
HOUSE BILL 1174

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Dahlquist, Haigh, Magendanz, Hurst, Wilcox, Fagan, Parker, Hawkins, Hayes, Hargrove, Warnick, Pike, Chandler, Haler, Ross, Schmick, Taylor, Buys, Alexander, Smith, Zeiger, Johnson, Short, MacEwen, Holy, Shea, and Vick

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1 AN ACT Relating to complying with the state's constitutional duty
2 to make ample provision for a basic education by prioritizing state
3 funding for K-12 education and targeting state investments on reforms
4 with the highest impact on student success; amending RCW 28A.150.380,
5 28A.150.220, 28A.150.260, 28A.150.315, and 28A.160.192; adding a new
6 section to chapter 44.04 RCW; creating a new section; and declaring an
7 emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** (1) Article IX of the Washington state
10 Constitution specifies that "it is the paramount duty of the state to
11 make ample provision for the education of all children residing within
12 its borders, without distinction or preference on account of race,
13 color, caste, or sex." In *McCleary v. State of Washington*, the
14 Washington state supreme court affirmed that "paramount" in the context
15 of Article IX means that the state must "amply provide for the
16 education of all Washington children as the state's first and highest
17 priority before any other state programs or operations." Therefore, to
18 ensure compliance with the state's Article IX duty, the legislature

1 intends to fund K-12 education first, fully, and separately, before any
2 other state programs or operations.

3 (2) Furthermore, the legislature recognizes the critical importance
4 of children's early academic years on their long-term success. A
5 robust body of high-quality research shows that access to full-day
6 kindergarten leads to greater academic achievement and better social-
7 emotional outcomes. Smaller class sizes for our youngest learners mean
8 more opportunity to personalize instruction and provide early
9 interventions for children. Therefore, in recognition of these facts
10 and for educational policy reasons, the legislature intends to
11 reprioritize the phase-in schedule for additional state investments
12 found in chapter 236, Laws of 2010, to fully fund all-day kindergarten
13 by the 2014-15 school year; K-3 class size reductions and increased
14 instructional hours by the 2016-17 school year; and materials,
15 supplies, and operating costs and pupil transportation by the 2018-19
16 school year.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.04 RCW
18 to read as follows:

19 (1) Under Article IX, section 1 of the state Constitution, it is
20 the paramount duty of the state to make ample provision for the
21 education of all of Washington's children. According to the state
22 supreme court, this constitutional provision requires that the
23 legislature define and fully fund a program of K-12 basic education
24 before the legislature funds any other statutory programs. For these
25 reasons, it is the intent of the legislature to require that all
26 appropriations for K-12 basic education, together with appropriations
27 for other K-12 education programs, be enacted into law before the
28 legislature takes executive action on other omnibus appropriations
29 legislation.

30 (2) As of the effective date of this section, appropriations for
31 the purposes of RCW 28A.150.380 and other K-12 education purposes must
32 be enacted into law before it is in order for either house of the
33 legislature to take executive action on omnibus operating or
34 transportation appropriations legislation.

35 (3) The house of representatives and senate, jointly or separately,
36 may adopt rules or resolutions to implement their respective
37 responsibilities under this section.

1 **Sec. 3.** RCW 28A.150.380 and 2012 1st sp.s. c 10 s 3 are each
2 amended to read as follows:

3 (1) The state legislature shall, at each regular session in an odd-
4 numbered year, appropriate for the current use of the common schools
5 such amounts as needed for state support to school districts during the
6 ensuing biennium for the program of basic education under RCW
7 28A.150.200.

8 (2) In addition to those state funds provided to school districts
9 for basic education, the legislature may appropriate funds to be
10 distributed to school districts for other factors and for other special
11 programs to enhance or enrich the program of basic education.

12 (3) As of the effective date of this section, appropriations for
13 the purposes of this section and other K-12 education purposes must be
14 made in legislation that is separate from the omnibus operating
15 appropriations act. Such appropriations must be enacted into law
16 before it is in order for either house of the legislature to take
17 executive action on omnibus operating appropriations legislation.

18 (4) As of the effective date of this section, appropriations for
19 the purposes of phasing-in enhanced state funding for all-day
20 kindergarten; K-3 class size; increased minimum instructional hours;
21 materials, supplies, and operating costs; and pupil transportation must
22 be made in priority order as provided in this subsection. For the five
23 items specified in this subsection, no increased appropriations beyond
24 maintenance-level adjustments or adjustments to reflect changes in
25 state allocations for employee salaries and benefits may be made for a
26 lower priority item until funding for the next highest priority item is
27 fully phased-in. The priority order for phasing-in enhanced state
28 funding is as follows:

29 (a) First priority: All-day kindergarten according to the timeline
30 under RCW 28A.150.315;

31 (b) Second priority: Reduced K-3 class size according to the
32 timeline under RCW 28A.150.260(4)(b);

33 (c) Third priority: Increased minimum instructional hours
34 according to the timeline under RCW 28A.150.220(2)(a);

35 (d) Fourth priority: Increased allocations for materials,
36 supplies, and operating costs according to the timeline under RCW
37 28A.150.260(8)(b); and

1 (e) Fifth priority: Increased allocations for pupil transportation
2 according to the timeline under RCW 28A.160.192.

3 **Sec. 4.** RCW 28A.150.220 and 2011 1st sp.s. c 27 s 1 are each
4 amended to read as follows:

5 (1) In order for students to have the opportunity to develop the
6 basic education knowledge and skills under RCW 28A.150.210, school
7 districts must provide instruction of sufficient quantity and quality
8 and give students the opportunity to complete graduation requirements
9 that are intended to prepare them for postsecondary education, gainful
10 employment, and citizenship. The program established under this
11 section shall be the minimum instructional program of basic education
12 offered by school districts.

13 (2) Each school district shall make available to students the
14 following minimum instructional offering each school year:

15 (a) For students enrolled in grades one through twelve, at least a
16 district-wide annual average of one thousand hours, which shall be
17 increased district-wide to at least one thousand eighty instructional
18 hours for students enrolled in each of grades seven through twelve and
19 at least one thousand instructional hours for students in each of
20 grades one through six (~~according to an implementation schedule~~
21 ~~adopted by the legislature, but not before the 2014-15~~) beginning with
22 the 2016-17 school year; and

23 (b) For students enrolled in kindergarten, at least four hundred
24 fifty instructional hours, which shall be increased to at least one
25 thousand instructional hours according to the implementation schedule
26 under RCW 28A.150.315.

27 (3) The instructional program of basic education provided by each
28 school district shall include:

29 (a) Instruction in the essential academic learning requirements
30 under RCW 28A.655.070;

31 (b) Instruction that provides students the opportunity to complete
32 twenty-four credits for high school graduation, subject to a phased-in
33 implementation of the twenty-four credits as established by the
34 legislature. Course distribution requirements may be established by
35 the state board of education under RCW 28A.230.090;

36 (c) If the essential academic learning requirements include a

1 requirement of languages other than English, the requirement may be met
2 by students receiving instruction in one or more American Indian
3 languages;

4 (d) Supplemental instruction and services for underachieving
5 students through the learning assistance program under RCW 28A.165.005
6 through 28A.165.065;

7 (e) Supplemental instruction and services for eligible and enrolled
8 students whose primary language is other than English through the
9 transitional bilingual instruction program under RCW 28A.180.010
10 through 28A.180.080;

11 (f) The opportunity for an appropriate education at public expense
12 as defined by RCW 28A.155.020 for all eligible students with
13 disabilities as defined in RCW 28A.155.020; and

14 (g) Programs for highly capable students under RCW 28A.185.010
15 through 28A.185.030.

16 (4) Nothing contained in this section shall be construed to require
17 individual students to attend school for any particular number of hours
18 per day or to take any particular courses.

19 (5) Each school district's kindergarten through twelfth grade basic
20 educational program shall be accessible to all students who are five
21 years of age, as provided by RCW 28A.225.160, and less than twenty-one
22 years of age and shall consist of a minimum of one hundred eighty
23 school days per school year in such grades as are conducted by a school
24 district, and one hundred eighty half-days of instruction, or
25 equivalent, in kindergarten, to be increased to a minimum of one
26 hundred eighty school days per school year according to the
27 implementation schedule under RCW 28A.150.315. However, effective May
28 1, 1979, a school district may schedule the last five school days of
29 the one hundred and eighty day school year for noninstructional
30 purposes in the case of students who are graduating from high school,
31 including, but not limited to, the observance of graduation and early
32 release from school upon the request of a student, and all such
33 students may be claimed as a full-time equivalent student to the extent
34 they could otherwise have been so claimed for the purposes of RCW
35 28A.150.250 and 28A.150.260.

36 (6) Nothing in this section precludes a school district from
37 enriching the instructional program of basic education, such as

1 offering additional instruction or providing additional services,
2 programs, or activities that the school district determines to be
3 appropriate for the education of the school district's students.

4 (7) The state board of education shall adopt rules to implement and
5 ensure compliance with the program requirements imposed by this
6 section, RCW 28A.150.250 and 28A.150.260, and such related supplemental
7 program approval requirements as the state board may establish.

8 **Sec. 5.** RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each
9 amended to read as follows:

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

15 (1) The governor shall and the superintendent of public instruction
16 may recommend to the legislature a formula for the distribution of a
17 basic education instructional allocation for each common school
18 district.

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

30 (3)(a) To the extent the technical details of the formula have been
31 adopted by the legislature and except when specifically provided as a
32 school district allocation, the distribution formula for the basic
33 education instructional allocation shall be based on minimum staffing
34 and nonstaff costs the legislature deems necessary to support
35 instruction and operations in prototypical schools serving high,
36 middle, and elementary school students as provided in this section.
37 The use of prototypical schools for the distribution formula does not

1 constitute legislative intent that schools should be operated or
 2 structured in a similar fashion as the prototypes. Prototypical
 3 schools illustrate the level of resources needed to operate a school of
 4 a particular size with particular types and grade levels of students
 5 using commonly understood terms and inputs, such as class size, hours
 6 of instruction, and various categories of school staff. It is the
 7 intent that the funding allocations to school districts be adjusted
 8 from the school prototypes based on the actual number of annual average
 9 full-time equivalent students in each grade level at each school in the
 10 district and not based on the grade-level configuration of the school
 11 to the extent that data is available. The allocations shall be further
 12 adjusted from the school prototypes with minimum allocations for small
 13 schools and to reflect other factors identified in the omnibus
 14 appropriations act.

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

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

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

22 (iii) A prototypical elementary school has four hundred average
 23 annual full-time equivalent students in grades kindergarten through
 24 six.

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

	General education average class size
32	
33	
34	
35	25.23
36	27.00
37	27.00
38	28.53

1 Grades 9-12 28.74

2 (b) (~~During the 2011-2013 biennium~~) Following the priority order
3 and provisions of RCW 28A.150.380 and beginning with schools with the
4 highest percentage of students eligible for free and reduced-price
5 meals in the prior school year, the general education average class
6 size for grades K-3 shall be reduced until the average class size
7 funded under this subsection (4) is no more than 17.0 full-time
8 equivalent students per teacher beginning in the (~~2017-18~~) 2016-17
9 school year.

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

	Career and technical	
	education average	
	class size	
14		
15		
16		
17	Approved career and technical education offered at	
18	the middle school and high school level	26.57
19	Skill center programs meeting the standards established	
20	by the office of the superintendent of public	
21	instruction	22.76

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

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

27 (ii) A specialty average class size for laboratory science,
28 advanced placement, and international baccalaureate courses.

29 (e) Funding enhancements in addition to the allocations provided in
30 this section to support increased instructional hours required under
31 RCW 28A.150.220(2)(a) shall be specified in the omnibus appropriations
32 act, following the priority order and provisions of RCW 28A.150.380.

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

36

1 school districts for career and technical education and skill center
2 administrative and other school-level certificated staff, as specified
3 in the omnibus appropriations act.

4 (8)(a) Except as provided in (b) of this subsection, the minimum
5 allocation for each school district shall include allocations per
6 annual average full-time equivalent student for the following
7 materials, supplies, and operating costs, to be adjusted for inflation
8 from the 2008-09 school year:

	Per annual average full-time equivalent student in grades K-12
9 Technology	\$54.43
10 Utilities and insurance	\$147.90
11 Curriculum and textbooks	\$58.44
12 Other supplies and library materials	\$124.07
13 Instructional professional development for certified and 14 classified staff	\$9.04
15 Facilities maintenance	\$73.27
16 Security and central office	\$50.76

17 (b) (~~During the 2011-2013 biennium,~~) The minimum allocation for
18 (~~maintenance~~) materials, supplies, and operating costs shall be
19 increased as specified in the omnibus appropriations act following the
20 priority order and provisions of RCW 28A.150.380. The following
21 allocations, adjusted for inflation from the 2007-08 school year, are
22 provided in the (~~2015-16~~) 2018-19 school year, after which the
23 allocations shall be adjusted annually for inflation as specified in
24 the omnibus appropriations act:

	Per annual average full-time equivalent student in grades K-12
25 Technology	\$113.80
26 Utilities and insurance	\$309.21
27 Curriculum and textbooks	\$122.17
28 Other supplies and library materials	\$259.39
29 Instructional professional development for certificated and 30 classified staff	\$18.89
31 Facilities maintenance	\$153.18

1 Security and central office administration \$106.12

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

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

7 (b) Laboratory science courses for students in grades nine through
8 twelve;

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

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

13 (10) In addition to the allocations otherwise provided under this
14 section, amounts shall be provided to support the following programs
15 and services:

16 (a) To provide supplemental instruction and services for
17 underachieving students through the learning assistance program under
18 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
19 district percentage of students in grades K-12 who were eligible for
20 free or reduced-price meals in the prior school year. The minimum
21 allocation for the program shall provide for each level of prototypical
22 school resources to provide, on a statewide average, 1.5156 hours per
23 week in extra instruction with a class size of fifteen learning
24 assistance program students per teacher.

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

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

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

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

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

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

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

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

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

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

10 **Sec. 6.** RCW 28A.150.315 and 2012 c 51 s 1 are each amended to read
11 as follows:

12 (1) Beginning with the 2007-08 school year, funding for voluntary
13 all-day kindergarten programs shall be phased-in beginning with schools
14 with the highest poverty levels, defined as those schools with the
15 highest percentages of students qualifying for free and reduced-price
16 lunch support in the prior school year. (~~During the 2011-2013~~
17 ~~biennium,~~) Funding shall continue to be phased-in (~~each year~~)
18 following the priority order and provisions of RCW 28A.150.380 until
19 full statewide implementation of all-day kindergarten is achieved in
20 the (~~2017-18~~) 2014-15 school year. Once a school receives funding
21 for the all-day kindergarten program, that school shall remain eligible
22 for funding in subsequent school years regardless of changes in the
23 school's percentage of students eligible for free and reduced-price
24 lunches as long as other program requirements are fulfilled.
25 Additionally, schools receiving all-day kindergarten program support
26 shall agree to the following conditions:

- 27 (a) Provide at least a one thousand-hour instructional program;
28 (b) Provide a curriculum that offers a rich, varied set of
29 experiences that assist students in:
30 (i) Developing initial skills in the academic areas of reading,
31 mathematics, and writing;
32 (ii) Developing a variety of communication skills;
33 (iii) Providing experiences in science, social studies, arts,
34 health and physical education, and a world language other than English;
35 (iv) Acquiring large and small motor skills;
36 (v) Acquiring social and emotional skills including successful

1 participation in learning activities as an individual and as part of a
2 group; and

3 (vi) Learning through hands-on experiences;

4 (c) Establish learning environments that are developmentally
5 appropriate and promote creativity;

6 (d) Demonstrate strong connections and communication with early
7 learning community providers; and

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

10 (2)(a) It is the intent of the legislature that administration of
11 the Washington kindergarten inventory of developing skills as required
12 in this subsection (2) and RCW 28A.655.080 replace administration of
13 other assessments being required by school districts or that other
14 assessments only be administered if they seek to obtain information not
15 covered by the Washington kindergarten inventory of developing skills.

16 (b) In addition to the requirements in subsection (1) of this
17 section and to the extent funds are available, beginning with the 2011-
18 12 school year on a voluntary basis, schools must identify the skills,
19 knowledge, and characteristics of kindergarten students at the
20 beginning of the school year in order to support social-emotional,
21 physical, and cognitive growth and development of individual children;
22 support early learning provider and parent involvement; and inform
23 instruction. Kindergarten teachers shall administer the Washington
24 kindergarten inventory of developing skills, as directed by the
25 superintendent of public instruction in consultation with the
26 department of early learning and in collaboration with the
27 nongovernmental private-public partnership designated in RCW
28 43.215.070, and report the results to the superintendent. The
29 superintendent shall share the results with the director of the
30 department of early learning.

31 (c) School districts shall provide an opportunity for parents and
32 guardians to excuse their children from participation in the Washington
33 kindergarten inventory of developing skills.

34 (3) Subject to funds appropriated for this purpose, the
35 superintendent of public instruction shall designate one or more school
36 districts to serve as resources and examples of best practices in
37 designing and operating a high-quality all-day kindergarten program.
38 Designated school districts shall serve as lighthouse programs and

1 provide technical assistance to other school districts in the initial
2 stages of implementing an all-day kindergarten program. Examples of
3 topics addressed by the technical assistance include strategic
4 planning, developing the instructional program and curriculum, working
5 with early learning providers to identify students and communicate with
6 parents, and developing kindergarten program readiness activities.

7 **Sec. 7.** RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each
8 amended to read as follows:

9 (1) The superintendent of public instruction shall phase-in the
10 implementation of the distribution formula under this chapter for
11 allocating state funds to school districts for the transportation of
12 students to and from school. The phase-in shall begin no later than
13 the 2011-2013 biennium, follow the priority order and provisions of RCW
14 28A.150.380, and be fully implemented by the ((2013-2015 biennium))
15 2018-19 school year.

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

23 (b) The formula must allocate funds to school districts based on
24 the average predicted costs of transporting students to and from
25 school, using a regression analysis. Only factors that are
26 statistically significant shall be used in the regression analysis.
27 Employee compensation costs included in the allowable transportation
28 expenditures used for the purpose of establishing each school
29 district's independent variable in the regression analysis shall be
30 limited to the base salary or hourly wage rates, fringe benefit rates,
31 and applicable health care rates provided in the omnibus appropriations
32 act.

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

36 (a) Annually, each school district shall receive the lesser of the
37 previous school year's pupil transportation operations allocation, or

1 the total of allowable pupil transportation expenditures identified on
2 the previous school year's final expenditure report to the state plus
3 district indirect expenses using the federal restricted indirect rate
4 as calculated in the district annual financial report;

5 (b) Annually, the amount identified in (a) of this subsection shall
6 be adjusted for any budgeted increases provided in the omnibus
7 appropriations act for salaries or fringe benefits;

8 (c) Annually, any funds appropriated by the legislature in excess
9 of the maintenance level funding amount for student transportation
10 shall be distributed among school districts on a prorated basis using
11 the difference between the amount identified in (a) adjusted by (b) of
12 this subsection and the amount determined under the formula in RCW
13 28A.160.180; and

14 (d) Allocations provided to recognize the cost of depreciation to
15 districts contracting with private carriers for student transportation
16 shall be deducted from the allowable transportation expenditures in (a)
17 of this subsection.

18 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

--- END ---