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**SUBSTITUTE SENATE BILL 6362**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** Senate Early Learning & K-12 Education (originally sponsored by Senators Wellman, Rolfes, and Billig; by request of Superintendent of Public Instruction)

READ FIRST TIME 01/29/18.

1 AN ACT Relating to modifying basic education funding provisions;  
2 amending RCW 28A.150.260, 28A.150.276, 28A.150.415, 28A.165.055,  
3 28A.320.330, 28A.400.205, 28A.710.280, 28A.715.040, 41.56.800,  
4 41.59.800, 28A.400.006, 84.52.053, 28A.505.240, 28A.400.200, and  
5 28A.150.390; adding a new section to chapter 28A.150 RCW; and  
6 creating new sections.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.150  
9 RCW to read as follows:

10 For the 2018-19 and 2019-20 school years, a school district  
11 qualifies for a hold harmless payment if the sum of the school  
12 district's state basic education allocations plus its enrichment levy  
13 and local effort assistance under chapter 13, Laws of 2017 3rd sp.  
14 sess. is less than the sum of state basic education allocations,  
15 local maintenance and operation levy, and local effort assistance  
16 provided under the law as it existed on January 1, 2017. For the  
17 purposes of this subsection, the local levy is limited to the lesser  
18 of the voter-approved levy as of January 1, 2017, or the maximum levy  
19 allowed under the law as of January 1, 2017.

1       **Sec. 2.** RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each  
2 amended to read as follows:

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

8       (1) The governor shall and the superintendent of public  
9 instruction may recommend to the legislature a formula for the  
10 distribution of a basic education instructional allocation for each  
11 common school district.

12       (2)(a) The distribution formula under this section shall be for  
13 allocation purposes only. Except as may be required under subsections  
14 (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165,  
15 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in  
16 this section requires school districts to use basic education  
17 instructional funds to implement a particular instructional approach  
18 or service. Nothing in this section requires school districts to  
19 maintain a particular classroom teacher-to-student ratio or other  
20 staff-to-student ratio or to use allocated funds to pay for  
21 particular types or classifications of staff. Nothing in this section  
22 entitles an individual teacher to a particular teacher planning  
23 period.

24       (b) To promote transparency (~~((in state funding allocations))~~), the  
25 superintendent of public instruction must report state per-pupil  
26 (~~((allocations))~~) expenditures for each school district for the general  
27 apportionment, special education, learning assistance, transitional  
28 bilingual, highly capable, and career and technical education  
29 programs. The superintendent must also report state general  
30 apportionment (~~((per pupil allocations by grade))~~) expenditures for  
31 each school (~~((district))~~). The superintendent must report this  
32 information in a user-friendly format on the main page of the  
33 office's web site and on school district apportionment reports.  
34 School districts must include a link to the superintendent's per-  
35 pupil (~~((allocations))~~) expenditures report on the main page of the  
36 school district's web site. (~~((In addition, the budget documents  
37 published by the legislature for the enacted omnibus operating  
38 appropriations act must report statewide average per pupil  
39 allocations for general apportionment and the categorical programs  
40 listed in this subsection.))~~)

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

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

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

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

30           (iii) A prototypical elementary school has four hundred average  
31 annual full-time equivalent students in grades kindergarten through  
32 six.

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

1		General education	
2		average class size	
3	Grades K-3. . . . .		17.00
4	Grade 4. . . . .		27.00
5	Grades 5-6. . . . .		27.00
6	Grades 7-8. . . . .		28.53
7	Grades 9-12. . . . .		28.74

8 (ii) The minimum class size allocation for each prototypical high  
9 school shall also provide for enhanced funding for class size  
10 reduction for two laboratory science classes within grades nine  
11 through twelve per full-time equivalent high school student  
12 multiplied by a laboratory science course factor of 0.0833, based on  
13 the number of full-time equivalent classroom teachers needed to  
14 provide instruction over the minimum required annual instructional  
15 hours in RCW 28A.150.220, and providing at least one teacher planning  
16 period per school day:

17		Laboratory science	
18		average class size	
19	Grades 9-12. . . . .		19.98

20 (b)(i) Beginning (~~September 1, 2018~~) with the 2019-20 school  
21 year, funding for average K-3 class sizes in this subsection (4) may  
22 be provided only to the extent of, and proportionate to, the school  
23 district's demonstrated actual class size in grades K-3, up to the  
24 funded class sizes.

25 (ii) The office of the superintendent of public instruction shall  
26 develop rules to implement this subsection (4)(b).

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

31		Career and technical	
32		education average	
33		class size	
34	Approved career and technical education offered at		
35	the middle school and high school level. . . . .		23.00
36	Skill center programs meeting the standards established		
37	by the office of the superintendent of public		
38	instruction. . . . .		20.00

1 (ii) Funding allocated under this subsection (4)(c) is subject to  
2 RCW 28A.150.265.

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

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

8 (ii) A specialty average class size for advanced placement and  
9 international baccalaureate courses.

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

	Elementary	Middle	High
	School	School	School
15 Principals, assistant principals, and other certificated building-level			
16 administrators. ....	1.253	1.353	1.880
17 Teacher-librarians, a function that includes information literacy, technology,			
18 and media to support school library media programs. ....	0.663	0.519	0.523
19 Health and social services:			
20 School nurses. ....	0.076	0.060	0.096
21 Social workers. ....	0.042	0.006	0.015
22 Psychologists. ....	0.017	0.002	0.007
23 Guidance counselors, a function that includes parent outreach and graduation			
24 advising. ....	0.493	1.216	2.539
25 Teaching assistance, including any aspect of educational instructional services			
26 provided by classified employees. ....	0.936	0.700	0.652
27 Office support and other noninstructional aides. ....	2.012	2.325	3.269
28 Custodians. ....	1.657	1.942	2.965
29 Classified staff providing student and staff safety. ....	0.079	0.092	0.141
30 Parent involvement coordinators. ....	0.0825	0.00	0.00

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

35 Staff per 1,000

1		K-12 students
2	Technology. . . . .	0.628
3	Facilities, maintenance, and grounds. . . . .	1.813
4	Warehouse, laborers, and mechanics. . . . .	0.332

5 (b) The minimum allocation of staff units for each school  
6 district to support certificated and classified staffing of central  
7 administration shall be 5.30 percent of the staff units generated  
8 under subsections (4)(a) and (5) of this section and (a) of this  
9 subsection.

10 (7) The distribution formula shall include staffing allocations  
11 to school districts for career and technical education and skill  
12 center administrative and other school-level certificated staff, as  
13 specified in the omnibus appropriations act.

14 (8)(a) Except as provided in (b) of this subsection, the minimum  
15 allocation for each school district shall include allocations per  
16 annual average full-time equivalent student for the following  
17 materials, supplies, and operating costs as provided in the 2017-18  
18 school year, after which the allocations shall be adjusted annually  
19 for inflation as specified in the omnibus appropriations act:

	Per annual average full-time equivalent student in grades K-12
23 Technology. . . . .	\$130.76
24 Utilities and insurance. . . . .	\$355.30
25 Curriculum and textbooks. . . . .	\$140.39
26 Other supplies and library materials. . . . .	\$298.05
27 Instructional professional development for certificated and 28 classified staff. . . . .	\$21.71
29 Facilities maintenance. . . . .	\$176.01
30 Security and central office administration. . . . .	\$121.94

31 (b) In addition to the amounts provided in (a) of this  
32 subsection, beginning in the 2014-15 school year, the omnibus  
33 appropriations act shall provide the following minimum allocation for  
34 each annual average full-time equivalent student in grades nine  
35 through twelve for the following materials, supplies, and operating  
36 costs, to be adjusted annually for inflation:

	Per annual average full-time equivalent student
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1		in grades 9-12	
2	Technology. . . . .		\$36.35
3	Curriculum and textbooks. . . . .		\$39.02
4	Other supplies and library materials. . . . .		\$82.84
5	Instructional professional development for certificated and		
6	classified staff. . . . .		\$6.04

7 (9) In addition to the amounts provided in subsection (8) of this  
8 section and subject to RCW 28A.150.265, the omnibus appropriations  
9 act shall provide an amount based on full-time equivalent student  
10 enrollment in each of the following:

- 11 (a) Exploratory career and technical education courses for
- 12 students in grades seven through twelve;
- 13 (b) Preparatory career and technical education courses for
- 14 students in grades nine through twelve offered in a high school; and
- 15 (c) Preparatory career and technical education courses for
- 16 students in grades eleven and twelve offered through a skill center.

17 (10) In addition to the allocations otherwise provided under this  
18 section, amounts shall be provided to support the following programs  
19 and services:

20 (a)(i) To provide supplemental instruction and services for  
21 students who are not meeting academic standards through the learning  
22 assistance program under RCW 28A.165.005 through 28A.165.065,  
23 allocations shall be based on the district percentage of students in  
24 grades K-12 who were eligible for free or reduced-price meals in the  
25 prior school year. The minimum allocation for the program shall  
26 provide for each level of prototypical school resources to provide,  
27 on a statewide average, 2.3975 hours per week in extra instruction  
28 with a class size of fifteen learning assistance program students per  
29 teacher.

30 (ii) In addition to funding allocated under (a)(i) of this  
31 subsection, to provide supplemental instruction and services for  
32 students who are not meeting academic standards in (~~schools where at~~  
33 ~~least fifty percent of students are eligible for free and reduced-~~  
34 ~~price meals~~) qualifying schools. A qualifying school means a school  
35 in which the three-year rolling average of the prior year total  
36 annual average enrollment that qualifies for free or reduced-price  
37 meals equals or exceeds fifty percent or more of its total annual  
38 average enrollment. A school may continue to receive funding for one  
39 year after it no longer meets the definition of qualifying school.

1 The minimum allocation for this additional high poverty-based  
2 allocation must provide for each level of prototypical school  
3 resources to provide, on a statewide average, 1.1 hours per week in  
4 extra instruction with a class size of fifteen learning assistance  
5 program students per teacher, under RCW 28A.165.055, school districts  
6 must distribute the high poverty-based allocation to the schools that  
7 generated the funding allocation.

8 (b)(i) To provide supplemental instruction and services for  
9 students whose primary language is other than English, allocations  
10 shall be based on the head count number of students in each school  
11 who are eligible for and enrolled in the transitional bilingual  
12 instruction program under RCW 28A.180.010 through 28A.180.080. The  
13 minimum allocation for each level of prototypical school shall  
14 provide resources to provide, on a statewide average, 4.7780 hours  
15 per week in extra instruction for students in grades kindergarten  
16 through six and 6.7780 hours per week in extra instruction for  
17 students in grades seven through twelve, with fifteen transitional  
18 bilingual instruction program students per teacher. Notwithstanding  
19 other provisions of this subsection (10), the actual per-student  
20 allocation may be scaled to provide a larger allocation for students  
21 needing more intensive intervention and a commensurate reduced  
22 allocation for students needing less intensive intervention, as  
23 detailed in the omnibus appropriations act.

24 (ii) To provide supplemental instruction and services for  
25 students who have exited the transitional bilingual program,  
26 allocations shall be based on the head count number of students in  
27 each school who have exited the transitional bilingual program within  
28 the previous two years based on their performance on the English  
29 proficiency assessment and are eligible for and enrolled in the  
30 transitional bilingual instruction program under RCW  
31 28A.180.040(1)(g). The minimum allocation for each prototypical  
32 school shall provide resources to provide, on a statewide average,  
33 3.0 hours per week in extra instruction with fifteen exited students  
34 per teacher.

35 (c) To provide additional allocations to support programs for  
36 highly capable students under RCW 28A.185.010 through 28A.185.030,  
37 allocations shall be based on 5.0 percent of each school district's  
38 full-time equivalent basic education enrollment. The minimum  
39 allocation for the programs shall provide resources to provide, on a



1 statewide average, 2.1590 hours per week in extra instruction with  
2 fifteen highly capable program students per teacher.

3 (11) For the 2017-18 and 2018-19 school years, a school district  
4 may carry over from one year to the next up to twenty percent of the  
5 funds allocated per program under the provisions of subsection (10)  
6 of this section. Carryover moneys must be expended solely for the  
7 allowable program costs per program as established in subsection (10)  
8 of this section.

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

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

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

26 ~~((13))~~ (14)(a) This formula for distribution of basic education  
27 funds shall be reviewed biennially by the superintendent and  
28 governor. The recommended formula shall be subject to approval,  
29 amendment or rejection by the legislature.

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

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

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

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

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

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

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

17 (c) For purposes of this section, "local revenues" means  
18 enrichment levies collected under RCW 84.52.053, (~~transportation~~  
19 ~~vehicle enrichment levies,~~) local effort assistance funding received  
20 under chapter 28A.500 RCW, and other school district local revenues  
21 including, but not limited to, grants, donations, and state and  
22 federal payments in lieu of taxes, except that "local revenues" does  
23 not include other federal revenues, or local revenues that operate as  
24 an offset to the district's basic education allocation under RCW  
25 28A.150.250.

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

28 (i) Minimum instructional offerings of RCW 28A.150.220 or  
29 28A.150.260;

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

35 (iii) Program components of RCW 28A.150.200, 28A.150.220, or  
36 28A.150.260; or

37 (iv) Program of professional learning as defined by RCW  
38 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

39 (b) Permitted enrichment activities consist of:

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

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

6 (iii) Activities associated with early learning programs;

7 (iv) Any additional salary costs attributable to the provision or  
8 administration of the enrichment activities allowed under this  
9 subsection; and

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

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

19 (a) If a school district spends local revenues for salary costs  
20 attributable to the administration of enrichment programs, the  
21 portion of administrator salaries attributable to that purpose may  
22 not exceed (~~the proportion~~) twenty-five percent of the district's  
23 local revenues (~~to its other revenues~~); and

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

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

28 **Sec. 4.** RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each  
29 amended to read as follows:

30 (1) Beginning with the 2018-19 school year, the legislature shall  
31 begin phasing in funding for professional learning days for  
32 certificated instructional staff. At a minimum, the state must  
33 allocate funding for:

34 (a) One professional learning day in the 2018-19 school year;

35 (b) Two professional learning days in the 2019-20 school year;  
36 and

37 (c) Three professional learning days in the 2020-21 school year.

38 (2) The calculation for the professional development allocation  
39 is as follows:

1 (a) Multiply the number of state allocated certificated  
2 instructional staff units by the statewide average salary allocation  
3 and the regionalization factor;

4 (b) Divide the result of (a) of this subsection by one hundred  
5 eighty to derive a daily rate; and

6 (c) Multiply the daily rate resulting from (b) of this subsection  
7 by the number of professional development days described in  
8 subsection (1) of this section.

9 (3) Nothing in this section entitles an individual certificated  
10 instructional staff to any particular number of professional learning  
11 days.

12 ~~((+3))~~ (4) Nothing in this section requires a school district to  
13 provide professional learning days in excess of the days that are  
14 funded by this allotment.

15 (5) The professional learning days must meet the definitions and  
16 standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

17 **Sec. 5.** RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each  
18 amended to read as follows:

19 (1) The funds for the learning assistance program shall be  
20 appropriated in accordance with RCW 28A.150.260 and the omnibus  
21 appropriations act. The distribution formula is for school district  
22 allocation purposes only, except as provided in RCW  
23 28A.150.260(10)(a)(ii), but all funds appropriated for the learning  
24 assistance program must be expended for the purposes of RCW  
25 28A.165.005 through 28A.165.065.

26 (2) A district's high poverty-based allocation is generated by  
27 its qualifying school buildings and must be expended by the district  
28 for those buildings. This funding must supplement and not supplant  
29 the district's expenditures under this chapter for those school  
30 buildings.

31 (3) A school may continue to receive funding for one year after  
32 it no longer meets the definition of qualifying school.

33 (4) For the purposes of this section, "qualifying school" means a  
34 school in which the three-year rolling average of the prior year  
35 total annual average enrollment that qualifies for free or reduced-  
36 price meals equals or exceeds fifty percent or more of its total  
37 annual average enrollment.

1       **Sec. 6.** RCW 28A.320.330 and 2017 3rd sp.s. c 13 s 601 are each  
2 amended to read as follows:

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

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

8       (b) By the 2019-20 school year, a local revenue subfund of its  
9 general fund to account for the financial operations of a school  
10 district that are paid from local revenues. The local revenues that  
11 must be deposited in the local revenue subfund are enrichment levies  
12 (~~(and transportation vehicle enrichment levies)~~) collected under RCW  
13 84.52.053, local effort assistance funding received under chapter  
14 28A.500 RCW, and other school district local revenues including, but  
15 not limited to, grants, donations, and state and federal payments in  
16 lieu of taxes, but do not include other federal revenues, or local  
17 revenues that operate as an offset to the district's basic education  
18 allocation under RCW 28A.150.250. School districts must track  
19 expenditures from this subfund separately to account for the  
20 expenditure of each of these streams of revenue by source, and must  
21 provide any supplemental expenditure schedules required by the  
22 superintendent of public instruction or state auditor for purposes of  
23 RCW 43.09.2856.

24       (2) A capital projects fund shall be established for major  
25 capital purposes. All statutory references to a "building fund" shall  
26 mean the capital projects fund so established. Money to be deposited  
27 into the capital projects fund shall include, but not be limited to,  
28 bond proceeds, proceeds from excess levies authorized by RCW  
29 84.52.053, state apportionment proceeds as authorized by RCW  
30 28A.150.270, earnings from capital projects fund investments as  
31 authorized by RCW 28A.320.310 and 28A.320.320, and state forest  
32 revenues transferred pursuant to subsection (3) of this section.

33       Money derived from the sale of bonds, including interest earnings  
34 thereof, may only be used for those purposes described in RCW  
35 28A.530.010, except that accrued interest paid for bonds shall be  
36 deposited in the debt service fund.

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

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

4 (a) Major renovation and replacement of facilities and systems  
5 where periodical repairs are no longer economical or extend the  
6 useful life of the facility or system beyond its original planned  
7 useful life. Such renovation and replacement shall include, but shall  
8 not be limited to, major repairs, exterior painting of facilities,  
9 replacement and refurbishment of roofing, exterior walls, windows,  
10 heating and ventilating systems, floor covering in classrooms and  
11 public or common areas, and electrical and plumbing systems.

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

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

16 (i) "Preliminary energy audits" means a determination of the  
17 energy consumption characteristics of a building, including the size,  
18 type, rate of energy consumption, and major energy using systems of  
19 the building.

20 (ii) "Energy audit" means a survey of a building or complex which  
21 identifies the type, size, energy use level, and major energy using  
22 systems; which determines appropriate energy conservation maintenance  
23 or operating procedures and assesses any need for the acquisition and  
24 installation of energy conservation measures, including solar energy  
25 and renewable resource measures.

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

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

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

35 (f)(i) Costs associated with implementing technology systems,  
36 facilities, and projects, including acquiring hardware, licensing  
37 software, and online applications and training related to the  
38 installation of the foregoing. However, the software or applications  
39 must be an integral part of the district's technology systems,  
40 facilities, or projects.

1 (ii) Costs associated with the application and modernization of  
2 technology systems for operations and instruction including, but not  
3 limited to, the ongoing fees for online applications, subscriptions,  
4 or software licenses, including upgrades and incidental services, and  
5 ongoing training related to the installation and integration of these  
6 products and services. However, to the extent the funds are used for  
7 the purpose under this subsection (2)(f)(ii), the school district  
8 shall transfer to the district's general fund the portion of the  
9 capital projects fund used for this purpose. The office of the  
10 superintendent of public instruction shall develop accounting  
11 guidelines for these transfers in accordance with internal revenue  
12 service regulations.

13 (g) Major equipment repair, painting of facilities, and other  
14 major preventative maintenance purposes. However, to the extent the  
15 funds are used for the purpose under this subsection (2)(g), the  
16 school district shall transfer to the district's general fund the  
17 portion of the capital projects fund used for this purpose. The  
18 office of the superintendent of public instruction shall develop  
19 accounting guidelines for these transfers in accordance with internal  
20 revenue service regulations. Based on the district's most recent two-  
21 year history of general fund maintenance expenditures, funds used for  
22 this purpose may not replace routine annual preventive maintenance  
23 expenditures made from the district's general fund.

24 (3) A debt service fund to provide for tax proceeds, other  
25 revenues, and disbursements as authorized in chapter 39.44 RCW. State  
26 forestland revenues that are deposited in a school district's debt  
27 service fund pursuant to RCW 79.64.110 and to the extent not  
28 necessary for payment of debt service on school district bonds may be  
29 transferred by the school district into the district's capital  
30 projects fund.

31 (4) An associated student body fund as authorized by RCW  
32 28A.325.030.

33 (5) Advance refunding bond funds and refunded bond funds to  
34 provide for the proceeds and disbursements as authorized in chapter  
35 39.53 RCW.

36 **Sec. 7.** RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each  
37 amended to read as follows:

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

1 (a) The inflationary increase shall be calculated by applying the  
2 rate of the yearly increase in the inflationary adjustment index to  
3 any state-funded salary base used in state funding formulas for  
4 teachers and other school district employees. Beginning with the  
5 2020-21 school year, each school district shall be provided an  
6 inflationary adjustment allocation sufficient to grant this  
7 inflationary increase.

8 (b) A school district shall distribute its inflationary  
9 adjustment allocation for salaries and salary-related benefits in  
10 accordance with the district's collective bargaining agreements and  
11 compensation policies. No later than the end of the school year, each  
12 school district shall certify to the superintendent of public  
13 instruction that it has spent funds provided for inflationary  
14 increases on salaries and salary-related benefits.

15 (c) Any funded inflationary increase shall be included in the  
16 salary base used to determine inflationary increases for school  
17 employees in subsequent years. For teachers and other certificated  
18 instructional staff, the rate of the annual inflationary increase  
19 funded for certificated instructional staff shall be applied to the  
20 base salary used with the statewide salary allocation methodology  
21 established under RCW 28A.150.410 and to any other salary allocation  
22 methodologies used to recognize school district personnel costs.

23 (2) For the purposes of this section, "inflationary adjustment  
24 index" means, for any school year, the ~~((implicit price deflator for  
25 that fiscal year, using the official current base, compiled by the  
26 bureau of labor statistics, United States department of labor for the  
27 state of Washington))~~ previous calendar year's annual average  
28 consumer price index, using the official current base, compiled by  
29 the bureau of labor statistics, United States department of labor for  
30 the state of Washington. If the bureau of labor statistics develops  
31 more than one consumer price index for areas within the state, the  
32 index covering the greatest number of people, covering areas  
33 exclusively within the boundaries of the state, and including all  
34 items must be used for the inflationary adjustment index in this  
35 section.

36 **Sec. 8.** RCW 28A.710.280 and 2016 c 241 s 128 are each amended to  
37 read as follows:



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

4 (2) For eligible students enrolled in a charter school  
5 established and operating in accordance with this chapter, the  
6 superintendent of public instruction shall transmit to each charter  
7 school an amount calculated as provided in this section and based on  
8 the statewide average (~~(staff mix factor)~~) salaries set forth in RCW  
9 28A.150.410 for certificated instructional staff, including any  
10 enrichment to those statutory formulae that is specified in the  
11 omnibus appropriations act, except that the average salaries shall  
12 not be adjusted by a regionalization factor. The amount must be the  
13 sum of (a) and (b) of this subsection, as applicable.

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

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

25 (i) Supplemental instruction and services for underachieving  
26 students through the learning assistance program under RCW  
27 28A.165.005 through 28A.165.065;

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

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

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

37 (v) Pupil transportation services to and from school in  
38 accordance with RCW 28A.160.150 through 28A.160.180. Distributions  
39 for pupil transportation must be calculated on a per eligible student

1 basis based on the allocation for the previous school year to the  
2 school district in which the charter school is located.

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

6 **Sec. 9.** RCW 28A.715.040 and 2013 c 242 s 5 are each amended to  
7 read as follows:

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

15 (2) Funding for a school that is the subject of a state-tribal  
16 education compact shall be apportioned by the superintendent of  
17 public instruction according to the schedule established under RCW  
18 28A.510.250, including general apportionment, special education,  
19 categorical, and other nonbasic education moneys. Allocations for  
20 certificated instructional staff must be based on the statewide  
21 average ((~~staff mix ratio of the school, as calculated by the~~  
22 ~~superintendent of public instruction using the statewide salary~~  
23 ~~allocation schedule and related documents, conditions, and~~  
24 ~~limitations established by the omnibus appropriations act))~~ salary  
25 set forth in RCW 28A.150.410, except that the average salaries shall  
26 not be adjusted by a regionalization factor. Allocations for  
27 classified staff and certificated administrative staff must be based  
28 on the salary allocations of the school district in which the school  
29 is located(~~(, subject to conditions and limitations established by~~  
30 ~~the omnibus appropriations act)) as set forth in RCW 28A.150.410,~~  
31 except that the average salaries shall not be adjusted by a  
32 regionalization factor. Nothing in this section requires a school  
33 that is the subject of a state-tribal education compact to use the  
34 statewide salary allocation schedule. Such a school is eligible to  
35 apply for state grants on the same basis as a school district.

36 (3) Any moneys received by a school that is the subject of a  
37 state-tribal education compact from any source that remain in the  
38 school's accounts at the end of any budget year must remain in the

1 school's accounts for use by the school during subsequent budget  
2 years.

3 **Sec. 10.** RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each  
4 amended to read as follows:

5 (1) A school district collective bargaining agreement that is  
6 executed or modified after July 6, 2017, and that is in effect for  
7 the 2018-19 school year may not (~~provide~~) increase total school  
8 district expenditures for classified staff (~~with a percentage~~  
9 ~~increase to total salary~~) salaries for the 2018-19 school year(~~,~~  
10 ~~including supplemental contracts, that exceeds~~) by more than the  
11 previous calendar year's annual average consumer price index, using  
12 the official current base compiled by the bureau of labor statistics,  
13 United States department of labor, for the city of Seattle. However,  
14 if a district's average classified staff salary is less than the  
15 average classified salary allocated by the state for that year, the  
16 district may increase salaries not to exceed the point where the  
17 district's average classified staff salary equals the average  
18 classified staff salary allocated by the state.

19 (2) Nothing in this section prohibits individuals from receiving  
20 additional compensation for service including, but not limited to,  
21 additional days or hours of service, additional responsibilities,  
22 step increases, and expansions of academic programs that require  
23 additional personnel or increased service provided by current  
24 personnel.

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

26 **Sec. 11.** RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each  
27 amended to read as follows:

28 (1) A school district collective bargaining agreement that is  
29 executed or modified after July 6, 2017, and that is in effect for  
30 the 2018-19 school year may not (~~provide~~) increase total school  
31 district expenditures for certificated instructional staff (~~with a~~  
32 ~~percentage increase to total salary~~) salaries for the 2018-19 school  
33 year(~~, including supplemental contracts, that exceeds~~) by more than  
34 the previous calendar year's annual average consumer price index,  
35 using the official current base compiled by the bureau of labor  
36 statistics, United States department of labor, for the city of  
37 Seattle. However, if a district's average certificated instructional  
38 staff salary is less than the average certificated instructional

1 staff salary allocated by the state for that year, the district may  
2 increase salaries not to exceed the point where the district's  
3 average certificated instructional staff salary equals the average  
4 certificated instructional staff salary allocated by the state.

5 (2) Nothing in this section prohibits individuals from receiving  
6 additional compensation for service including, but not limited to,  
7 additional days or hours of service, additional responsibilities,  
8 step increases, and expansions of academic programs that require  
9 additional personnel or increased service provided by current  
10 personnel.

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

12 **Sec. 12.** RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each  
13 amended to read as follows:

14 (1) A school district may not (~~provide any~~) increase total  
15 school district expenditures for certificated administrative staff  
16 (~~with a percentage increase to total salary~~) for the 2018-19 school  
17 year(~~, including supplemental contracts, that exceeds~~) by more than  
18 the previous calendar year's annual average consumer price index,  
19 using the official current base compiled by the bureau of labor  
20 statistics, United States department of labor, for the city of  
21 Seattle. However, if a district's average certificated administrative  
22 staff salary is less than the average certificated administrative  
23 salary allocated by the state for that year, the district may  
24 increase salaries not to exceed the point where the district's  
25 average certificated administrative staff salary equals the average  
26 certificated administrative staff salary allocated by the state.

27 (2) Nothing in this section prohibits individuals from receiving  
28 additional compensation for service including, but not limited to,  
29 additional days or hours of service, additional responsibilities,  
30 step increases, and expansions of academic programs that require  
31 additional personnel or increased service provided by current  
32 personnel.

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

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

36 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,  
37 and 84.52.043 shall not prevent the levy of taxes by school  
38 districts, when authorized so to do by the voters of such school

1 district in the manner and for the purposes and number of years  
2 allowable under Article VII, section 2(a) and Article IX, section 1  
3 of the Constitution of this state. Elections for such taxes shall be  
4 held in the year in which the levy is made or, in the case of  
5 propositions authorizing two-year through four-year levies for  
6 enrichment funding for a school district, authorizing two-year levies  
7 for transportation vehicle funds established in RCW 28A.160.130  
8 through calendar year 2019, authorizing two-year levies for  
9 transportation vehicle (~~enrichment~~) levies beginning with calendar  
10 year 2020, or authorizing two-year through six-year levies to support  
11 the construction, modernization, or remodeling of school facilities,  
12 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the  
13 year in which the first annual levy is made.

14 (2)(a) Once additional tax levies have been authorized for  
15 enrichment funding for a school district for a two-year through four-  
16 year period as provided under subsection (1) of this section, no  
17 further additional tax levies for enrichment funding for the district  
18 for that period may be authorized, except for additional levies to  
19 provide for subsequently enacted increases affecting the district's  
20 maximum levy.

21 (b) Notwithstanding (a) of this subsection, any school district  
22 that is required to annex or receive territory pursuant to a  
23 dissolution of a financially insolvent school district pursuant to  
24 RCW 28A.315.225 may call either a replacement or supplemental levy  
25 election within the school district, including the territory annexed  
26 or transferred, as follows:

27 (i) An election for a proposition authorizing two-year through  
28 four-year levies for enrichment funding for a school district may be  
29 called and held before the effective date of dissolution to replace  
30 existing enrichment levies and to provide for increases due to the  
31 dissolution.

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

35 (iii) In the event a replacement levy election under (b)(i) of  
36 this subsection is held but does not pass, the affected school  
37 district may subsequently hold a supplemental levy election pursuant  
38 to (b)(ii) of this subsection if the supplemental levy election is  
39 held before the effective date of dissolution. In the event a  
40 supplemental levy election is held under (b)(ii) of this subsection

1 but does not pass, the affected school district may subsequently hold  
2 a replacement levy election pursuant to (b)(i) of this subsection if  
3 the replacement levy election is held before the effective date of  
4 dissolution. Failure of a replacement levy or supplemental levy  
5 election does not affect any previously approved and existing  
6 enrichment levy within the affected school district or districts.

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

11 (3) A special election may be called and the time therefor fixed  
12 by the board of school directors, by giving notice thereof by  
13 publication in the manner provided by law for giving notices of  
14 general elections, at which special election the proposition  
15 authorizing such excess levy shall be submitted in such form as to  
16 enable the voters favoring the proposition to vote "yes" and those  
17 opposed thereto to vote "no."

18 (4)(a) Beginning September 1, 2019, school districts may use  
19 enrichment levies (~~(and transportation vehicle enrichment levies)~~)  
20 solely to enrich the state's statutory program of basic education as  
21 authorized under RCW 28A.150.276.

22 (b) Beginning with propositions for enrichment levies (~~(and~~  
23 ~~transportation vehicle enrichment levies)~~) for collection in calendar  
24 year 2020 and thereafter, a district must receive approval of an  
25 enrichment levy expenditure plan from the superintendent of public  
26 instruction under RCW 28A.505.240 before submission of the  
27 proposition to the voters.

28 NEW SECTION. **Sec. 14.** The legislature recognizes that  
29 modifications to the local levy and local effort assistance policies  
30 adopted as part of Engrossed House Bill No. 2242 (chapter 13, Laws of  
31 2017 3rd sp. sess.) in 2017 are necessary in order to ensure that  
32 those policies do not negatively impact our schools and our students.  
33 It is the intent of the legislature to take action to reform those  
34 policies in the 2018 legislative session.

35 **Sec. 15.** RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each  
36 amended to read as follows:

37 (1) As required by RCW 84.52.053(4), before a school district may  
38 submit an enrichment levy(~~(, including a transportation vehicle~~

1 ~~enrichment levy,~~) under RCW 84.52.053 to the voters, it must have  
2 received approval from the office of the superintendent of public  
3 instruction of an expenditure plan for the district's enrichment levy  
4 and other local revenues as defined in RCW 28A.150.276. Within thirty  
5 days after receiving the plan the office of the superintendent of  
6 public instruction must notify the school district whether the  
7 spending plan is approved. If the office of the superintendent of  
8 public instruction rejects a district's proposed spending plan, then  
9 the district may submit a revised spending plan, and the  
10 superintendent must approve or reject the revised submission within  
11 thirty days. The office of the superintendent of public instruction  
12 may approve a spending plan only if it determines that the enrichment  
13 levy and other local revenues as defined in RCW 28A.150.276(1) will  
14 be used solely for permitted enrichment activities as provided in RCW  
15 28A.150.276(2).

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

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

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

3 **Sec. 16.** RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each  
4 amended to read as follows:

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

8 (2)(a) Through the 2017-18 school year, salaries for certificated  
9 instructional staff shall not be less than the salary provided in the  
10 appropriations act in the statewide salary allocation schedule for an  
11 employee with a baccalaureate degree and zero years of service;

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

16 (c) Beginning with the 2019-20 school year:

17 (i) Salaries for full-time certificated instructional staff must  
18 not be less than forty thousand dollars, to be adjusted for regional  
19 differences in the cost of hiring staff as specified in RCW  
20 28A.150.410, and to be adjusted annually by the same inflationary  
21 measure as provided in RCW 28A.400.205;

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

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

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

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



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

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

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

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

31 (c) Salary and benefits for certificated instructional staff in  
32 programs other than basic education shall be consistent with the  
33 salary and benefits paid to certificated instructional staff in the  
34 basic education program.

35 (4)(a) Salaries and benefits for certificated instructional staff  
36 may exceed the limitations in subsection (3) of this section only by  
37 separate contract for additional time, for additional  
38 responsibilities, or for incentives. Supplemental contracts shall not  
39 cause the state to incur any present or future funding obligation.  
40 Supplemental contracts must be accounted for by a school district

1 when the district is developing its four-year budget plan under RCW  
2 28A.505.040.

3 (b) Supplemental contracts shall be subject to the collective  
4 bargaining provisions of chapter 41.59 RCW and the provisions of RCW  
5 28A.405.240, shall not exceed one year, and if not renewed shall not  
6 constitute adverse change in accordance with RCW 28A.405.300 through  
7 28A.405.380. No district may enter into a supplemental contract under  
8 this subsection for the provision of services which are a part of the  
9 basic education program required by Article IX, section 1 of the  
10 state Constitution and RCW 28A.150.220. Beginning September 1, 2019,  
11 supplemental contracts for certificated instructional staff are  
12 subject to the following additional restrictions: School districts  
13 may enter into supplemental contracts only for enrichment activities  
14 as defined in and subject to the limitations of RCW 28A.150.276. The  
15 rate the district pays under a time-based supplemental contract may  
16 not exceed the hourly rate provided to that same instructional staff  
17 for services under the basic education salary identified pursuant to  
18 subsection (3)(a)(iii) of this section. Nothing in this section  
19 prohibits school districts from providing overtime payments for time  
20 worked outside the employee's normal schedule.

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

23 **Sec. 17.** RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each  
24 amended to read as follows:

25 (1) The superintendent of public instruction shall submit to each  
26 regular session of the legislature during an odd-numbered year a  
27 programmed budget request for special education programs for students  
28 with disabilities. Funding for programs operated by local school  
29 districts shall be on an excess cost basis from appropriations  
30 provided by the legislature for special education programs for  
31 students with disabilities and shall take account of state funds  
32 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8).

33 (2) The excess cost allocation to school districts shall be based  
34 on the following:

35 (a) A district's annual average headcount enrollment of students  
36 ages birth through four and those five year olds not yet enrolled in  
37 kindergarten who are eligible for and enrolled in special education,  
38 multiplied by the district's base allocation per full-time equivalent  
39 student, multiplied by 1.15; and

1 (b) A district's annual average full-time equivalent basic  
2 education enrollment, multiplied by the district's funded enrollment  
3 percent, multiplied by the district's base allocation per full-time  
4 equivalent student, multiplied by (~~0.9309~~) 0.9609.

5 (3) As used in this section:

6 (a) "Base allocation" means the total state allocation to all  
7 schools in the district generated by the distribution formula under  
8 RCW 28A.150.260 (4)(a), (5), (6), and (8), to be divided by the  
9 district's full-time equivalent enrollment.

10 (b) "Basic education enrollment" means enrollment of resident  
11 students including nonresident students enrolled under RCW  
12 28A.225.225 and students from nonhigh districts enrolled under RCW  
13 28A.225.210 and excluding students residing in another district  
14 enrolled as part of an interdistrict cooperative program under RCW  
15 28A.225.250.

16 (c) "Enrollment percent" means the district's resident special  
17 education annual average enrollment, excluding students ages birth  
18 through four and those five year olds not yet enrolled in  
19 kindergarten, as a percent of the district's annual average full-time  
20 equivalent basic education enrollment.

21 (d) "Funded enrollment percent" means the lesser of the  
22 district's actual enrollment percent or thirteen and five-tenths  
23 percent.

24 NEW SECTION. **Sec. 18.** The legislature recognizes that  
25 Initiative Measure No. 1433 was approved by the voters of the state  
26 of Washington in 2016 requiring employers to provide paid sick leave  
27 to each of its employees. The legislature acknowledges that the  
28 enactment of this initiative contributes to the costs of operations  
29 of the state's public schools and intends to provide funding in the  
30 omnibus appropriations act to support school districts with these  
31 additional costs.

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