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#### SENATE BILL 5919

62nd Legislature

2011 Regular Session

By Senators Murray and Zarelli

State of Washington

Read first time 04/06/11. Referred to Committee on Ways & Means.

- 1 AN ACT Relating to education funding; amending RCW 28A.150.198,
- 2 28A.150.200, 28A.150.220, 28A.150.260, 28A.150.315, 28A.160.150,
- 3 28A.160.192, 28A.400.201, 28A.400.205, 28B.50.465, and 28A.405.415;
- 4 reenacting and amending RCW 28A.290.010 and 28A.505.220; creating a new
- 5 section; repealing 2010 c 236 s 1 (uncodified); providing effective
- 6 dates; and declaring an emergency.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** The legislature is committed to public
- 9 elementary and secondary education in Washington state. The
- 10 legislature further recognizes its authority and responsibility to
- 11 define and fund a program of basic education as its paramount duty
- 12 under the state Constitution.
- In November 2000, the voters of Washington state approved
- 14 Initiatives 728 and 732 to enhance per-student funding allocations to
- 15 school districts and provide annual cost-of-living salary increases to
- 16 education employees. The initiatives did not provide increased revenue
- 17 to fund the enhanced expenditures.
- 18 Washington state is slowly recovering from the most severe
- 19 recession since the great depression. The need for state services,

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including K-12 public school enrollment, continues to grow while state revenues have significantly declined. As a result, funding for Initiatives 728 and 732 has been reduced or suspended multiple times.

In 2009, school finance reform legislation took the first step in the process of redefining the instructional program of a basic education and the new education funding allocation model to be implemented according to a schedule adopted by the legislature.

In the legislation enacted in 2009 and 2010, the legislature began a process of implementing a revised program of basic education, with the development of recommendations of experienced educators, school professionals, and key educational stakeholders. The development of a comprehensive set of recommendations from all participants will enable the legislature to identify common priorities and develop a reasonable and rational implementation schedule to produce the greatest positive impact on student achievement and take into account the system's capacity to realistically implement the necessary changes.

It is the intent of the legislature to establish a sustainable, long-term financial plan to fund the comprehensive implementation schedule, allowing steady progress in executing and funding the education reforms while making realistic commitments. The financial plan must take into account Initiative 728 by integrating the funding for that initiative with the implementation of the prototypical school model, as recommended by the funding formula technical working group. The financial plan must also consider upcoming findings of the compensation working group and review that group's recommendations regarding Initiative 732 and the state's larger education reform plan.

# Sec. 2. RCW 28A.150.198 and 2009 c 548 s 1 are each amended to read as follows:

- (1) Public education in Washington state has evolved since the enactment of the Washington basic education act of 1977. Decisions by the courts have played a part in this evolution, as have studies and research about education practices and education funding. The legislature finds ample evidence of a need for continuing to refine the program of basic education that is funded by the state and delivered by school districts.
- 36 (2) The legislature reaffirms the work of Washington Learns and 37 other educational task forces that have been convened over the past

four years and their recommendations to make bold reforms to the entire 1 2 educational system in order to educate all students to a higher level; to focus on the individualized instructional needs of students; to 3 4 strive towards closing the achievement gap and reducing dropout rates; and to prepare students for a constantly evolving workforce and 5 increasingly demanding global economy. In enacting this legislation, 6 7 the legislature intends to continue to review, evaluate, and revise the 8 definition and funding of basic education in order to continue to 9 state obligation under Article IX of the fulfill the Constitution. The legislature also intends to continue to strengthen 10 11 and modify the structure of the entire K-12 educational system, 12 including nonbasic education programmatic elements, in order to build 13 the capacity to anticipate and support potential future enhancements to basic education as the educational needs of our citizens continue to 14 15 evolve.

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- (3) The legislature recognizes that the first step in revising the definition and funding of basic education is to create a transparent funding system for both allocations and expenditures so that not only policymakers and educators understand how the state supports basic education but also taxpayers. An adequate data system that enables the legislature to make rational, data-driven decisions on which educational programs impact student learning in order to more effectively and efficiently deliver the resources necessary to provide an ample program of basic education is also a necessity. prototypical funding system will allow the legislature to better understand how current resources are being used. A more complete and accurate educational data system will allow the legislature to understand whether current basic education programs are supporting student learning. Only with both of these systems in place can the legislature make informed decisions on how to best implement a dynamic and evolving system of basic education.
- (4) For practical and educational reasons, major changes of the program of basic education and the funding formulas to support it cannot occur instantaneously. The legislature intends to build upon the previous efforts of the legislature and the basic education task force in order to develop a realistic implementation strategy for a new instructional program after technical experts develop the details of the prototypical schools funding formulas and the data and reporting

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system that will support a new instructional program. The legislature also intends to establish a formal structure for monitoring the implementation by the legislature of an evolving program of basic education and the financing necessary to support such a program. ((The legislature intends that the redefined program of basic education and funding for the program be fully implemented by 2018.))

- (5) It is the further intent of the legislature to also address additional issues that are of importance to the legislature but are not part of basic education.
- Sec. 3. RCW 28A.150.200 and 2009 c 548 s 101 are each amended to read as follows:
- (1) The program of basic education established under this chapter is deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution, which states that "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex," and is adopted pursuant to Article IX, section 2 of the state Constitution, which states that "The legislature shall provide for a general and uniform system of public schools."
- (2) The legislature defines the program of basic education under this chapter as that which is necessary to provide the opportunity to develop the knowledge and skills necessary to meet the state-established high school graduation requirements that are intended to allow students to have the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship. Basic education by necessity is an evolving program of instruction intended to reflect the changing educational opportunities that are needed to equip students for their role as productive citizens and includes the following:
- (a) The instructional program of basic education the minimum components of which are described in RCW 28A.150.220, which shall be phased-in according to an implementation schedule adopted by the legislature;
- (b) The program of education provided by chapter 28A.190 RCW for students in residential schools as defined by RCW 28A.190.020 and for juveniles in detention facilities as identified by RCW 28A.190.010;

(c) The program of education provided by chapter 28A.193 RCW for individuals under the age of eighteen who are incarcerated in adult correctional facilities; and

- (d) Transportation and transportation services to and from school for eligible students as provided under RCW 28A.160.150 through 28A.160.180, which shall be phased-in according to an implementation schedule adopted by the legislature.
- **Sec. 4.** RCW 28A.150.220 and 2009 c 548 s 104 are each amended to 9 read as follows:
  - (1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.
  - (2) Each school district shall make available to students the following minimum instructional offering each school year:
  - (a) For students enrolled in grades one through twelve, at least a district-wide annual average of one thousand hours, which shall be increased to at least one thousand eighty instructional hours for students enrolled in each of grades seven through twelve and at least one thousand instructional hours for students in each of grades one through six according to an implementation schedule adopted by the legislature, but not before the 2014-15 school year; and
  - (b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.
  - (3) The instructional program of basic education provided by each school district shall include:
- 33 (a) Instruction in the essential academic learning requirements 34 under RCW 28A.655.070;
- 35 (b) Instruction that provides students the opportunity to complete 36 twenty-four credits for high school graduation, subject to a phased-in

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implementation of the twenty-four credits as established by the legislature. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

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- (c) If the essential academic learning requirements include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;
- (d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;
- (e) Supplemental instruction and services for eligible and enrolled students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;
- (f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and
  - (g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030, according to an implementation schedule adopted by the legislature.
  - (4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.
  - (5) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half-days of instruction, equivalent, in kindergarten, to be increased to a minimum of one eighty school days per school year according to the implementation schedule under RCW 28A.150.315. However, effective May 1, 1979, a school district may schedule the last five school days of the one hundred and eighty day school year for noninstructional purposes in the case of students who are graduating from high school, including, but not limited to, the observance of graduation and early release from school upon the request of a student, and all such

students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260.

- (6) Nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services, programs, or activities that the school district determines to be appropriate for the education of the school district's students.
- (7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

# **Sec. 5.** RCW 28A.150.260 and 2010 c 236 s 2 are each amended to 14 read as follows:

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

- (1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.
- (2) The distribution formula under this section shall be for allocation purposes only. Except as may be required under chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.
- (3)(a) To the extent the technical details of the formula <u>and an</u> <u>implementation schedule</u> have been adopted by the legislature and except when specifically provided as a school district allocation, the

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distribution formula for the basic education instructional allocation 1 2 shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical 3 4 schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the 5 distribution formula does not constitute legislative intent that 6 schools should be operated or structured in a similar fashion as the 7 8 prototypes. Prototypical schools illustrate the level of resources needed to operate a school of a particular size with particular types 9 and grade levels of students using commonly understood terms and 10 inputs, such as class size, hours of instruction, and various 11 categories of school staff. It is the intent that the funding 12 13 allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent 14 students in each grade level at each school in the district and not 15 based on the grade-level configuration of the school to the extent that 16 data is available. The allocations shall be further adjusted from the 17 school prototypes with minimum allocations for small schools and to 18 19 reflect other factors identified in the omnibus appropriations act.

- (b) For the purposes of this section, prototypical schools are defined as follows:
- (i) A prototypical high school has six hundred average annual fulltime equivalent students in grades nine through twelve;
- (ii) A prototypical middle school has four hundred thirty-two average annual full-time equivalent students in grades seven and eight; and
- (iii) A prototypical elementary school has four hundred average annual full-time equivalent students in grades kindergarten through six.
- (4)(a) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

37 General education 38 average

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1	class size
2	Grades K-3
3	Grade 4
4	Grades 5-6
5	Grades 7-8
6	Grades 9-12
7	(b) (( <del>During the 2011-2013 biennium and</del> )) <u>B</u> eginning with schools
8	with the highest percentage of students eligible for free and reduced-
9	price meals in the prior school year, the general education average
10	class size for grades K-3 shall be reduced until the average class size
11	funded under this subsection (4) is no more than 17.0 full-time
12	equivalent students per teacher ((beginning in the 2017-18 school
13	year)), which shall be phased-in according to an implementation
14	schedule adopted by the legislature.
15	(c) The minimum allocation for each prototypical middle and high
16	school shall also provide for full-time equivalent classroom teachers
17	based on the following number of full-time equivalent students per
18	teacher in career and technical education:
19	Career and technical
20	education average
21	class size
22	Approved career and technical education offered at
23	the middle school and high school level
24	Skill center programs meeting the standards established
25	by the office of the superintendent of public
26	instruction
27	(d) In addition, the omnibus appropriations act shall at a minimum
28	specify:
29	(i) A high-poverty average class size in schools where more than
30	fifty percent of the students are eligible for free and reduced-price
31	meals; and
32	(ii) A specialty average class size for laboratory science,
33	advanced placement, and international baccalaureate courses.
34	(5) The minimum allocation for each level of prototypical school
35	shall include allocations for the following types of staff in addition

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to classroom teachers:

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

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

23	Staff per 1,000
24	K-12 students
25	Technology
26	Facilities, maintenance, and grounds
27	Warehouse, laborers, and mechanics

- (b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (b) and (5) of this section and (a) of this subsection.
- (7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center

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1	administrative and other school-level certificated staff, as specified
2	in the omnibus appropriations act.
3	(8)(a) Except as provided in (b) of this subsection, the minimum
4	allocation for each school district shall include allocations per
5	annual average full-time equivalent student for the following
6	materials, supplies, and operating costs, to be adjusted for inflation
7	from the 2008-09 school year:
8	Per annual average
9	full-time equivalent student
10	in grades K-12
11	Technology
12	Utilities and insurance
13	Curriculum and textbooks
14	Other supplies and library materials
15	Instructional professional development for certified and
16	classified staff
17	Facilities maintenance
18	Security and central office
19	(b) During the 2011-2013 biennium, the minimum allocation for
20	maintenance, supplies, and operating costs shall be ((increased as))
21	specified in the omnibus appropriations act. The following
22	allocations, adjusted for inflation from the 2007-08 school year, are
23	provided ((in the 2015-16 school year)) according to a phased-in
24	implementation schedule adopted by the legislature, after which the
25	allocations shall be adjusted annually for inflation as specified in
26	the omnibus appropriations act:
27	Per annual average
28	full-time equivalent student
29	in grades K-12
30	Technology
31	Utilities and insurance
32	Curriculum and textbooks
33	Other supplies and library materials
34	Instructional professional development for certificated and
35	classified staff
36	Facilities maintenance
37	Security and central office administration \$106.12

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

- (a) Exploratory career and technical education courses for students in grades seven through twelve;
- (b) Laboratory science courses for students in grades nine through twelve;
- (c) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and
- (d) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center.
- (10) In addition to the allocations otherwise provided under this section, amounts shall be ((provided)) phased-in according to an implementation schedule adopted by the legislature to support the following programs and services:
- (a) To provide supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065, allocations shall be based on the district percentage of students in grades K-12 who were eligible for free or reduced-price meals in the prior school year. The minimum allocation for the program shall provide for each level of prototypical school resources to provide, on a statewide average, 1.5156 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.
- (b) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction with fifteen transitional bilingual instruction program students per teacher.
- (c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on two and three hundred fourteen one-thousandths percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs

shall provide resources to provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.

- (11) The allocations under subsections (4)(a) and (b), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.
- (12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.
- (b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A.700 RCW.
- (13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.
- (b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.
- (c) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the first school day of each month, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the

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present definition shall not take effect until approved by the house 1 2 ways and means committee and the senate ways and means committee.

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- (d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.
- 6 **Sec. 6.** RCW 28A.150.315 and 2010 c 236 s 4 are each amended to 7 read as follows:
- (1) Beginning with the 2007-08 school year, funding for voluntary 8 9 all-day kindergarten programs shall be phased-in beginning with schools with the highest poverty levels, defined as those schools with the 10 11 highest percentages of students qualifying for free and reduced-price lunch support in the prior school year. ((During the 2011-2013 12 13 biennium,)) Funding shall continue to be phased-in ((each year)) according to an implementation schedule adopted by the legislature 14 until full statewide implementation of all-day kindergarten is achieved 15 16 ((in the 2017-18 school year)). Once a school receives funding for the all-day kindergarten program, that school shall remain eligible for 17 funding in subsequent school years regardless of changes in the 18 school's percentage of students eligible for free and reduced-price 19 20 lunches long as other program requirements are fulfilled. as Additionally, schools receiving all-day kindergarten program support 21 22 shall agree to the following conditions:
  - (a) Provide at least a one thousand-hour instructional program;
  - (b) Provide a curriculum that offers a rich, varied set of experiences that assist students in:
- (i) Developing initial skills in the academic areas of reading, 27 mathematics, and writing;
  - (ii) Developing a variety of communication skills;
- 29 (iii) Providing experiences in science, social studies, arts, 30 health and physical education, and a world language other than English;
  - (iv) Acquiring large and small motor skills;
- 32 (v) Acquiring social and emotional skills including successful participation in learning activities as an individual and as part of a 33 34 group; and
  - (vi) Learning through hands-on experiences;
- 36 (c) Establish learning environments that are developmentally 37 appropriate and promote creativity;

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

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

### Sec. 7. RCW 28A.160.150 and 2009 c 548 s 304 are each amended to read as follows:

Funds allocated for transportation costs, except for funds provided for transportation and transportation services to and from school in accordance with an implementation schedule adopted by the legislature, shall be in addition to the basic education allocation. The distribution formula developed in RCW 28A.160.150 through 28A.160.180 shall be for allocation purposes only and shall not be construed as mandating specific levels of pupil transportation services by local districts. Operating costs as determined under RCW 28A.160.150 through 28A.160.180 shall be funded at one hundred percent or as close thereto as reasonably possible for transportation of an eligible student to and from school as defined in RCW 28A.160.160(3). In addition, funding shall be provided for transportation services for students living within the walk area as determined under RCW 28A.160.160(5).

# Sec. 8. RCW 28A.160.192 and 2010 c 236 s 8 are each amended to read as follows:

(1) The superintendent of public instruction shall phase-in (( $\frac{\text{the implementation of}}{\text{of}}$ )) the distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school <u>in accordance with an implementation</u>

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schedule adopted by the legislature. ((The phase-in shall begin no later than the 2011-2013 biennium and be fully implemented by the 2013-2015 biennium.))

- (a) The formula must be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.
- (b) The formula must allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. Employee compensation costs included in the allowable transportation expenditures used for the purpose of establishing each school district's independent variable in the regression analysis shall be limited to the base salary or hourly wage rates, fringe benefit rates, and applicable health care rates provided in the omnibus appropriations act.
  - (2) During the phase-in period, funding provided to school districts for student transportation operations shall be distributed on the following basis:
  - (a) Annually, each school district shall receive the lesser of the previous school year's pupil transportation operations allocation, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state plus district indirect expenses using the ((state recovery)) federal restricted indirect rate ((identified by the superintendent)) as calculated in the district annual financial report; ((and))
  - (b) Annually, the amount identified in (a) of this subsection shall be adjusted for any budgeted increases provided in the omnibus appropriations act for salaries or fringe benefits;
- (c) Annually, any funds appropriated by the legislature in excess of the maintenance level funding amount for student transportation shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) adjusted by (b) of

- this subsection and the amount determined under the formula in RCW 28A.160.180; and
- (d) Allocations provided to recognize the cost of depreciation to districts contracting with private carriers for student transportation shall be deducted from the allowable transportation expenditures in (a) of this subsection.
- Sec. 9. RCW 28A.290.010 and 2010 c 236 s 15 and 2010 c 234 s 4 are each reenacted and amended to read as follows:

- (1) The quality education council is created to recommend and inform the ongoing implementation by the legislature of an evolving program of basic education and the financing necessary to support such program. The council shall develop strategic recommendations on the program of basic education for the common schools. The council shall take into consideration the capacity report produced under RCW 28A.300.172 and the availability of data and progress of implementing the data systems required under RCW 28A.655.210. Any recommendations for modifications to the program of basic education shall be based on evidence that the programs effectively support student learning. The council shall update the statewide strategic recommendations every four years. The recommendations of the council are intended to:
- 21 (a) Inform future educational policy and funding decisions of the 22 legislature and governor;
  - (b) Identify measurable goals and priorities for the educational system in Washington state for a ten-year time period, including the goals of basic education and ongoing strategies for coordinating statewide efforts to eliminate the achievement gap and reduce student dropout rates; and
  - (c) Enable the state of Washington to continue to implement an evolving program of basic education.
  - (2) The council may request updates and progress reports from the office of the superintendent of public instruction, the state board of education, the professional educator standards board, and the department of early learning on the work of the agencies as well as educational working groups established by the legislature.
- 35 (3) The chair of the council shall be selected from the councilmembers. The council shall be composed of the following 37 members:

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

- (b) Four members of the senate, with two members representing each of the major caucuses and appointed by the president of the senate;
- (c) One representative each from the office of the governor, office of the superintendent of public instruction, state board of education, professional educator standards board, and department of early learning; and
- (d) One nonlegislative representative from the achievement gap oversight and accountability committee established under RCW 28A.300.136, to be selected by the members of the committee.
- (4) In the 2009 fiscal year, the council shall meet as often as necessary as determined by the chair. In subsequent years, the council shall meet no more than four times a year.
- (5)(a) The council shall submit an initial report to the governor and the legislature by January 1, 2010, detailing its recommendations, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session, and recommendations for any funding necessary to continue development and implementation of chapter 548, Laws of 2009.
  - (b) The initial report shall, at a minimum, include:
- 23 (i) Consideration of how to establish a statewide beginning teacher 24 mentoring and support system;
  - (ii) Recommendations for a program of early learning for at-risk children;
  - (iii) A recommended schedule for the concurrent phase-in of the changes to the instructional program of basic education and the implementation of the funding formulas and allocations to support the new instructional program of basic education as established under chapter 548, Laws of 2009((. The phase-in schedule shall have full implementation completed by September 1, 2018)); and
  - (iv) A recommended schedule for phased-in implementation of the new distribution formula for allocating state funds to school districts for the transportation of students to and from school, with phase-in beginning no later than September 1, 2013.
- 37 (6) The council shall submit a report to the legislature by January 38 1, 2012, detailing its recommendations for a comprehensive plan for a

voluntary program of early learning. Before submitting the report, the council shall seek input from the early learning advisory council created in RCW 43.215.090.

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- (7) The council shall submit a report to the governor and the legislature by December 1, 2010, that includes:
- (a) Recommendations for specific strategies, programs, and funding, including funding allocations through the funding distribution formula in RCW 28A.150.260, that are designed to close the achievement gap and increase the high school graduation rate in Washington public schools. The council shall consult with the achievement gap oversight and accountability committee and the building bridges work group in developing its recommendations; and
- (b) Recommendations for assuring adequate levels of state-funded classified staff to support essential school and district services.
- (8)(a) By January 1, 2013, the council shall synthesize the recommendations and reports from the working groups and entities in (b) of this subsection to develop a concurrent phase-in schedule for the legislature to fully implement the changes to the instructional program of basic education and the enhancements of the funding formulas.
- 20 <u>(b) Recommendations from the following shall be considered in</u> 21 <u>developing the phase-in schedule under this subsection (8):</u>
  - (i) The funding formula technical working group;
  - (ii) The local funding technical working group;
    - (iii) The compensation technical working group;
- 25 (iv) The highly capable program technical working group;
  - (v) The learning assistance program technical working group;
- 27 <u>(vi) The transitional bilingual instruction program technical</u> 28 <u>working group;</u>
- 29 <u>(vii) The state board of education, regarding high school</u> 30 graduation requirements; and
- (viii) The office of the superintendent of public instruction's capacity report.
- 33 (c) The council is encouraged to also consider other major policy
  34 changes that schools and districts are being required to implement,
  35 such as the new common core standards, the new assessments of the
  36 common core, the new high school graduation requirements, and the new
  37 teacher and principal evaluation pilot programs when developing the
  38 recommendations due by January 1, 2013.

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

- ((+9))) (10) Legislative members of the council shall serve without additional compensation but may be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.
- **Sec. 10.** RCW 28A.400.201 and 2010 c 236 s 7 are each amended to 14 read as follows:
  - (1) The legislature recognizes that providing students with the opportunity to access a world-class educational system depends on our continuing ability to provide students with access to world-class educators. The legislature also understands that continuing to attract and retain the highest quality educators will require increased investments. The legislature intends to enhance the current salary allocation model and recognizes that changes to the current model cannot be imposed without great deliberation and input from teachers, administrators, and classified employees. Therefore, it is the intent of the legislature to begin the process of developing an enhanced salary allocation model that is collaboratively designed to ensure the rationality of any conclusions regarding what constitutes adequate compensation.
  - (2) Beginning July 1, 2011, the office of the superintendent of public instruction, in collaboration with the office of financial management, shall convene a technical working group to recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system and establishes recommendations for a concurrent implementation schedule. In addition to any other details the technical working group deems necessary, the technical working group shall make recommendations on the following:

- 1 (a) How to reduce the number of tiers within the existing salary 2 allocation model;
  - (b) How to account for labor market adjustments;

- (c) How to account for different geographic regions of the state where districts may encounter difficulty recruiting and retaining teachers;
  - (d) The role of and types of bonuses available;
- 8 (e) Ways to accomplish salary equalization over a set number of 9 years; ((and))
  - (f) Whether Initiative 732 should be removed as a separate funding source but the funds folded into the basic education allocations; and
  - (g) Initial fiscal estimates for implementing the recommendations including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule.
  - (3) As part of its work, the technical working group shall conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature. For the purposes of this subsection, "salaries and other compensation" includes average base salaries, average total salaries, average employee basic benefits, and retirement benefits.
- 23 (4) The analysis required under subsection (1) of this section 24 must:
  - (a) Examine salaries and other compensation for teachers, other certificated instructional staff, principals, and other building-level certificated administrators, and the types of classified employees for whom salaries are allocated;
  - (b) Be calculated at a statewide level that identifies labor markets in Washington through the use of data from the United States bureau of the census and the bureau of labor statistics; and
  - (c) Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates.
  - (5) The working group shall include representatives of the department of personnel, the professional educator standards board, the office of the superintendent of public instruction, the Washington

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- education association, the Washington association of administrators, the association of Washington school principals, the Washington state school directors' association, the public school employees of Washington, and other interested stakeholders with appropriate expertise in compensation related matters. group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array stakeholders.
- 9 (6) The working group shall be monitored and overseen by the 10 legislature and the quality education council created in RCW 11 28A.290.010. The working group shall make an initial report to the 12 legislature by June 30, 2012, and shall include in its report 13 recommendations for whether additional further work of the group is 14 necessary.
- **Sec. 11.** RCW 28A.505.220 and 2009 c 541 s 1 and 2009 c 479 s 18 16 are each reenacted and amended to read as follows:
  - (1) Total distributions for the student achievement program from the general fund to each school district shall be based upon the average number of full-time equivalent students in the school district during the previous school year as reported to the office of the superintendent of public instruction by August 31st of the previous school year. The superintendent of public instruction shall ensure that moneys generated by skill center students are returned to skill centers.
  - (2) The allocation rate per full-time equivalent student shall be three hundred dollars in the 2005-06 school year, three hundred seventy-five dollars in the 2006-07 school year, and four hundred fifty dollars in the 2007-08 school year. For each subsequent school year, the amount allocated per full-time equivalent student shall be adjusted for inflation by the implicit price deflator as published by the federal bureau of labor statistics. However, ((for the 2009-10 and 2010-11 school years)) beginning with the 2010-11 school year, the amount allocated per full-time equivalent student shall be as specified in the omnibus appropriations act. ((For the 2011-12 school year and thereafter, amounts allocated shall be further adjusted so that the allocations are equal to what they would have been if allocations had not been reduced for the 2009-10 and 2010-11 school years.)) These

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allocations per full-time equivalent student shall be supported from the distributions from the education legacy trust account created in RCW 83.100.230 and the state general fund.

- (3) The school district annual amounts as defined in subsection (2) of this section shall be distributed on the monthly apportionment schedule as defined in RCW 28A.510.250.
- ((4) However, during the 2008-09 school year, the school district annual amounts as defined in this section shall be distributed as follows:

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        September: 9.0 percent;
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        October: 9.0 percent;
       November: 5.5 percent;
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        December: 9.0 percent;
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        <del>January:</del>
                   9.0 percent;
        February: 9.0 percent;
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        March: 9.0 percent;
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        April: 9.0 percent;
        May: 5.5 percent;
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        June: 4.2 percent;
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                  11.8 percent; and
        August: 10.0 percent.))
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- **Sec. 12.** RCW 28A.400.205 and 2009 c 573 s 1 are each amended to 23 read as follows:
  - (1) School district employees shall be provided an annual salary cost-of-living increase in accordance with this section.
  - (a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the 2001-02 school year, and for each subsequent school year, except for the ((2009-10 and 2010-11)) 2011-12 through 2014-15 school years, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.
  - (b) A school district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies. No later than the end of the school year, each

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school district shall certify to the superintendent of public instruction that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

- (c) Any funded cost-of-living increase shall be included in the salary base used to determine cost-of-living increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual cost-of-living increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation schedule established under RCW 28A.150.410 and to any other salary models used to recognize school district personnel costs.
- (((d) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost-of-living allocations required by (a) of this subsection, school districts shall receive additional cost-of-living allocations in equal increments such that by the end of the 2014-15 school year school district employee base salaries used with the statewide salary allocation schedule established under RCW 28A.150.410 and any other state salary models used to recognize school district personnel costs are, at a minimum, equal to what they would have been if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school years.))
- (2) For the purposes of this section, "cost-of-living index" means, for any school year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.
- **Sec. 13.** RCW 28B.50.465 and 2009 c 573 s 2 are each amended to read as follows:
- 33 (1) Academic employees of community and technical college districts 34 shall be provided an annual salary cost-of-living increase in 35 accordance with this section. For purposes of this section, "academic 36 employee" has the same meaning as defined in RCW 28B.52.020.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each college district shall receive a cost-of-living allocation sufficient to increase academic employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

- (b) A college district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.
- (c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for academic employees in subsequent years.
- (d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ((2009-2010 and 2010-2011)) 2011-2012 through 2014-2015 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.
- (((e) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost-of-living allocations required by (a) of this subsection, community and technical college districts shall receive additional cost-of-living allocations in equal increments such that, by the end of the 2014-15 academic year, average salaries of academic employees of community and technical college districts will be, at a minimum, equal to what salaries would have been if cost-of-living allocations had not been suspended during the 2009-10 or 2010-11 school years.))
- (2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

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- 1 **Sec. 14.** RCW 28A.405.415 and 2009 c 539 s 6 are each amended to read as follows:
- 3 (1) Certificated instructional staff who have attained 4 certification from the national board for professional teaching standards shall receive a bonus each year in which they maintain the 5 certification. The bonus shall be calculated as follows: 6 bonus shall be five thousand dollars in the 2007-08 school year. 7 8 Thereafter, the annual bonus shall increase by inflation. ((2009-10 and 2010-11)) 2011-12 and 2012-13 school years the annual 9 bonus shall be subject to the availability of amounts appropriated for 10 this purpose and subject to such conditions as may be established in 11 the omnibus appropriations act. ((During the 2011-2013 and 2013-2015 12 13 fiscal biennia, in addition to annual adjustments for inflation, the 14 bonus amount shall be additionally increased such that, by the end of the 2014-15 school year, national board bonus amounts are, at a 15 minimum, equal to what they would have been if annual adjustments for 16 inflation had not been suspended during the 2009-10 or 2010-11 school 17 18 <del>vear.</del>))
  - (2) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall be eligible for bonuses in addition to that provided by subsection (1) of this section if the individual is in an instructional assignment in a school in which at least seventy percent of the students qualify for the free and reduced-price lunch program.
  - (3) The amount of the additional bonus under subsection (2) of this section for those meeting the qualifications of subsection (2) of this section is five thousand dollars. For the 2011-12 and 2012-13 school years, the annual bonus under subsection (2) of this section shall be subject to the availability of amounts appropriated for this purpose and subject to such conditions as may be established in the omnibus appropriations act.
  - (4) The bonuses provided under this section are in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitations under RCW 28A.400.200.
- 37 (5) The bonuses provided under this section shall be paid in a lump sum amount.

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- 1 NEW SECTION. Sec. 15. 2010 c 236 s 1 (uncodified) is repealed.
- NEW SECTION. Sec. 16. Sections 3 through 8 of this act take effect September 1, 2011.
- NEW SECTION. Sec. 17. Section 11 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.
- NEW SECTION. Sec. 18. Sections 9, 10, and 12 through 14 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

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