

HOUSE BILL REPORT

ESB 6048

As Reported by House Committee On:
Education Appropriations
Ways & Means

Title: An act relating to education.

Brief Description: Concerning the state's education system.

Sponsors: Senators Oemig, Jarrett, McAuliffe, Hobbs, McDermott, Franklin, Kohl-Welles and Haugen.

Brief History:

Committee Activity:

Education Appropriations: 3/24/09 [DPA];

Ways & Means: 4/4/09 [DPA(APPE)].

**Brief Summary of Engrossed Bill
(As Amended by House)**

- Adopts definitions, requirements, and financing formulas for a Program of Basic Education and an Instructional Program that the Legislature deems complies with Article IX of the state Constitution.
- Includes within the requirements beginning in 2011-12: expanded minimum instructional hours; instruction for 24 credits for high school graduation; opportunity for students to earn a meaningful high school diploma; full-day kindergarten; and supplemental instruction for students who are underachieving, non-English proficient, highly capable, and in special education.
- Sets forth financing formulas based on a prototypical school model and using inputs such as class size; types of school staff; central office administration; enhanced allocations for categorical programs; and allocations for maintenance, supplies, and operating costs.
- Provides for the revised definitions and financing formulas to begin in the 2011-12 school year, with the intent to be phased-in over a six-year period.
- Authorizes a new pupil transportation funding formula using a regression analysis to allocate funds, phased-in beginning in the 2011-12 school year.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Creates three technical working groups to continue development of policies and formulas, prepare an implementation schedule to phase-in increased program requirements and funding, propose options for a system of compensation that supports effective teaching and options for a local funding system for levies and levy equalization, develop a Program of Early Learning, and recommend strategies to close the achievement gap.
- Directs the State Board of Education to continue developing a voluntary system of continuous school improvement and seek approval for use of the system for purposes of federal accountability.
- Creates a Basic Education Steering Committee to oversee the working groups, monitor overall implementation, and report to the Legislature.

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 13 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Anderson, Carlyle, Cox, Haler, Hunter, Kagi, Probst, Quall and Wallace.

Staff: Barbara McLain (786-7383) and Ben Rarick (786-7349)

Background:

Introduction.

Basic Education. Article IX, Sections 1 and 2 of the State Constitution declare that: (1) it is the paramount duty of the state to make ample provision for the education of the state's children; and (2) the Legislature is required to provide for a general and uniform system of public schools.

In response to a superior court ruling which held that the state had not expressly defined, determined the substantive content of, or funded a Program of Basic Education (School Funding I), the Legislature adopted the Basic Education Act (BEA) of 1977. Subsequent court decisions (School Funding II in 1983 and *Tunstall v Bergeson* in 2000) have held that other educational programs are also part of the state's constitutional obligations, including:

- Special Education programs for students with disabilities;
- Transitional Bilingual education programs;
- remediation assistance programs (now known as the Learning Assistance Program);
- transportation for some students; and
- education for students in residential programs and juvenile detention and for juveniles detained in adult correctional facilities.

Through this combination of statutory law and judicial decisions, these programs have come to be collectively referred to as "Basic Education," signifying a constitutional obligation by the state under Article IX to provide the programs.

The courts have also established various principles that are associated with the Basic Education designation. For example, under the School Funding II superior court ruling, once the Legislature has defined and fully funded the Program of Basic Education, it may not reduce that level of funding, even in periods of fiscal crisis. However, the definitions and funding formulas are subject to review, evaluation, and revision by the Legislature to meet the current needs of the children in the state.

Joint Task Force on Basic Education Finance. In 2007 the Legislature established the Joint Task Force on Basic Education Finance (Task Force). The Task Force was charged with reviewing the definition of Basic Education, developing options for a new funding structure and funding formulas, and proposing a new definition of Basic Education realigned with the expectations for the state's public education system. The Task Force's final report was issued on January 14, 2009.

Program of Basic Education.

Definition. The 1977 BEA defines the Program of Basic Education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the Instructional Program to be made available by school districts; and
- the determination and distribution of state funding to support the Instructional Program.

Instructional Program. School districts must make the Instructional Program accessible to all students aged 5 to 21; offer a district-wide average of 1,000 instructional hours in grades 1 through 12 and 450 hours for kindergarten; provide a minimum school year of 180 days; and provide instruction in the Essential Academic Learning Requirements. In addition, each school district must maintain a ratio of at least 46 Basic Education certificated instructional staff (CIS) for each 1,000 full-time equivalent (FTE) students. The CIS includes teachers, counselors, nurses, librarians, and other school staff required to have state certificates.

In 2007 the Legislature adopted a policy to phase-in the provision of full-day kindergarten, starting with schools with the highest number of low-income students. This expansion is expressly outside the definition of Basic Education.

Funding Allocation for Instructional Program. The distribution formulas for the Instructional Program are based primarily on staffing ratios that drive an allocation for each 1,000 FTE students. There are minimum staffing ratios for CIS, administrative staff, and classified staff, with the numeric ratios set forth in statute. The formulas must also recognize non-salary costs. The formulas are "for allocation purposes only," leaving it to school districts to determine how best to use the resources. The remaining detail of the funding and distribution formulas, including any enhancements beyond the statutory minimums, are found in the appropriations act and associated documents.

Categorical Programs. State funding for the Learning Assistance Program (LAP) and the Transitional Bilingual Instruction Program (TBIP) must be expended on the students to be served in the program. Statute directs that funding for the LAP be based on the income level

of students; otherwise, the funding formulas for these programs are contained in the appropriations act.

Special Education for students with disabilities is funded on an "excess cost" basis. The formula, which appears in the appropriations act, is a percentage (1.15 percent for children aged birth to five that are not in kindergarten and .9309 for students in grades kindergarten through 12) of the Instructional Program allocation. The allocation is based on a maximum of 12.7 percent of total FTE student enrollment in grades kindergarten through 12. The appropriations act also establishes a Special Education Safety Net where funds are made available for safety net awards for school districts with demonstrated needs for special education funding beyond the amounts provided through the excess cost allocation.

Other Programs.

Early Learning. State and federally-supported preschool programs are overseen by the Department of Early Learning (DEL). The Legislature provides funding to support the Early Childhood Education and Assistance Program, which is similar to the federally-funded Headstart program. The programs are delivered under contract with the DEL, and providers include school districts, Educational Service Districts, community colleges, and non-profit community organizations.

Graduation Requirements. Minimum high school graduation requirements are established by the State Board of Education (SBE) and currently include 19 course credits with a distribution of courses across subject areas. In 2008 the SBE adopted a policy framework for new graduation requirements called "Core 24" that is based 24 course credits. The SBE has also adopted a definition of a meaningful high school diploma: the opportunity for students to graduate from high school ready for success in postsecondary education, gainful employment, and citizenship.

Highly Capable. The courts have declined to include supplemental instruction for highly capable (gifted) students under the Program of Basic Education. The statutes for the Highly Capable Program say that state funds, if provided, are to be based on a per-student amount not to exceed 3 percent of a district's FTE student enrollment. The 2007-09 appropriations act allocates funding at 2.314 percent of FTE enrollment.

Pupil Transportation. The current funding formula is intended to fund the costs of transportation of eligible students to and from school at 100 percent or as close as reasonably possible. The formula calculates costs based on a radius mile for each student transported, adjusted by various factors. A study in 2006 by the Joint Legislative Audit and Review Committee found a 95 percent probability that "to and from" pupil transportation expenditures exceeded the state allocation by between \$92 and \$114 million in the 2004-05 school year.

In 2007 the Legislature directed the Office of Financial Management to contract for a study recommending two alternative student transportation funding formula options. The final report was presented to the Legislature in December 2008.

Other Topics.

Certification and Compensation. The Professional Educator Standards Board (PESB) establishes state certification requirements for teachers and other educators. State allocations for salaries for CIS are provided through a salary schedule adopted by the Legislature in the appropriations act. The current schedule is based on years of experience and academic degrees and credits attained by the individual. Actual salaries are determined through collective bargaining, subject to certain minimum and maximum requirements.

Local Funding. The School Funding I decision found that local voter-approved property tax levies can only be used to fund enrichment programs and programs outside the Program of Basic Education. The Levy Lid Act (enacted along with the BEA) limits the amount of revenue that can be raised through maintenance and operations levies. The Local Effort Assistance program (LEA) or levy equalization was created to mitigate the effect that above average property tax rates might have on the ability of a school district to raise local revenues through voter-approved levies. The LEA is also expressly not part of Basic Education.

Education Data. Since 2002, the Office of Superintendent of Public Instruction (OSPI) has been developing a data system that assigns each student a unique student identification number and collects demographic and other information. In 2007 the Legislature directed the OSPI to establish standards for school data systems and a reporting format for school districts. A new student data system will be implemented statewide in 2008-09 with increased capacity to collect data and connect information from other data bases.

Accountability. The State Board of Education (SBE) has responsibility for implementing a statewide accountability system that includes identification of successful schools and districts, those in need of assistance, and those in which state intervention measures are needed. For the past two years, the SBE has been working on accountability, and on January 15, 2009, they adopted a resolution to develop an accountability index, work to build the capacity of districts to help their schools improve, establish a process for placing schools and districts on Academic Watch, and continue to refine the details of the accountability system.

Mathematics and Science Teachers. The 2008 Legislature directed the PESB to conduct a study to quantify the supply and demand of mathematics and science teachers and recommend strategies for how to meet the demand. Washington's teacher preparation programs currently prepare fewer mathematics and science teachers than the estimated need, but provide many candidates with an endorsement in elementary education. The study concluded that Washington's alternative routes to certification are similar to best practices identified in other states, but do not operate at a desired capacity. The study also highlighted a model program from the University of Texas in Austin called UTeach designed to recruit promising mathematics and science majors into teaching by providing them with guidance, classroom experience, and a streamlined degree program.

Achievement Gap. The 2008 Legislature commissioned five distinct studies of the achievement gap for groups of K-12 students. Recommendations from one or more of the studies include: adopting a data collection, research, and evaluation plan; revising school improvement plans to focus on efforts to close the achievement gap; improving collaboration between K-12 and higher education for teacher preparation and professional development; and improving parent and community involvement and engagement in public schools. One

study recommended establishing an achievement gap oversight committee to monitor the implementation of efforts to close the gap.

Summary of Amended Bill:

Introduction.

Intent. The Legislature's intent is to fulfill its obligation under Article IX of the State Constitution to define and fund a Program of Basic Education and to establish a general and uniform system of public schools. For practical and educational reasons, wholesale change cannot occur instantaneously. The Legislature intends to adopt a schedule for the concurrent implementation of the redefined Program of Basic Education and the resources necessary to support it, beginning in the 2011-12 school year and phased in over a six-year period. It is also the Legislature's intent not to revise or delay this implementation other than for educational reasons. However, the Legislature may make revisions to the formulas and schedules for technical purposes and consistency.

Steering Committee. A Basic Education Steering Committee (Steering Committee) is created to monitor and oversee implementation of the new definition of Basic Education. Members include eight legislators and representatives of the Office of the Governor, the State Board of Education (SBE), the Superintendent of Public Instruction (SPI), the Professional Educator Standards Board (PESB), and the Department of Early Learning (DEL).

The Steering Committee monitors the progress and work of three technical working groups. The Steering Committee receives progress reports from the groups by November 15, 2009, and makes a report to the Legislature by January 1, 2010, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session.

The Steering Committee's first report also includes a recommended schedule for concurrent phase-in of any changes in the Basic Education Program and funding formulas so that increases in funding occur concurrently with any increases in program and instructional requirements.

The Steering Committee then submits annual reports in November of each year until 2016, and expires June 30, 2017.

Program of Basic Education.

Definition. Effective September 1, 2011, the Program of Basic Education that complies with Article IX of the State Constitution is:

- the Instructional Program of Basic Education provided by public schools;
- the program for students in residential schools and juvenile detention facilities;
- the program for individuals under age 18 who are in adult correctional facilities; and
- transportation and transportation services to and from school for eligible students.

The opportunity for students to graduate from high school ready for success in postsecondary education, gainful employment, and citizenship is added to the goal of Basic Education, as well as to the Instructional Program of Basic Education to be provided by all public schools.

Instructional Program. Also effective September 1, 2011, the minimum Instructional Program of Basic Education offered by school districts is as follows:

- 180 school days per school year, with 180 half-days for kindergarten, which is increased to 180 full days beginning with schools with the highest percentages of low-income students;
- a district-wide average of 1,000 instructional hours across all grade levels, to be increased according to an implementation schedule adopted by the Legislature to 1,080 hours in grades 7 through 12 and 1,000 instructional hours in grades 1 through 6; and
- 450 instructional hours in kindergarten, to be increased to 1,000 hours as full-day kindergarten is phased-in.

The Instructional Program also includes the opportunity for students to complete 24 credits for high school graduation, subject to a phase-in of course and credit requirements by the SBE; supplemental instruction through the Learning Assistance Program (LAP), the Transitional Bilingual Instructional Program (TBIP), and the Highly Capable Program; and Special Education for students with disabilities.

Funding Allocation for Instructional Program. Beginning September 1, 2011, a new distribution formula is created for the allocation of state funds to school districts to support the Instructional Program of Basic Education. The formula is for allocation purposes only. Nothing requires a particular teacher-to-student ratio or requires use of allocated funds to pay for particular types or classifications of staff.

The formula is based on minimum staffing and non-staff costs to support prototypical schools. Prototypes illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs. Allocations to school districts will be adjusted from the prototypes based on actual full-time equivalent (FTE) student enrollment in each grade in each school in the district, adjusted for small schools and to reflect other factors in the appropriations act.

The school prototypes are defined as:

- high school: 600 FTE students in grades 9 through 12;
- middle school: 432 FTE students in grades 7 and 8; and
- elementary school: 400 FTE students in grades kindergarten through 6.

For each school prototype, the core allocation consists of four parts:

1. *Class Size:* an allocation based on the number of FTE teachers calculated using the following factors: the minimum instructional hours required for the grade span, one teacher planning period per day, and average class sizes of various types as specified in the appropriations act;

2. *Other Building Staff*: an allocation for principals, teacher-librarians, student health services, guidance counselors, professional development coaches, office support, custodians, and classified staff providing student/staff safety;
3. *Maintenance, Supplies, and Operating Costs (MSOC)*: a per-FTE student allocation for student technology, utilities, curriculum, instructional professional development, other building costs, and central office administration. The allocation would be enhanced for student enrollment in certain career and technical education and science courses; and
4. *Central Office Administrative Staff*: a staffing allocation calculated as a percentage of the allocations for teachers and other building staff for all schools in the district, with the percentage specified in the appropriations act.

Allocations for middle and high schools that are based on the number of low-income students will be adjusted to reflect underreporting of eligibility for Free and Reduced Price Lunch (FRL) among these students.

Categorical Programs. Within the distribution formula for the Instructional Program of Basic Education are enhancements in addition to the core allocation for the following categorical programs:

1. *Learning Assistance Program*: an enhancement based on the percent of FRL students in each school to provide an extended school day and school year, plus an allocation for MSOC;
2. *Transitional Bilingual Instruction Program*: an enhancement for students eligible for and enrolled in the TBIP based on the percent of the school day a student is assumed to receive supplemental instruction, plus an allocation for MSOC;
3. *Highly Capable Program*: an enhancement based on 2 percent of each district's FTE student enrollment to provide an extended school day and school year, plus an allocation for MSOC; and
4. *Special Education*: an enhancement made on an excess cost basis that is a specified percentage (1.15 percent for students aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the core allocation for classroom teachers, other building staff, and MSOC, plus the allocation for the LAP and the TBIP. The excess cost allocation is based on district-wide enrollment not to exceed 12.7 percent of total FTE enrollment in grades kindergarten through 12.

The Special Education Safety Net is placed into statute. Clarifications and corrections are made to other statutes to align with the new distribution formulas. Beginning September 1, 2011, salary allocations based on the statewide salary allocation schedule are calculated using the staffing allocations under the new formula.

Finance and Compensation Working Group. The Office of Financial Management (OFM) and the SPI convene a technical working group to develop the new funding formulas and propose an implementation schedule for concurrent phase-in of increased program

requirements and increased funding. The working group also develops options for a system of local finance (levies and levy equalization); examines possible sources of revenue to support increased funding; and recommends options for a revised compensation system to support effective teaching and recruitment and retention of high quality staff.

Regarding compensation, the working group must:

- develop options for a salary allocation schedule for new CIS that aligns with the educator certification system;
- update a comparable wage and regional wage analysis and develop options for a regional wage adjustment schedule;
- develop options for allocations for administrative and classified staff; and
- collect and analyze data on supplemental contracts for time, responsibilities, or incentives.

Other Programs.

Early Learning Working Group. The Legislature finds that disadvantaged young children need supplemental instruction in preschool to assure they have the opportunity to meaningfully participate and reach the necessary levels of achievement in the regular Program of Basic Education. The Legislature intends to establish a Program of Early Learning for at-risk children and intends to include it within the overall Program of Basic Education.

The Department of Early Learning (DEL) and the SPI convene a technical working group to continue developing a proposal for a statewide Washington Head Start Program. The working group:

- recommends eligibility criteria focusing on children aged 3 and 4 considered most at-risk;
- develops options for a mixed service delivery system;
- develops options for shared governance including the DEL and the SPI;
- recommends parameters and minimum standards; and
- continues development of a statewide kindergarten assessment process.

Graduation Requirements. The SBE must forward any proposed changes to minimum high school graduation requirements to the legislative education committees, and the Legislature must be provided an opportunity to act before changes are adopted. Changes with a fiscal impact on school districts take effect only if formally authorized by the Legislature.

Highly Capable. The Legislature finds that, for highly capable students, access to accelerated learning and enhanced instruction is access to a Basic Education. The Legislature does not intend to prescribe a single method to identify highly capable students. Instead, the Legislature intends to allocate funding based on 2 percent of each school district's population and authorize districts to identify through multiple, objective criteria those students eligible to receive accelerated learning and enhanced instruction through the Highly Capable Program of the district. Access to the Highly Capable Program does not constitute an individual entitlement for any particular student.

Pupil Transportation. A new pupil transportation funding formula is authorized using a regression analysis to allocate funds to school districts. The funding basis of a radius mile is removed. Ridership counts are increased to three times per year, and extended academic day transportation is included within allowable trips. Implementation of the formula is phased-in beginning with the 2011-12 school year, and a method of allocating any increased funding during the phase-in period is specified.

Efficiency reporting begins in the 2013-14 school year. Individual reviews will be conducted on districts with 90 percent or less efficiency. A report summarizing the efficiency reviews and resulting changes made by districts must be submitted to the Legislature by December 1 of each year.

Other Topics.

Certification. By January 1, 2010, the PESB must adopt standards for effective teaching that are articulated on a career continuum and documented in high quality research as being associated with improved student learning. The PESB must also submit to the Governor and the education and fiscal committees of the Legislature:

- an update on implementation of a uniform assessment for professional certification;
- a proposal for a classroom-based means of evaluating teacher effectiveness for residency certification using multiple performance measures and including a role for state-trained evaluators;
- estimated costs to implement the assessments; and
- recommendations for other modifications to certification.

By January 1, 2011, the PESB must submit recommendations providing definitions for voluntary master-level certification. The definition must include certification by the National Board for Professional Teaching Standards.

Local Funding. The Legislature finds that the value of permitting local levies to support public schools must be balanced with the value of equity and fairness to students and taxpayers. Local finance through levies and the LEA are key components of the overall system of financing public schools even though they are outside the definition of Basic Education.

Education Data. The Legislature intends to establish comprehensive data accountability systems for financial, student, and educator data. The first priority for any new systems should be financial, budgeting, and accounting systems necessary to support the new funding formulas. The benefits of significant increases in data available for analysis must be carefully weighed against the costs to school districts. The Steering Committee monitors and requests progress reports from agencies developing education data systems.

Continuous School Improvement. The Legislature finds that comprehensive finance reform must be accompanied by an equally comprehensive system of continuous school and district improvement. The Legislature also finds that the state and school districts share responsibility for continuous improvement and achieving state educational standards. It is the state's responsibility to provide the tools necessary for continuous improvement and to

take into account the capacity of the school system to implement changes, and adjust expectations accordingly.

The SBE must:

- adopt objective criteria to identify successful schools and those in need of assistance;
- recommend ways for exemplary schools to be recognized;
- develop, in consultation with the SPI, a comprehensive system of voluntary support and assistance, to be implemented by the SPI to the extent funds are available;
- develop a proposal for schools and districts that have not demonstrated sufficient improvement through a voluntary system, to be implemented only if authorized by the Legislature;
- develop a methodology for using the prototypical school funding model as an analytical tool; and
- examine opportunities for incorporating a system such as the Baldrige National Quality Program into the overall system of continuous school improvement.

The SBE and the SPI must seek approval for use of the state system of continuous school improvement for federal accountability purposes. The Legislature's intent is to implement the state system only if federal approval is received. A progress report is due December 1, 2009, and a final report is due December 1, 2010.

Mathematics and Science Teachers. The PESB is designated as the lead agency to coordinate initiatives to support preparation and recruitment of mathematics and science teachers. Each public four-year institution of higher education must submit a plan to the PESB for a Washington Teach initiative, including a commitment to make development of mathematics and science teachers an institutional priority; proposed outreach and recruitment efforts; streamlined course requirements and opportunities for classroom experience; increased collaboration with school districts; and shifting enrollment from elementary education to mathematics and science education. Each institution must also begin exploring partnerships with school districts to provide alternative route teacher preparation programs in mathematics and science. The preliminary plan is due in October 2009, and an updated plan and progress report is due in October 2010.

Achievement Gap Working Group. An Achievement Gap working group is created to provide oversight and accountability in the development of policies to close the gap. The working group is composed of three members appointed by the SPI and 12 members appointed by the Governor representing different groups. The working group reports to the Steering Committee and is directed to synthesize the recommendations from the 2008 achievement gap studies into a single implementation plan with specific policies and strategies in a number of areas.

Revenue. Beginning September 30, 2011, 50 percent of any growth above 5 percent in general state revenues between the previous biennium and the biennium immediately prior, is transferred to a new Basic Education Account and dedicated to funding for the Instructional Program of Basic Education.

Amended Bill Compared to Original Bill:

Effective with the 2011-12 school year, the Instructional Program of Basic Education to be provided by public schools is expanded to include: increased minimum instructional hours, to be phased-in according to an implementation schedule adopted by the Legislature; the opportunity for students to complete 24 credits for high school graduation, to be phased in by the State Board of Education; full-day kindergarten, to be phased-in starting with high-poverty schools; and the Highly Capable Program for gifted students, with funding based on 2 percent of a district's student population and not as an entitlement to any individual student.

The Legislature intends to establish a Program of Early Learning for at-risk children and intends to include it within the overall Program of Basic Education (Program). The DEL and the SPI convene a technical working group to develop a proposal for the Program of Early Learning. A new pupil transportation funding formula is authorized using a regression analysis to allocate funds to school districts, to be phased in beginning with the 2011-12 school year.

It is the Legislature's intent to phase-in the new Program and funding to support it over a six-year period and not to revise or delay this implementation other than for educational reasons, rather than making the phase-in dependent on the capacity of the educational system to accommodate changes. The new funding formulas based on a prototypical school model are more specific in describing allocations for enhancements for career and technical education and lab science courses and for other building staff, rather than directing these details to be determined by a working group. The formulas are not phased in depending on the extent the technical details have been established. The excess cost allocation for Special Education is calculated on an enhanced base.

An Achievement Gap working group is created to provide oversight and accountability in the development of policies to close the gap. The PESB is designated as the lead agency to coordinate initiatives to support preparation and recruitment of mathematics and science teachers, and each public four-year institution of higher education must submit a plan for a Washington Teach initiative.

Beginning September 30, 2011, 50 percent of any growth above 5 percent in general state revenues between the previous biennium and the biennium immediately prior is transferred to a new Basic Education Account.

Rather than reporting to a Joint Work Session of the Legislative Education Committees, working groups established in the bill report to a Basic Education Steering Committee composed of legislators and representatives of education agencies. The Steering Committee reports annually to the Legislature and expires June 30, 2017. Working groups addressing funding formulas, local finance, and compensation are consolidated into a single working group, convened jointly by the OFM and the SPI rather than by the OFM.

The SPI is not directed to make annual determinations of the education system's capacity to accommodate increased resources or programs and report annually to the Legislature.

The PESB is not directed to develop standards for cultural competency for educators, and the direction to the PESB to continue work on performance-based certification is made more general. Direction to the SBE to continue work on a system of continuous school

improvement is also made more general, with reports expected in 2009 and 2010 rather than 2012. The system of voluntary support proposed by the SBE does not require prior legislative authorization. Language describing a system of shared accountability between the state and school districts that takes into account the level of state resources and the capacity of the educational system to make changes is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 101-110, 402-408, and 501-510, relating to the new definition of Basic Education and the new funding formulas for the Institutional Program of Basic Education and public transportation, which take effect September 1, 2011; and section 409, relating to efficiency audits for pupil transportation, which takes effect September 1, 2013.

Staff Summary of Public Testimony:

None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Education Appropriations. Signed by 13 members: Representatives Linville, Chair; Ericks, Vice Chair; Dammeier, Assistant Ranking Minority Member; Cody, Darneille, Haigh, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest and Sullivan.

Minority Report: Do not pass. Signed by 7 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Chandler, Hunt, Ross, Schmick and Seaquist.

Staff: Barbara McLain (786-7383) and Ben Rarick (786-7349)

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Education Appropriations:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 101-110, 402-408, and 501-510, relating to the new definition of Basic Education and the new funding formulas for the Institutional Program of Basic Education and public transportation, which take effect September 1, 2011; and section 409, relating to efficiency audits for pupil transportation, which takes effect September 1, 2013.

Staff Summary of Public Testimony:

(In support with concerns) The point of education reform is to fully fund a redefined program of Basic Education. The message of the current budget is that Basic Education is being protected, while others are not, and a lot of people are concerned about that. The House version of the bill is more specific. However, the Senate budget has good language about accountability. Every effort to improve the staffing ratios of classified staff and support the services they provide to our schools is appreciated. The bill also recognizes the importance of pupil transportation, and that support is also appreciated

(Opposed) While the continued work of the members of the Basic Education Finance Task Force is appreciated, the Washington Education Association has been very clear that the only thing that can be supported is a bill with four components: a redefinition of Basic Education, putting in place the prototypical schools funding formulas, an independent body to guide implementation of those schools so that the formulas can be populated with resources using research-based evidence, and a revenue source to support the effort. This bill repeals the minimum staffing ratios currently in statute in 2011, but there is no guarantee they will be replaced at current levels. There is a transfer of excess general state revenues to Basic Education, but no creation of a dedicated account. Those funds could be used merely to supplant existing resources with no new money going to education. The enthusiasm and commitment to this effort is genuinely appreciated, but there have already been reduction-in-force notices going out to thousands of teachers. This bill would spend \$3 or \$4 million, which amounts to a lot of teachers not in the classroom. Despite good intentions, the money should be spent now where it is most needed. There will be future legislative sessions.

Persons Testifying: (In support with concerns) George Scarola, League of Education Voters; and Doug Nelson, Public School Employees, Service Employees International Union 1948.

(Opposed) Randy Parr, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.