A capital projects fund shall be established for major
8 capital purposes. All statutory references to a "building fund" shall
9 mean the capital projects fund so established. Money to be deposited
10 into the capital projects fund shall include, but not be limited to,
11 bond proceeds, proceeds from excess levies authorized by RCW
12 84.52.053, state apportionment proceeds as authorized by RCW
13 28A.150.270, earnings from capital projects fund investments as
14 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
15 revenues transferred pursuant to subsection (3) of this section.

16 Money derived from the sale of bonds, including interest earnings
17 thereof, may only be used for those purposes described in RCW
18 28A.530.010, except that accrued interest paid for bonds shall be
19 deposited in the debt service fund.

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

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

27 (a) Major renovation and replacement of facilities and systems
28 where periodical repairs are no longer economical or extend the
29 useful life of the facility or system beyond its original planned
30 useful life. Such renovation and replacement shall include, but shall
31 not be limited to, major repairs, exterior painting of facilities,
32 replacement and refurbishment of roofing, exterior walls, windows,
33 heating and ventilating systems, floor covering in classrooms and
34 public or common areas, and electrical and plumbing systems.

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

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

39 (i) "Preliminary energy audits" means a determination of the
40 energy consumption characteristics of a building, including the size,

1 type, rate of energy consumption, and major energy using systems of
2 the building.

3 (ii) "Energy audit" means a survey of a building or complex which
4 identifies the type, size, energy use level, and major energy using
5 systems; which determines appropriate energy conservation maintenance
6 or operating procedures and assesses any need for the acquisition and
7 installation of energy conservation measures, including solar energy
8 and renewable resource measures.

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

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

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

18 (f)(i) Costs associated with implementing technology systems,
19 facilities, and projects, including acquiring hardware, licensing
20 software, and online applications and training related to the
21 installation of the foregoing. However, the software or applications
22 must be an integral part of the district's technology systems,
23 facilities, or projects.

24 (ii) Costs associated with the application and modernization of
25 technology systems for operations and instruction including, but not
26 limited to, the ongoing fees for online applications, subscriptions,
27 or software licenses, including upgrades and incidental services, and
28 ongoing training related to the installation and integration of these
29 products and services. However, to the extent the funds are used for
30 the purpose under this subsection (2)(f)(ii), the school district
31 shall transfer to the district's general fund the portion of the
32 capital projects fund used for this purpose. The office of the
33 superintendent of public instruction shall develop accounting
34 guidelines for these transfers in accordance with internal revenue
35 service regulations.

36 (g) Major equipment repair, painting of facilities, and other
37 major preventative maintenance purposes. However, to the extent the
38 funds are used for the purpose under this subsection (2)(g), the
39 school district shall transfer to the district's general fund the
40 portion of the capital projects fund used for this purpose. The

1 office of the superintendent of public instruction shall develop
2 accounting guidelines for these transfers in accordance with internal
3 revenue service regulations. Based on the district's most recent two-
4 year history of general fund maintenance expenditures, funds used for
5 this purpose may not replace routine annual preventive maintenance
6 expenditures made from the district's general fund.

7 (3) A debt service fund to provide for tax proceeds, other
8 revenues, and disbursements as authorized in chapter 39.44 RCW. State
9 forestland revenues that are deposited in a school district's debt
10 service fund pursuant to RCW 79.64.110 and to the extent not
11 necessary for payment of debt service on school district bonds may be
12 transferred by the school district into the district's capital
13 projects fund.

14 (4) An associated student body fund as authorized by RCW
15 28A.325.030.

16 (5) Advance refunding bond funds and refunded bond funds to
17 provide for the proceeds and disbursements as authorized in chapter
18 39.53 RCW.

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

21 (1) Beginning in calendar year 2019 and each calendar year
22 thereafter, the state must provide state local effort assistance
23 funding to supplement school district enrichment levies as provided
24 in this section.

25 (2) For an eligible school district, annual local effort
26 assistance funding is equal to the school district's maximum local
27 effort assistance multiplied by a fraction equal to the school
28 district's actual enrichment levy divided by the school district's
29 maximum allowable enrichment levy.

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

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

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

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

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

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

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

14 (ii) The school district's maximum allowable enrichment levy
15 ((divided by the school district's student enrollment in the prior
16 school year)).

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

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

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

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

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

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

36 (1) As required by RCW 84.52.053(4), before a school district may
37 submit an enrichment levy~~((, including a transportation vehicle~~
38 ~~enrichment levy,))~~ under RCW 84.52.053 to the voters, it must have
39 received approval from the office of the superintendent of public

1 instruction of an expenditure plan for the district's enrichment levy
2 and other local revenues as defined in RCW 28A.150.276. Within thirty
3 days after receiving the plan the office of the superintendent of
4 public instruction must notify the school district whether the
5 spending plan is approved. If the office of the superintendent of
6 public instruction rejects a district's proposed spending plan, then
7 the district may submit a revised spending plan, and the
8 superintendent must approve or reject the revised submission within
9 thirty days. The office of the superintendent of public instruction
10 may approve a spending plan only if it determines that the enrichment
11 levy and other local revenues as defined in RCW 28A.150.276(1) will
12 be used solely for permitted enrichment activities as provided in RCW
13 28A.150.276(2).

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

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

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

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

3 For districts in a high/nonhigh relationship, if the high school
4 district is subject to the maximum per pupil limit under RCW
5 84.52.0531, the high school district's maximum levy amount must be
6 reduced by an amount equal to the estimated amount of the nonhigh
7 payment due to the high school district under RCW 28A.545.030(3) and
8 28A.545.050 for the school year commencing the year of the levy.

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

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

27 (2)(a) Once additional tax levies have been authorized for
28 enrichment funding for a school district for a two-year through four-
29 year period as provided under subsection (1) of this section, no
30 further additional tax levies for enrichment funding for the district
31 for that period may be authorized, except for additional levies to
32 provide for subsequently enacted increases affecting the district's
33 maximum levy.

34 (b) Notwithstanding (a) of this subsection, any school district
35 that is required to annex or receive territory pursuant to a
36 dissolution of a financially insolvent school district pursuant to
37 RCW 28A.315.225 may call either a replacement or supplemental levy
38 election within the school district, including the territory annexed
39 or transferred, as follows:

1 (i) An election for a proposition authorizing two-year through
2 four-year levies for enrichment funding for a school district may be
3 called and held before the effective date of dissolution to replace
4 existing enrichment levies and to provide for increases due to the
5 dissolution.

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

9 (iii) In the event a replacement levy election under (b)(i) of
10 this subsection is held but does not pass, the affected school
11 district may subsequently hold a supplemental levy election pursuant
12 to (b)(ii) of this subsection if the supplemental levy election is
13 held before the effective date of dissolution. In the event a
14 supplemental levy election is held under (b)(ii) of this subsection
15 but does not pass, the affected school district may subsequently hold
16 a replacement levy election pursuant to (b)(i) of this subsection if
17 the replacement levy election is held before the effective date of
18 dissolution. Failure of a replacement levy or supplemental levy
19 election does not affect any previously approved and existing
20 enrichment levy within the affected school district or districts.

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

25 (3) A special election may be called and the time therefor fixed
26 by the board of school directors, by giving notice thereof by
27 publication in the manner provided by law for giving notices of
28 general elections, at which special election the proposition
29 authorizing such excess levy shall be submitted in such form as to
30 enable the voters favoring the proposition to vote "yes" and those
31 opposed thereto to vote "no."

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

36 (b) Beginning with propositions for enrichment levies ((and
37 transportation—vehicle—enrichment—levies)) for collection in calendar
38 year 2020 and thereafter, a district must receive approval of an
39 enrichment levy expenditure plan from the superintendent of public

1 instruction under RCW 28A.505.240 before submission of the
2 proposition to the voters.

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

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

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

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

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

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

27 (3) For districts in a high/nonhigh relationship, the enrollments
28 of the nonhigh students attending the high school shall only be
29 counted by the nonhigh school districts for purposes of funding under
30 this section.

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

36 (5) Beginning with propositions for enrichment levies for
37 collection in calendar year 2020 and thereafter, a district must
38 receive approval of an enrichment levy expenditure plan under RCW
39 28A.505.240 before submission of the proposition to the voters.

1 ((+4)) (6) The superintendent of public instruction shall
2 develop rules and regulations and inform school districts of the
3 pertinent data necessary to carry out the provisions of this section.

4 ((+5)) (7) Beginning with taxes levied for collection in
5 ((2020)) 2018, enrichment levy revenues must be deposited in a
6 separate subfund of the school district's general fund pursuant to
7 RCW 28A.320.330, and are subject to the restrictions of RCW
8 28A.150.276 and the audit requirements of RCW 43.09.2856.

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

15 PART IV: OTHER POLICIES

16 NEW SECTION. Sec. 401. (1) For the 2018-19 and 2019-20 school
17 years, the office of the superintendent of public instruction shall
18 allocate a hold-harmless payment to school districts if the sum of
19 (b) of this subsection is greater than the sum of (a) of this
20 subsection for either of the respective school years or if a school
21 district meets the criteria under subsection (2) of this section.

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

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

30 (ii) Local effort assistance funding received under chapter
31 28A.500 RCW; and

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

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

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

6 (ii) Local effort assistance funding received under chapter
7 28A.500 RCW; and

8 (iii) Maintenance and operation levy collection under RCW
9 84.52.0531 in the 2017 calendar year.

10 (2) From amounts appropriated in this act, the superintendent of
11 public instruction must prioritize hold harmless payments to
12 districts that meet both the following criteria:

13 (a) The sum of the school district's enrichment levy under RCW
14 84.52.0531 and 2017 3rd sp.s. c 13 s 203 and local effort assistance
15 under RCW 28A.500.015 is less than half of the sum of the maintenance
16 and operations levy and local effort assistance provided under law as
17 it existed on January 1, 2017. For purposes of the calculation in
18 this subsection, the maintenance and operations levy is limited to
19 the lesser of the voter-approved levy as of January 1, 2017, or the
20 maximum levy under law as of January 1, 2017; and

21 (b) The adjusted assessed value of property within the school
22 district as calculated by the department of revenue is greater than
23 twenty billion dollars in calendar year 2017.

24 (3) Districts eligible for hold-harmless payments under
25 subsection (1) of this section shall receive the difference between
26 subsection (1)(b) and (a) of this section through the apportionment
27 payment process in RCW 28A.510.250.

28 (4) The voters of the school district must approve an enrichment
29 levy under RCW 84.52.0531 to be eligible for a hold-harmless payment
30 under this section.

31 (5) This section expires December 31, 2020.

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

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

1 (a) One professional learning day in the (~~(2018-19)~~) 2019-20
2 school year;

3 (b) Two professional learning days in the (~~(2019-20)~~) 2020-21
4 school year; and

5 (c) Three professional learning days in the (~~(2020-21)~~) 2021-22
6 school year.

7 (2) The office of the superintendent of public instruction shall
8 calculate each school district's professional learning allocation as
9 provided in subsection (1) of this section separate from the minimum
10 state allocation for salaries as specified in RCW 28A.150.410 and
11 associated fringe benefits on the apportionment reports provided to
12 each local educational agency. The professional learning allocation
13 shall be equal to the proportional increase resulting from adding the
14 professional learning days provided in subsection (1) of this section
15 to the required minimum number of school days in RCW
16 28A.150.220(5)(a) applied to the school district's minimum state
17 allocation for salaries and associated fringe benefits for
18 certificated instructional staff as specified in the omnibus
19 appropriations act. Professional learning allocations shall be
20 included in per-pupil calculations for programs funded on a per
21 student rate calculation.

22 (3) Nothing in this section entitles an individual certificated
23 instructional staff to any particular number of professional learning
24 days.

25 (~~(+3)~~) (4) The professional learning days must meet the
26 definitions and standards provided in RCW 28A.415.430, 28A.415.432,
27 and 28A.415.434.

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

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

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

37 (2) For eligible students enrolled in a charter school
38 established and operating in accordance with this chapter, the
39 superintendent of public instruction shall transmit to each charter

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

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

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

20 (i) Supplemental instruction and services for underachieving
21 students through the learning assistance program under RCW
22 28A.165.005 through 28A.165.065;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (3) The use of the state allocation provided for professional
37 learning under RCW 28A.150.415 must be audited as part of the regular
38 financial audits of school districts by the state auditor's office to

1 ensure compliance with the limitations and conditions of RCW
2 28A.150.415.

3 NEW SECTION. **Sec. 407.** A new section is added to chapter
4 28A.320 RCW to read as follows:

5 (1) School districts must make reasonable efforts to streamline
6 the process used for charging and collecting student fees. The
7 streamlining must seek to increase student participation in the
8 activities for which the fees are collected. The process for charging
9 and collecting fees from students eligible for free or reduced-price
10 meals must be identical to the process for charging and collecting
11 fees from other students.

12 (2) For the purpose of determining a student's eligibility for
13 free or reduced-price meals, school districts must include on forms
14 completed annually by students' parents or guardians, an option for
15 the parent or guardian to affirmatively consent to disclosing their
16 student's eligibility for free or reduced-price meals to school
17 district departments or programs. The form must indicate that: (a)
18 The purpose of the disclosure is to provide fee discounts or other
19 benefits to students eligible for free or reduced-price meals; and
20 (b) free and reduced-price meal program eligibility information will
21 not be used for other purposes within the school district or
22 disclosed outside the school district for any purpose.

23 (3) School districts offering fee discounts to students eligible
24 for free or reduced-price meals must use the information collected
25 under subsection (2) of this section to automatically charge the
26 discounted rate during the fee collection process. The requirements
27 of this subsection (3) apply when and if the district has the
28 appropriate technology to comply with this subsection.

29 (4) To the extent necessary to comply with the requirements of
30 this section and to the extent permitted by state and federal law,
31 school districts may share student information with vendors.

32 (5) For purposes of this section, eligible for free or reduced-
33 price meals means a student who is eligible under the national school
34 lunch program or school breakfast program to receive lunch or
35 breakfast at no cost to the student or at a reduced cost to the
36 student.

37 NEW SECTION. **Sec. 408.** The sum of twelve million dollars is
38 appropriated for the fiscal year ending June 30, 2019, from the

1 general fund to the superintendent of public instruction solely for
2 hold harmless payments for purposes of section 401(2) of this act.

3 **Sec. 409.** RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each
4 amended to read as follows:

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

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

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

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

27 (1) RCW 28A.415.020 (Credit on salary schedule for approved in-
28 service training, continuing education, and internship) and 2011 1st
29 sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2,
30 1990 c 33 s 415, & 1987 c 519 s 1;

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

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

1 NEW SECTION. **Sec. 411.** Sections 303 and 307 of this act take
2 effect January 1, 2019."

3 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) Adds a 4 percent experience factor increase for districts with higher than average experience and a higher ratio of advanced to master degrees than the statewide ratio, beginning in the 2019-20 school year.

(3) Revises language related to increasing regionalization for districts west of the crest of the Cascade Mountains.

(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) 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).

(11) Revises hold-harmless language to be based on local levies collected in 2017, rather than based on current law as of January 1, 2017. Adds criteria for prioritizing hold harmless payments from amounts appropriated in the act for a district that 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 and have an adjusted assessed property value in the district of greater than \$20 billion dollars.

(12) Appropriates \$12 million for hold harmless payments.

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

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

(15) 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.

(16) 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.

(17) Removes the requirement for OSPI to revise rules to reduce the threshold for receiving safety net funding and restores "service delivery choice" as an item to consider in making awards.

(18) 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.

(19) Adds a section requiring school districts to make reasonable efforts to streamline the process for charging and to automatically discount fees for students that qualify for free and reduced-price meals if that district has the appropriate technology.

(20) Removes provisions phasing down late start and early release days.

(21) Requires the OSPI to convene a work group to make recommendations for defining duties performed in a "school day," considering duties outside of school instructional time that are covered by state salary allocations.

(22) Adds language regarding time-based supplemental contracts.

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