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**ENGROSSED SUBSTITUTE HOUSE BILL 2239**

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**State of Washington 64th Legislature 2015 2nd Special Session**

**By** House Appropriations (originally sponsored by Representatives Hunter, Lytton, Sullivan, and Carlyle)

AN ACT Relating to implementation of a plan for fulfilling Article IX obligations; amending RCW 28A.175.075, 28A.230.090, 28A.300.136, and 28A.400.201; adding a new chapter to Title 28A RCW; repealing RCW 28A.290.010 and 28A.290.020; providing an expiration date; and declaring an emergency.

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

NEW SECTION. **Sec.**  INTENT. (1) In its January 2012 ruling in *McCleary v. State*, the state supreme court declared that Engrossed Substitute House Bill No. 2261 (2009) (chapter 548, Laws of 2009), "if fully funded," constituted a "promising reform" that would remedy deficiencies in the state's compliance with its paramount duty to make ample provision for the education of its children. In Engrossed Substitute House Bill No. 2261, the legislature revised its previous formulas to establish the prototypical school model, and it directed the quality education council and its technical working groups to recommend the details of necessary formula enhancements to the prototypical school model. The following year, the legislature enacted Substitute House Bill No. 2776 (2010), which provided in statute quantification of the formula enhancements and established statutory deadlines for funding and implementation of these deadlines. Specifically, Substitute House Bill No. 2776 called for (a) full funding of the expected cost transportation formula by the 2013-2015 biennium, which the legislature implemented in the budget for the 2013-2015 biennium, fully funding the model in the 2014-15 school year; (b) full funding of the enhanced formula for materials, supplies, and operating costs by the 2015-16 school year, which both houses of the legislature have funded in the respective 2015-2017 proposed budgets that have passed each chamber; (c) full funding for all-day kindergarten by the 2017-18 school year, which both houses of the legislature have funded in the respective 2015-2017 budgets that have passed each chamber, one year ahead of the statutory deadline; and (d) full funding for K-3 class size reduction by the 2017-18 school year, which both houses of the legislature have funded in a phase-in schedule in the respective 2015-2017 proposed budgets that have passed each chamber, with full implementation planned for the 2017-18 school year.

(2) In its September 2014 order in *McCleary*, the court indicated that it expects the legislature to provide the court with a plan against which to measure the state's progress toward full implementation. As described in subsection (1) of this section, in Substitute House Bill No. 2776 the legislature enacted a comprehensive plan for funding the enhancements to the prototypical school formula, and the legislature has not failed to meet a statutorily prescribed deadline. These enhancements to the funding formula address transportation and materials, supplies, and operating costs, two of the areas identified by the court in which state funding allocations were insufficient to support the state's program of basic education, thereby causing school districts to rely on local levies for implementation of the state's basic education program.

(3) The 2012 *McCleary* ruling also identified a constitutional flaw in the funding formula that predated Engrossed Substitute House Bill No. 2261 and Substitute House Bill No. 2776: State allocations for teacher salaries were insufficient to provide districts with adequate funding to hire and retain teachers for the state's program of basic education. The court explained that district expenditures for salaries exceed state allocations for salaries, including an average difference of eight thousand dollars for certificated instructional staff and forty thousand dollars for administrators. The court acknowledged that some of this difference was likely due to legitimate TRI contracts. Further, it is likely that some of these salary expenditures are attributable to school districts' decisions made at a local level to hire additional staff to supplement the state's program of basic education. Even so, the legislature accepts the court's conclusion that at least some of these salary expenditures are properly the state's responsibility as part of its duty to allocate sufficient funding to hire and retain qualified staff for the state's program of basic education. The court's conclusion represents a structural flaw in the way in which the state allocates funding for K-12 education. To correct inadequacies of the state salary allocation formulas, the legislature intends to review and quantify the scope of the need for additional state allocations so that the state may implement its new salary funding formula in the 2018-19 school year. As a starting point for this task, the legislature finds that the review process should begin with the assumption that a minimum of ninety percent of total statewide school district actual salary expenditures for state-funded employees represents the minimum salary cost of the state's program of basic education.

(4) The legislature finds there is reason for concern that the state's existing tax base will be insufficient to support the additional state allocations required by the new salary formula. For this reason, the legislature intends to review and quantify the need for new or additional state revenue sources, including but not limited to the state property tax, the state sales tax, the state business and occupation tax, a capital gains tax, or a carbon pollution tax.

(5) The legislature further finds that increased state salary allocations, while a necessary part of the solution, are not a complete solution. The legislature intends to correct the inadequate state salary allocations identified by the court, but it cannot do so without simultaneously addressing the use of and accountability for local levies for enrichments to the state-funded program of basic education. The intricacies of these entwined topics mean that a piecemeal or interim solution is not feasible as a matter of law, educational policy, or fiscal policy. Further, due to the complexity of any plan that requires changes to property taxes, a solution requires sufficient lead time to align potential local levy or other property tax revisions with school year allocations in the state budget, including possible transition periods.

(6) Finally, the legislature finds that enactment of comprehensive reforms to the interrelated issues of state K-12 salary allocations and local levies requires quantitative and policy analysis and deliberations in a public, transparent process.

(7) For these reasons, the legislature intends to enact a schedule for researching and enacting policies for fully funding all elements of Engrossed Substitute House Bill No. 2261 on September 1, 2018. As set forth in this chapter, the legislature intends to review and enact legislation on:

(a)(i) State salary allocations. The state must quantify the portion of salaries for state-funded employees that is part of the state's program of basic education, and it must enact a new state salary model for allocating salary funding for state-funded employees to school districts. The new model must include localization, and it may also include simplification or elimination of the state salary grid for certificated instructional staff.

(ii) State allocations for health insurance benefits.

(iii) State revenues as needed to support state salary and health insurance benefits allocations.

(b) Enrichment and TRI. The state must enact definitions of "enrichment" and authorized TRI that provide school districts with sufficient flexibility to implement local education priorities beyond the state's program of basic education while protecting the state's ability to demonstrate that its allocations fund the state's program of basic education.

(c) Local levies. Having established state policies on TRI and enrichment, the state must enact new laws governing local levy collections, including levy bases, rates, or lids. These new policies may require associated revisions to the state property tax, including growth limits on the state property tax, but this will require additional legislative deliberation after the legislature sets new local levy policies.

(d) State levy equalization. Under the current program of local effort assistance under chapter 28A.500 RCW, the majority of school districts are eligible for state levy equalization payments, and state expenditures for levy equalization are growing more rapidly than revenues from local levies. Though many districts rely on this funding, there are policy questions about whether this type of assistance should be addressed through state funding formulas or state laws governing local levies.

NEW SECTION. **Sec.**  DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise. These definitions apply only for purposes of establishing the duties of the council and the legislature under this chapter. As provided elsewhere in this chapter, the legislature recognizes that some of the terms defined in this section are expressly intended to be redefined by the legislature in future legislation.

(1) "Consumer price index" means 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, then "consumer price index" means the index covering the greatest number of people, covering areas exclusively within the boundaries of the state.

(2) "Council" means the Washington education funding council established in section 3 of this act.

(3) "Enrichment" means additional services, instruction, supplies, or similar expenditures that supplement and are not within the state's program of basic education, and that may be funded by local levies consistent with *Seattle School District v. State* (1978) and *McCleary v. State* (2012).

(4) "Levy equalization" means a state-funded program of aid that assists school districts in funding enrichment that supplements the state's program of basic education, and that is intended to mitigate the effect that above average local levy rates might have on the ability to fund these supplements locally. The program of local effort assistance established in chapter 28A.500 RCW is an example of "levy equalization."

(5) "Local levies" means maintenance and operation levies collected by school districts under RCW 84.52.053 and 84.52.0531.

(6) "Localization" means a methodology for adjusting state salary allocations to reflect local or regional differences in the cost of salaries necessary to allow school districts to hire and retain state-funded employees for the state's program of basic education.

(7) "Ninety percent minimum" means an assumption, as a starting point for further analysis and enactment, that the state's total statewide salary allocations under the new formula may be no less than the sum of (a) total statewide salary allocations for state-funded employees in the 2014-15 school year and (b) ninety percent of the portion of total statewide actual school district salary expenditures for state-funded employees in the 2014-15 school year that exceeds the amount in (a) of this subsection, as such sum is adjusted for inflation using the consumer price index.

(8) "State-funded employees" means school district employees for which the state allocates funding pursuant to the prototypical school formula in RCW 28A.150.260 and the omnibus operating appropriations act.

(9) "State's program of basic education" means the instructional program of basic education defined in RCW 28A.150.220.

(10) "TRI" means separate contracts for additional time, responsibility, or incentive, which pursuant to RCW 28A.400.200, may not be used for the provision of services that are part of the state's program of basic education.

NEW SECTION. **Sec.**  WASHINGTON EDUCATION FUNDING COUNCIL ESTABLISHED. (1) The legislature intends to fulfill its obligations under Article IX of the state Constitution by completing its implementation of all aspects of chapter 548, Laws of 2009 by September 1, 2018. The funding formulas under chapter 28A.150 RCW to support the state's instructional program must be revised and fully implemented by that date under the schedule of annual benchmarks prescribed in this chapter.

(2) The Washington education funding council is created to advise the legislature as the state moves toward full implementation of the state's program of basic education established pursuant to chapter 548, Laws of 2009 and the financing and revenues necessary to support such program. The council must make recommendations on how the legislature should meet the requirements outlined in chapter 548, Laws of 2009 by September 1, 2018, thereby fulfilling the requirements of the state supreme court in *McCleary v. State*. As provided in this chapter, the council must submit to the legislature recommended changes to state salary allocation formulas and state tax laws to support the state's program of basic education as established under chapter 548, Laws of 2009, along with any corresponding recommendations on local levy laws, levy equalization, or other state laws.

(3) As provided in sections 5 and 7 of this act, the council shall submit reports to the governor and the legislature detailing its recommendations, including recommendations for resolving issues or decisions requiring legislative action during the 2016 and 2017 legislative sessions, and recommendations for any funding necessary to complete development and implementation of chapter 548, Laws of 2009. The recommendations must also include the technical details for implementing the recommendations.

(4)(a) The council consists of the following members:

(i) Eight legislators, with two members from each of the two largest caucuses of the senate appointed by the president of the senate and two members from each of the two largest caucuses of the house of representatives appointed by the speaker of the house of representatives;

(ii) The governor, or the governor's designee;

(iii) The state superintendent of public instruction, or the superintendent's designee; and

(iv) The state treasurer, or the treasurer's designee.

(b) The council shall select cochairs from among its legislative members.

(c) The council is staffed by the house of representatives office of program research, senate committee services, and the office of financial management, with additional staff support provided by the state entities with representatives on the council.

(5) Recommendations of the council require the affirmative vote of eight of its members.

(6) Legislative members of the council must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) The expenses of the council must be paid jointly by the senate and the house of representatives. Council expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

NEW SECTION. **Sec.**  WASHINGTON EDUCATION FUNDING COUNCIL MAY ESTABLISH TECHNICAL WORKING GROUPS. (1) The council may also establish technical working groups to advise the task force on technical and practical aspects of proposed policies and formulas.

(2) The technical working group or groups may include representatives of the legislative evaluation and accountability program committee, school district and educational service district financial managers, the Washington association of school business officers, the Washington education association, the Washington association of school administrators, the association of Washington school principals, the Washington state school directors' association, the public school employees of Washington, the educational opportunity gap oversight and accountability committee, and other interested stakeholders with expertise in education finance or state revenue.

NEW SECTION. **Sec.**  WASHINGTON EDUCATION FUNDING COUNCIL RECOMMENDATIONS TO THE 2016 LEGISLATURE. By December 1, 2015, the council shall provide the legislature and governor with:

(1) Preliminary recommendations for statewide minimum and average salary allocations for certificated instructional staff, certificated administrative staff, and classified staff, including recommendations on localization, to take effect with the 2018-19 school year. The starting point for the council's recommendation must be the ninety percent minimum, but the council may make a different recommendation based on the research in subsection (3) of this section;

(2) Preliminary recommendations for amount of and mechanisms for state allocations for state-funded school district employee health insurance benefits. In making the recommendations, the council must consider data and analysis submitted by the health care authority to the legislature in June 2015 pursuant to chapter 3, Laws of 2012 2nd sp. sess. to consider the adequacy of and mechanisms for these allocations;

(3)(a) Research describing the current use of TRI and supplemental contracts, broken down by use and estimated dollar amount per use. This research must distinguish among (i) additional services, such as coaching, or similar services rendered outside the school day; (ii) additional services performed during the school day, such as service as a department head; (iii) salary supplements for work "deemed done" or work such as grading papers that would ordinarily be considered part of the teacher's job; (iv) supplemental contracts that are part of the state's program of basic education, such as preparation of individualized education plans; and (v) other types of supplemental contracts;

(b) Research describing, and quantifying if possible, other factors that affect TRI and other supplemental contracts including, but not limited to: Collective bargaining laws and practices, local compensation philosophy, local cost-of-living differences, difficulty of attracting staff to particular schools or programs, and community expectations;

(c) Research describing local levy expenditures on items other than salaries, broken down into specific categories, such as technology, the transitional bilingual instruction program, special education, the highly capable program, athletics, extracurricular activities, other intermural activities, or equipment;

(4) In light of the research in subsection (3) of this section, recommendations for a statutory definition of enrichment and authorized TRI. The recommendations must be sufficiently specific to provide guidance to school districts and auditors;

(5) Recommendations on protections for the state to ensure that local levy funding is used only for enrichment. These may include additional auditing requirements, additional requirements for school district accounting, additional reporting by school districts, and changes to collective bargaining laws or practices; and

(6) Recommendations on whether the state should continue providing levy equalization, or whether state support for funding enrichments beyond the state's program of basic education should be addressed through state funding formulas, other state funding, or levy laws. If the council recommends continued state funding for levy equalization, it must recommend measures for such funding to increase at a rate that is commensurate with growth in revenues from local levies.

NEW SECTION. **Sec.**  LEGISLATION TO BE ENACTED DURING THE 2016 LEGISLATIVE SESSION. By June 30, 2016, the legislature shall enact legislation that:

(1) Quantifies the portion of locally funded salaries that is the responsibility of the state's program of basic education and establishes preliminary policy guidance for the council to develop a new state salary model for implementation in the 2018-19 school year, which (a) must include localization, and (b) may include simplification or elimination of the state certificated instructional staff salary grid, or (c) includes both, or other policies;

(2) Establishes preliminary policy guidance for the amount of and mechanisms for state allocations for health insurance benefits for state-funded school district employees. The legislation must consider the work of the joint legislative audit and review committee under chapter 3, Laws of 2012 2nd sp. sess.;

(3) Effective September 1, 2018:

(a) Defines "enrichment";

(b) Defines appropriate use of local levy funding to supplement salaries for state-funded employees; and

(c) Establishes protections that allow the state to demonstrate its funding of the state's program of basic education and that ensures local levy expenditures are beyond the state's program of basic education;

(4) Establishes preliminary policy guidance for local levies for collection beginning in calendar year 2018, including a combination of rates, bases, or lids, or any of these. The local levy policy must reflect the newly enacted definition of "enrichment" and the new policies regarding use of local levies to supplement state salary allocations for the state's program of basic education; and

(5) Establishes preliminary policy guidance for any use of state funding as levy equalization beginning in calendar year 2018, including whether levy equalization is more appropriately addressed through state funding formulas or state laws governing local levy laws rather than state assistance. If the legislature enacts preliminary policy guidance that includes continued state funding for levy equalization, it must also enact provisions for such funding to increase at a rate commensurate with growth in revenues from local levies.

NEW SECTION. **Sec.**  WASHINGTON EDUCATION FUNDING COUNCIL RECOMMENDATIONS TO THE 2017 LEGISLATURE. By November 15, 2016, the council and its technical working groups must make recommendations to the legislature on the following:

(1) Quantification, including methods for future adjustment, of a new salary model for implementation in the 2018-19 school year, including quantification and methods for localization and simplification or elimination of the existing grid;

(2) Recommendations on other sources of state revenue to support state allocations for chapter 548, Laws of 2009, including but not limited to the property taxes and growth limits; business and occupation taxes; sales taxes; a capital gains tax; or a carbon pollution tax;

(3) Quantification of appropriate local levy bases, rates, or lids, or any of these, with recommended legislation for collection in calendar year 2019, and local levy policies for the 2018 transition year; and

(4) Quantification of formulas for any program of levy equalization, beginning by calendar year 2019.

NEW SECTION. **Sec.**  LEGISLATION TO BE ENACTED IN THE 2017 LEGISLATIVE SESSION. By June 30, 2017, the legislature must enact legislation that accomplishes the following:

(1) Enacts a new salary allocation model for the 2018-19 school year, which must include localization, and makes appropriations in the 2017-2019 operating budget for distribution to districts under this model. Total state salary allocations under the new formula must comply with the ninety percent minimum requirement;

(2) Beginning with 2017-18 school year, appropriates funding in the omnibus operating appropriations act, for health insurance benefits for state-funded employees based on the rate at which the state appropriates funding for health insurance benefits for state employees in the omnibus operating appropriations act;

(3) Considers the recommendations of the council regarding whether changes to state tax laws, including property taxes and growth limits and business and occupation taxes; sales taxes; a capital gains tax; or a carbon pollution tax or other state tax laws, are necessary to support the new state salary allocation model and to correspond with new state law governing local levies. If the legislature chooses to reduce local levies while increasing the state property tax levy, the legislature must enact (a) a state property tax levy rate for the transitional year of calendar year 2018, including adjustments to state levy growth caps as necessary; and (b) local levy lids for calendar year 2018;

(4) Establishes new bases, rates, or lids, or any of these, for local levies for collection beginning in calendar year 2018 or calendar year 2019, depending on subsection (3) of this section; and

(5) Enacts formulas and makes appropriations for any program of levy equalization, beginning by calendar year 2019.

**Sec.**  RCW 28A.175.075 and 2013 c 23 s 46 are each amended to read as follows:

(1) The office of the superintendent of public instruction shall establish a state-level building bridges work group that includes K-12 and state agencies that work with youth who have dropped out or are at risk of dropping out of school. The following agencies shall appoint representatives to the work group: The office of the superintendent of public instruction, the workforce training and education coordinating board, the department of early learning, the employment security department, the state board for community and technical colleges, the department of health, the community mobilization office, and the children's services and behavioral health and recovery divisions of the department of social and health services. The work group should also consist of one representative from each of the following agencies and organizations: A statewide organization representing career and technical education programs including skill centers; the juvenile courts or the office of juvenile justice, or both; the Washington association of prosecuting attorneys; the Washington state office of public defense; accredited institutions of higher education; the educational service districts; the area workforce development councils; parent and educator associations; educational opportunity gap oversight and accountability committee; office of the education ombuds; local school districts; agencies or organizations that provide services to special education students; community organizations serving youth; federally recognized tribes and urban tribal centers; each of the major political caucuses of the senate and house of representatives; and the minority commissions.

(2) To assist and enhance the work of the building bridges programs established in RCW 28A.175.025, the state-level work group shall:

(a) Identify and make recommendations to the legislature for the reduction of fiscal, legal, and regulatory barriers that prevent coordination of program resources across agencies at the state and local level;

(b) Develop and track performance measures and benchmarks for each partner agency or organization across the state including performance measures and benchmarks based on student characteristics and outcomes specified in RCW 28A.175.035(1)(e); and

(c) Identify research-based and emerging best practices regarding prevention, intervention, and retrieval programs.

(3)(a) The work group shall report to the ((~~quality education council,~~)) appropriate committees of the legislature((~~,~~)) and the governor on an annual basis beginning December 1, 2007, with proposed strategies for building K-12 dropout prevention, intervention, and reengagement systems in local communities throughout the state including, but not limited to, recommendations for implementing emerging best practices, needed additional resources, and eliminating barriers.

(b) By September 15, 2010, the work group shall report on:

(i) A recommended state goal and annual state targets for the percentage of students graduating from high school;

(ii) A recommended state goal and annual state targets for the percentage of youth who have dropped out of school who should be reengaged in education and be college and work ready;

(iii) Recommended funding for supporting career guidance and the planning and implementation of K-12 dropout prevention, intervention, and reengagement systems in school districts and a plan for phasing the funding into the program of basic education, beginning in the 2011-2013 biennium; and

(iv) A plan for phasing in the expansion of the current school improvement planning program to include state-funded, dropout-focused school improvement technical assistance for school districts in significant need of improvement regarding high school graduation rates.

(4) State agencies in the building bridges work group shall work together, wherever feasible, on the following activities to support school/family/community partnerships engaged in building K-12 dropout prevention, intervention, and reengagement systems:

(a) Providing opportunities for coordination and flexibility of program eligibility and funding criteria;

(b) Providing joint funding;

(c) Developing protocols and templates for model agreements on sharing records and data;

(d) Providing joint professional development opportunities that provide knowledge and training on:

(i) Research-based and promising practices;

(ii) The availability of programs and services for vulnerable youth; and

(iii) Cultural competence.

(5) The building bridges work group shall make recommendations to the governor and the legislature by December 1, 2010, on a state-level and regional infrastructure for coordinating services for vulnerable youth. Recommendations must address the following issues:

(a) Whether to adopt an official conceptual approach or framework for all entities working with vulnerable youth that can support coordinated planning and evaluation;

(b) The creation of a performance-based management system, including outcomes, indicators, and performance measures relating to vulnerable youth and programs serving them, including accountability for the dropout issue;

(c) The development of regional and/or county-level multipartner youth consortia with a specific charge to assist school districts and local communities in building K-12 comprehensive dropout prevention, intervention, and reengagement systems;

(d) The development of integrated or school-based one-stop shopping for services that would:

(i) Provide individualized attention to the neediest youth and prioritized access to services for students identified by a dropout early warning and intervention data system;

(ii) Establish protocols for coordinating data and services, including getting data release at time of intake and common assessment and referral processes; and

(iii) Build a system of single case managers across agencies;

(e) Launching a statewide media campaign on increasing the high school graduation rate; and

(f) Developing a statewide database of available services for vulnerable youth.

**Sec.**  RCW 28A.230.090 and 2014 c 217 s 202 are each amended to read as follows:

(1) The state board of education shall establish high school graduation requirements or equivalencies for students, except as provided in RCW 28A.230.122 and except those equivalencies established by local high schools or school districts under RCW 28A.230.097. The purpose of a high school diploma is to declare that a student is ready for success in postsecondary education, gainful employment, and citizenship, and is equipped with the skills to be a lifelong learner.

(a) Any course in Washington state history and government used to fulfill high school graduation requirements shall consider including information on the culture, history, and government of the American Indian peoples who were the first inhabitants of the state.

(b) The certificate of academic achievement requirements under RCW 28A.655.061 or the certificate of individual achievement requirements under RCW 28A.155.045 are required for graduation from a public high school but are not the only requirements for graduation.

(c) Any decision on whether a student has met the state board's high school graduation requirements for a high school and beyond plan shall remain at the local level. Effective with the graduating class of 2015, the state board of education may not establish a requirement for students to complete a culminating project for graduation.

(d)(i) The state board of education shall adopt rules to implement the career and college ready graduation requirement proposal adopted under board resolution on November 10, 2010, and revised on January 9, 2014, to take effect beginning with the graduating class of 2019 or as otherwise provided in this subsection (1)(d). The rules must include authorization for a school district to waive up to two credits for individual students based on unusual circumstances and in accordance with written policies that must be adopted by each board of directors of a school district that grants diplomas. The rules must also provide that the content of the third credit of mathematics and the content of the third credit of science may be chosen by the student based on the student's interests and high school and beyond plan with agreement of the student's parent or guardian or agreement of the school counselor or principal.

(ii) School districts may apply to the state board of education for a waiver to implement the career and college ready graduation requirement proposal beginning with the graduating class of 2020 or 2021 instead of the graduating class of 2019. In the application, a school district must describe why the waiver is being requested, the specific impediments preventing timely implementation, and efforts that will be taken to achieve implementation with the graduating class proposed under the waiver. The state board of education shall grant a waiver under this subsection (1)(d) to an applying school district at the next subsequent meeting of the board after receiving an application.

(2)(a) In recognition of the statutory authority of the state board of education to establish and enforce minimum high school graduation requirements, the state board shall periodically reevaluate the graduation requirements and shall report such findings to the legislature in a timely manner as determined by the state board.

(b) The state board shall reevaluate the graduation requirements for students enrolled in vocationally intensive and rigorous career and technical education programs, particularly those programs that lead to a certificate or credential that is state or nationally recognized. The purpose of the evaluation is to ensure that students enrolled in these programs have sufficient opportunity to earn a certificate of academic achievement, complete the program and earn the program's certificate or credential, and complete other state and local graduation requirements.

(c) The state board shall forward any proposed changes to the high school graduation requirements to the education committees of the legislature for review ((~~and to the quality education council established under RCW 28A.290.010~~)). The legislature shall have the opportunity to act during a regular legislative session before the changes are adopted through administrative rule by the state board. Changes that have a fiscal impact on school districts, as identified by a fiscal analysis prepared by the office of the superintendent of public instruction, shall take effect only if formally authorized and funded by the legislature through the omnibus appropriations act or other enacted legislation.

(3) Pursuant to any requirement for instruction in languages other than English established by the state board of education or a local school district, or both, for purposes of high school graduation, students who receive instruction in American sign language or one or more American Indian languages shall be considered to have satisfied the state or local school district graduation requirement for instruction in one or more languages other than English.

(4) If requested by the student and his or her family, a student who has completed high school courses before attending high school shall be given high school credit which shall be applied to fulfilling high school graduation requirements if:

(a) The course was taken with high school students, if the academic level of the course exceeds the requirements for seventh and eighth grade classes, and the student has successfully passed by completing the same course requirements and examinations as the high school students enrolled in the class; or

(b) The academic level of the course exceeds the requirements for seventh and eighth grade classes and the course would qualify for high school credit, because the course is similar or equivalent to a course offered at a high school in the district as determined by the school district board of directors.

(5) Students who have taken and successfully completed high school courses under the circumstances in subsection (4) of this section shall not be required to take an additional competency examination or perform any other additional assignment to receive credit.

(6) At the college or university level, five quarter or three semester hours equals one high school credit.

**Sec.**  RCW 28A.300.136 and 2013 c 23 s 49 are each amended to read as follows:

(1) An educational opportunity gap oversight and accountability committee is created to synthesize the findings and recommendations from the 2008 achievement gap studies into an implementation plan, and to recommend policies and strategies to the superintendent of public instruction, the professional educator standards board, and the state board of education to close the achievement gap.

(2) The committee shall recommend specific policies and strategies in at least the following areas:

(a) Supporting and facilitating parent and community involvement and outreach;

(b) Enhancing the cultural competency of current and future educators and the cultural relevance of curriculum and instruction;

(c) Expanding pathways and strategies to prepare and recruit diverse teachers and administrators;

(d) Recommending current programs and resources that should be redirected to narrow the gap;

(e) Identifying data elements and systems needed to monitor progress in closing the gap;

(f) Making closing the achievement gap part of the school and school district improvement process; and

(g) Exploring innovative school models that have shown success in closing the achievement gap.

(3) Taking a multidisciplinary approach, the committee may seek input and advice from other state and local agencies and organizations with expertise in health, social services, gang and violence prevention, substance abuse prevention, and other issues that disproportionately affect student achievement and student success.

(4) The educational opportunity gap oversight and accountability committee shall be composed of the following members:

(a) The chairs and ranking minority members of the house and senate education committees, or their designees;

(b) One additional member of the house of representatives appointed by the speaker of the house and one additional member of the senate appointed by the president of the senate;

(c) A representative of the office of the education ombuds;

(d) A representative of the center for the improvement of student learning in the office of the superintendent of public instruction;

(e) A representative of federally recognized Indian tribes whose traditional lands and territories lie within the borders of Washington state, designated by the federally recognized tribes; and

(f) Four members appointed by the governor in consultation with the state ethnic commissions, who represent the following populations: African-Americans, Hispanic Americans, Asian Americans, and Pacific Islander Americans.

(5) The governor and the tribes are encouraged to designate members who have experience working in and with schools.

(6) The committee may convene ad hoc working groups to obtain additional input and participation from community members. Members of ad hoc working groups shall serve without compensation and shall not be reimbursed for travel or other expenses.

(7) The chair or cochairs of the committee shall be selected by the members of the committee. Staff support for the committee shall be provided by the center for the improvement of student learning. Members of the committee shall serve without compensation but must be reimbursed as provided in RCW 43.03.050 and 43.03.060. Legislative members of the committee shall be reimbursed for travel expenses in accordance with RCW 44.04.120.

(8) The superintendent of public instruction, the state board of education, and the professional educator standards board((~~, and the quality education council~~)) shall work collaboratively with the educational opportunity gap oversight and accountability committee to close the achievement gap.

**Sec.**  RCW 28A.400.201 and 2011 1st sp.s. c 43 s 468 are each amended to 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 human resources director in 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:

(a) How to reduce the number of tiers within the existing salary 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;

(e) Ways to accomplish salary equalization over a set number of years; and

(f) 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.

(4) The analysis required under subsection (1) of this section 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 office of financial management, the professional educator standards board, the office of the superintendent of public instruction, the Washington education association, the Washington association of school 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. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

(6) The working group shall be monitored and overseen by the legislature ((~~and the quality education council created in RCW 28A.290.010~~)). The working group shall make an initial report to the legislature by June 30, 2012, and shall include in its report recommendations for whether additional further work of the group is necessary.

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

(1) RCW 28A.290.010 (Quality education council—Purpose—Membership and staffing—Reports) and 2013 2nd sp.s. c 25 s 7 & 2011 1st sp.s. c 21 s 54; and

(2) RCW 28A.290.020 (Funding formulas to support instructional program—Technical working group) and 2010 c 236 s 5 & 2009 c 548 s 112.

NEW SECTION. **Sec.**  EXPIRATION DATE FOR WASHINGTON EDUCATION FUNDING COUNCIL AND IMPLEMENTATION SCHEDULE. This chapter expires August 1, 2019.

NEW SECTION. **Sec.**  CODIFICATION. Sections 1 through 8 and 14 of this act constitute a new chapter in Title 28A RCW.

NEW SECTION. **Sec.**  EMERGENCY CLAUSE. 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 immediately.

**--- END ---**