

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 6362

Chapter 266, Laws of 2018

(partial veto)

65th Legislature
2018 Regular Session

BASIC EDUCATION FUNDING

EFFECTIVE DATE: June 7, 2018—Except for sections 303 and 307, which become effective January 1, 2019.

Passed by the Senate March 8, 2018
Yeas 25 Nays 23

CYRUS HABIB

President of the Senate

Passed by the House March 8, 2018
Yeas 50 Nays 48

FRANK CHOPP

Speaker of the House of Representatives

Approved March 27, 2018 2:15 PM with
the exception of Sections 402 and 408,
which are vetoed.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 6362** as passed by Senate and the House of Representatives on the dates hereon set forth.

BRAD HENDRICKSON

Secretary

FILED

March 29, 2018

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 6362

AS AMENDED BY THE HOUSE

Passed Legislature - 2018 Regular Session

State of Washington **65th Legislature** **2018 Regular Session**

By Senate Ways & Means (originally sponsored by Senators Wellman, Rolfes, and Billig; by request of Superintendent of Public Instruction)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to modifying basic education funding provisions;
2 amending RCW 28A.150.260, 28A.150.390, 28A.165.055, 28A.150.392,
3 28A.150.410, 28A.150.412, 28A.400.006, 28A.400.200, 28A.400.205,
4 41.56.800, 41.59.800, 28A.150.276, 28A.320.330, 28A.500.015,
5 28A.505.240, 84.52.053, 84.52.0531, 28A.150.415, 28A.710.280,
6 28A.715.040, 72.40.028, 43.09.2856, and 28A.505.140; adding a new
7 section to chapter 28A.160 RCW; adding new sections to chapter
8 28A.300 RCW; adding a new section to chapter 84.52 RCW; adding a new
9 section to chapter 28A.320 RCW; creating new sections; repealing RCW
10 28A.415.020, 28A.415.023, and 28A.415.024; making an appropriation;
11 providing an effective date; and providing expiration dates.

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

13 **PART I: PROGRAM FUNDING**

14 **Sec. 101.** RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each
15 amended to read as follows:

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

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

5 (2)(a) The distribution formula under this section shall be for
6 allocation purposes only. Except as may be required under subsections
7 (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165,
8 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in
9 this section requires school districts to use basic education
10 instructional funds to implement a particular instructional approach
11 or service. Nothing in this section requires school districts to
12 maintain a particular classroom teacher-to-student ratio or other
13 staff-to-student ratio or to use allocated funds to pay for
14 particular types or classifications of staff. Nothing in this section
15 entitles an individual teacher to a particular teacher planning
16 period.

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

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

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

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

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

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

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

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

	General education average class size
31 Grades K-3.	17.00
32 Grade 4.	27.00
33 Grades 5-6.	27.00
34 Grades 7-8.	28.53
35 Grades 9-12.	28.74

36 (ii) The minimum class size allocation for each prototypical high
37 school shall also provide for enhanced funding for class size
38
39

1 reduction for two laboratory science classes within grades nine
2 through twelve per full-time equivalent high school student
3 multiplied by a laboratory science course factor of 0.0833, based on
4 the number of full-time equivalent classroom teachers needed to
5 provide instruction over the minimum required annual instructional
6 hours in RCW 28A.150.220, and providing at least one teacher planning
7 period per school day:

8		Laboratory science	
9		average class size	
10	Grades 9-12.		19.98

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

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

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

21		Career and technical	
22		education average	
23		class size	
24	Approved career and technical education offered at		
25	the middle school and high school level.		23.00
26	Skill center programs meeting the standards established		
27	by the office of the superintendent of public		
28	instruction.		20.00

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

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

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

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

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

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

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

	Staff per 1,000
	K-12 students
28 Technology.	0.628
29 Facilities, maintenance, and grounds.	1.813
30 Warehouse, laborers, and mechanics.	0.332

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

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

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

	Per annual average full-time equivalent student in grades K-12
14 Technology.	\$130.76
15 Utilities and insurance.	\$355.30
16 Curriculum and textbooks.	\$140.39
17 Other supplies ((and library materials)). ((\$298.05))	<u>\$278.05</u>
18 <u>Library materials.</u>	<u>\$20.00</u>
19 Instructional professional development for certificated and 20 classified staff.	\$21.71
21 Facilities maintenance.	\$176.01
22 Security and central office administration.	\$121.94

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

	Per annual average full-time equivalent student in grades 9-12
32 Technology.	\$36.35
33 Curriculum and textbooks.	\$39.02
34 Other supplies ((and library materials)). ((\$82.84))	<u>\$77.28</u>
35 <u>Library materials.</u>	<u>\$5.56</u>
36 Instructional professional development for certificated and 37 classified staff.	\$6.04

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

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

7 (b) Preparatory career and technical education courses for
8 students in grades nine through twelve offered in a high school; and

9 (c) Preparatory career and technical education courses for
10 students in grades eleven and twelve offered through a skill center.

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

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

24 (ii) In addition to funding allocated under (a)(i) of this
25 subsection, to provide supplemental instruction and services for
26 students who are not meeting academic standards in (~~schools where at~~
27 ~~least fifty percent of students are eligible for free and reduced-~~
28 ~~price meals~~) qualifying schools. A qualifying school means a school
29 in which the three-year rolling average of the prior year total
30 annual average enrollment that qualifies for free or reduced-price
31 meals equals or exceeds fifty percent or more of its total annual
32 average enrollment. The minimum allocation for this additional high
33 poverty-based allocation must provide for each level of prototypical
34 school resources to provide, on a statewide average, 1.1 hours per
35 week in extra instruction with a class size of fifteen learning
36 assistance program students per teacher, under RCW 28A.165.055,
37 school districts must distribute the high poverty-based allocation to
38 the schools that generated the funding allocation.

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

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

28 (c) To provide additional allocations to support programs for
29 highly capable students under RCW 28A.185.010 through 28A.185.030,
30 allocations shall be based on 5.0 percent of each school district's
31 full-time equivalent basic education enrollment. The minimum
32 allocation for the programs shall provide resources to provide, on a
33 statewide average, 2.1590 hours per week in extra instruction with
34 fifteen highly capable program students per teacher.

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

39 (12)(a) For the purposes of allocations for prototypical high
40 schools and middle schools under subsections (4) and (10) of this

1 section that are based on the percent of students in the school who
2 are eligible for free and reduced-price meals, the actual percent of
3 such students in a school shall be adjusted by a factor identified in
4 the omnibus appropriations act to reflect underreporting of free and
5 reduced-price meal eligibility among middle and high school students.

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

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

15 (b) In the event the legislature rejects the distribution formula
16 recommended by the governor, without adopting a new distribution
17 formula, the distribution formula for the previous school year shall
18 remain in effect.

19 (c) The enrollment of any district shall be the annual average
20 number of full-time equivalent students and part-time students as
21 provided in RCW 28A.150.350, enrolled on the first school day of each
22 month, including students who are in attendance pursuant to RCW
23 28A.335.160 and 28A.225.250 who do not reside within the servicing
24 school district. The definition of full-time equivalent student shall
25 be determined by rules of the superintendent of public instruction
26 and shall be included as part of the superintendent's biennial budget
27 request. The definition shall be based on the minimum instructional
28 hour offerings required under RCW 28A.150.220. Any revision of the
29 present definition shall not take effect until approved by the house
30 ways and means committee and the senate ways and means committee.

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

34 **Sec. 102.** RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each
35 amended to read as follows:

36 (1) The superintendent of public instruction shall submit to each
37 regular session of the legislature during an odd-numbered year a
38 programmed budget request for special education programs for students
39 with disabilities. Funding for programs operated by local school

1 districts shall be on an excess cost basis from appropriations
2 provided by the legislature for special education programs for
3 students with disabilities and shall take account of state funds
4 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
5 28A.150.415.

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

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

13 (b) A district's annual average full-time equivalent basic
14 education enrollment, multiplied by the district's funded enrollment
15 percent, multiplied by the district's base allocation per full-time
16 equivalent student, multiplied by (~~0.9309~~) 0.9609.

17 (3) As used in this section:

18 (a) "Base allocation" means the total state allocation to all
19 schools in the district generated by the distribution formula under
20 RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be
21 divided by the district's full-time equivalent enrollment.

22 (b) "Basic education enrollment" means enrollment of resident
23 students including nonresident students enrolled under RCW
24 28A.225.225 and students from nonhigh districts enrolled under RCW
25 28A.225.210 and excluding students residing in another district
26 enrolled as part of an interdistrict cooperative program under RCW
27 28A.225.250.

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

33 (d) "Funded enrollment percent" means the lesser of the
34 district's actual enrollment percent or thirteen and five-tenths
35 percent.

36 NEW SECTION. **Sec. 103.** A new section is added to chapter
37 28A.160 RCW to read as follows:

1 (1) Subject to the availability of amounts appropriated for this
2 specific purpose, a transportation alternate funding grant program is
3 created.

4 (2) As part of the award process for the grants, the
5 superintendent of public instruction must include a review of the
6 school district's efficiency rating, key performance indicators, and
7 local school district characteristics such as unique geographic
8 constraints, low enrollment, geographic density of students, the
9 percentage of students served under the McKinney-Vento homeless
10 assistance act from outside the district, or whether the district is
11 a nonhigh district.

12 **Sec. 104.** RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each
13 amended to read as follows:

14 (1) The funds for the learning assistance program shall be
15 appropriated in accordance with RCW 28A.150.260 and the omnibus
16 appropriations act. The distribution formula is for school district
17 allocation purposes only, except as provided in RCW
18 28A.150.260(10)(a)(ii), but all funds appropriated for the learning
19 assistance program must be expended for the purposes of RCW
20 28A.165.005 through 28A.165.065.

21 (2) A district's high poverty-based allocation is generated by
22 its qualifying schools (~~((buildings))~~) as defined in RCW
23 28A.150.260(10) and must be expended by the district for those
24 (~~((buildings))~~) schools. This funding must supplement and not supplant
25 the district's expenditures under this chapter for those schools
26 (~~((buildings))~~).

27 NEW SECTION. **Sec. 105.** A new section is added to chapter
28 28A.300 RCW to read as follows:

29 (1) The superintendent of public instruction must require school
30 districts to have identification procedures for their highly capable
31 programs that are clearly stated and implemented by school districts
32 using the following criteria:

33 (a) Districts must use multiple objective criteria to identify
34 students who are among the most highly capable. Multiple pathways for
35 qualifications must be available and no single criterion may
36 disqualify a student from identification;

37 (b) Highly capable selection decisions must be based on
38 consideration of criteria benchmarked on local norms, but local norms

1 may not be used as a more restrictive criteria than national norms at
2 the same percentile;

3 (c) Subjective measures such as teacher recommendations or report
4 card grades may not be used to screen out a student from assessment.
5 These data points may be used alongside other criteria during
6 selection to support identification, but may not be used to
7 disqualify a student from being identified; and

8 (d) To the extent practicable, screening and assessments must be
9 given in the native language of the student. If native language
10 screening and assessments are not available, a nonverbal screening
11 and assessment must be used.

12 (2) The superintendent of public instruction must disseminate
13 guidance on referral, screening, assessment, selection, and placement
14 best practices for highly capable programs. The guidance must be
15 regularly updated and aligned with evidence-based practices.

16 **Sec. 106.** RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each
17 amended to read as follows:

18 (1)(a) To the extent necessary, funds shall be made available for
19 safety net awards for districts with demonstrated needs for special
20 education funding beyond the amounts provided through the special
21 education funding formula under RCW 28A.150.390.

22 (b) If the federal safety net awards based on the federal
23 eligibility threshold exceed the federal appropriation in any fiscal
24 year, then the superintendent shall expend all available federal
25 discretionary funds necessary to meet this need.

26 (2) Safety net funds shall be awarded by the state safety net
27 oversight committee subject to the following conditions and
28 limitations:

29 (a) The committee shall award additional funds for districts that
30 can convincingly demonstrate that all legitimate expenditures for
31 special education exceed all available revenues from state funding
32 formulas.

33 (b) In the determination of need, the committee shall consider
34 additional available revenues from federal sources.

35 (c) Differences in program costs attributable to district
36 philosophy, service delivery choice, or accounting practices are not
37 a legitimate basis for safety net awards.

38 (d) In the determination of need, the committee shall require
39 that districts demonstrate that they are maximizing their eligibility

1 for all state revenues related to services for special education-
2 eligible students and all federal revenues from federal impact aid,
3 medicaid, and the individuals with disabilities education act-Part B
4 and appropriate special projects. Awards associated with (e) and (f)
5 of this subsection shall not exceed the total of a district's
6 specific determination of need.

7 (e) The committee shall then consider the extraordinary high cost
8 needs of one or more individual special education students.
9 Differences in costs attributable to district philosophy, service
10 delivery choice, or accounting practices are not a legitimate basis
11 for safety net awards.

12 (f) Using criteria developed by the committee, the committee
13 shall then consider extraordinary costs associated with communities
14 that draw a larger number of families with children in need of
15 special education services, which may include consideration of
16 proximity to group homes, military bases, and regional hospitals.
17 Safety net awards under this subsection (2)(f) shall be adjusted to
18 reflect amounts awarded under (e) of this subsection.

19 (g) The committee shall then consider the extraordinary high cost
20 needs of one or more individual special education students served in
21 residential schools as defined in RCW 28A.190.020, programs for
22 juveniles under the department of corrections, and programs for
23 juveniles operated by city and county jails to the extent they are
24 providing a program of education for students enrolled in special
25 education.

26 (h) The maximum allowable indirect cost for calculating safety
27 net eligibility may not exceed the federal restricted indirect cost
28 rate for the district plus one percent.

29 ~~((h))~~ (i) Safety net awards shall be adjusted based on the
30 percent of potential medicaid eligible students billed as calculated
31 by the superintendent of public instruction in accordance with
32 chapter 318, Laws of 1999.

33 ~~((i))~~ (j) Safety net awards must be adjusted for any audit
34 findings or exceptions related to special education funding.

35 (3) The superintendent of public instruction shall adopt such
36 rules and procedures as are necessary to administer the special
37 education funding and safety net award process. By ~~((September 1,~~
38 ~~2019))~~ December 1, 2018, the superintendent shall review and revise
39 the rules to achieve full and complete implementation of the
40 requirements of this subsection and subsection (4) of this section

1 including revisions to rules that provide additional flexibility to
2 access community impact awards. Before revising any standards,
3 procedures, or rules, the superintendent shall consult with the
4 office of financial management and the fiscal committees of the
5 legislature. In adopting and revising the rules, the superintendent
6 shall ensure the application process to access safety net funding is
7 streamlined, timelines for submission are not in conflict, feedback
8 to school districts is timely and provides sufficient information to
9 allow school districts to understand how to correct any deficiencies
10 in a safety net application, and that there is consistency between
11 awards approved by school district and by application period. The
12 office of the superintendent of public instruction shall also provide
13 technical assistance to school districts in preparing and submitting
14 special education safety net applications.

15 (4) On an annual basis, the superintendent shall survey districts
16 regarding their satisfaction with the safety net process and consider
17 feedback from districts to improve the safety net process. Each year
18 by December 1st, the superintendent shall prepare and submit a report
19 to the office of financial management and the appropriate policy and
20 fiscal committees of the legislature that summarizes the survey
21 results and those changes made to the safety net process as a result
22 of the school district feedback.

23 (5) The safety net oversight committee appointed by the
24 superintendent of public instruction shall consist of:

25 (a) One staff member from the office of the superintendent of
26 public instruction;

27 (b) Staff of the office of the state auditor who shall be
28 nonvoting members of the committee; and

29 (c) One or more representatives from school districts or
30 educational service districts knowledgeable of special education
31 programs and funding.

32 **PART II: COMPENSATION**

33 NEW SECTION. **Sec. 201.** The legislature recognizes that
34 Initiative Measure No. 1433 was approved by the voters of the state
35 of Washington in 2016 requiring employers to provide paid sick leave
36 to each of its employees. The legislature acknowledges that the
37 enactment of this initiative contributes to the costs of operations
38 of the state's public schools and intends to provide funding in the

1 omnibus appropriations act to support school districts with these
2 additional costs.

3 **Sec. 202.** RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101 are each
4 amended to read as follows:

5 (1) Through the 2017-18 school year, the legislature shall
6 establish for each school year in the appropriations act a statewide
7 salary allocation schedule, for allocation purposes only, to be used
8 to distribute funds for basic education certificated instructional
9 staff salaries under RCW 28A.150.260. For the purposes of this
10 section, the staff allocations for classroom teachers, teacher-
11 librarians, guidance counselors, and student health services staff
12 under RCW 28A.150.260 are considered allocations for certificated
13 instructional staff.

14 (2) Through the 2017-18 school year, salary allocations for
15 state-funded basic education certificated instructional staff shall
16 be calculated by the superintendent of public instruction by
17 determining the district's average salary for certificated
18 instructional staff, using the statewide salary allocation schedule
19 and related documents, conditions, and limitations established by the
20 omnibus appropriations act.

21 (3) Through the 2017-18 school year, no more than ninety college
22 quarter-hour credits received by any employee after the baccalaureate
23 degree may be used to determine compensation allocations under the
24 state salary allocation schedule and LEAP documents referenced in the
25 omnibus appropriations act, or any replacement schedules and
26 documents, unless:

27 (a) The employee has a master's degree; or

28 (b) The credits were used in generating state salary allocations
29 before January 1, 1992.

30 (4) Beginning in the 2007-08 school year and through the 2017-18
31 school year, the calculation of years of service for occupational
32 therapists, physical therapists, speech-language pathologists,
33 audiologists, nurses, social workers, counselors, and psychologists
34 regulated under Title 18 RCW may include experience in schools and
35 other nonschool positions as occupational therapists, physical
36 therapists, speech-language pathologists, audiologists, nurses,
37 social workers, counselors, or psychologists. The calculation shall
38 be that one year of service in a nonschool position counts as one
39 year of service for purposes of this chapter, up to a limit of two

1 years of nonschool service. Nonschool years of service included in
2 calculations under this subsection shall not be applied to service
3 credit totals for purposes of any retirement benefit under chapter
4 41.32, 41.35, or 41.40 RCW, or any other state retirement system
5 benefits.

6 (5) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
7 allocation for salaries for certificated instructional staff in the
8 basic education program must be increased ~~((beginning in the 2018-19
9 school year))~~ to provide a statewide average allocation of sixty-four
10 thousand dollars adjusted for inflation from the 2017-18 school year.

11 (6) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
12 allocation for salaries for certificated administrative staff in the
13 basic education program must be increased ~~((beginning in the 2018-19
14 school year))~~ to provide a statewide average allocation of ninety-
15 five thousand dollars adjusted for inflation from the 2017-18 school
16 year.

17 (7) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
18 allocation for salaries for classified staff in the basic education
19 program must be increased ~~((beginning in the 2018-19 school year))~~ to
20 provide a statewide average allocation of forty-five thousand nine
21 hundred twelve dollars adjusted by inflation from the 2017-18 school
22 year.

23 (8) ~~((To implement the new minimum salary allocations in
24 subsections (5) through (7) of this section, the legislature must
25 fund fifty percent of the increased salary allocation in the 2018-19
26 school year and the entire increased salary allocation in the 2019-20
27 school year.))~~ For school year 2018-19, a district's minimum state
28 allocation for salaries is the greater of the district's 2017-18
29 state salary allocation, adjusted for inflation, or the district's
30 allocation based on the state salary level specified in subsections
31 (5) through (7) of this section, and as further specified in the
32 omnibus appropriations act.

33 (9) Beginning with the 2018-19 school year, state allocations for
34 salaries for certificated instructional staff, certificated
35 administrative staff, and classified staff must be adjusted for
36 regional differences in the cost of hiring staff. Adjustments for
37 regional differences must be specified in the omnibus appropriations
38 act for each school year through at least school year 2022-23. For
39 school years 2018-19 through school year 2022-23, the school district
40 regionalization factors are based on the median single-family

1 residential value of each school district and proximate school
2 district median single-family residential value as described in RCW
3 28A.150.412.

4 (10) Beginning with the 2023-24 school year and every (~~six~~)
5 four years thereafter, the minimum state salary allocations and
6 school district regionalization factors for certificated
7 instructional staff, certificated (~~administration~~ ~~[administrative]~~)
8 administrative staff, and classified staff must be reviewed and
9 rebased, as provided under RCW 28A.150.412, to ensure that state
10 salary allocations continue to align with staffing costs for the
11 state's program of basic education.

12 (11) For the purposes of this section, "inflation" has the
13 meaning provided in RCW 28A.400.205 for "inflationary adjustment
14 index."

15 **Sec. 203.** RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each
16 amended to read as follows:

17 (1) Beginning with the 2023 regular legislative session, and
18 every (~~six~~) four years thereafter, the legislature shall review and
19 rebase state basic education compensation allocations compared to
20 school district compensation data, regionalization factors, what
21 inflationary measure is the most representative of actual market
22 experience for school districts, and other economic information. The
23 legislature shall revise the minimum allocations (~~and~~)
24 regionalization factors, and inflationary measure if necessary to
25 ensure that state basic education allocations continue to provide
26 market-rate salaries and that regionalization adjustments reflect
27 actual economic differences between school districts.

28 (2)(a) For school districts with single-family residential values
29 above the statewide median residential value, regionalization factors
30 for school years 2018-19 through school year 2022-23 are as follows:

31 (i) For school districts in tercile 1, state salary allocations
32 for school district employees are regionalized by six percent;

33 (ii) For school districts in tercile 2, state salary allocations
34 for school district employees are regionalized by twelve percent; and

35 (iii) For school districts in tercile 3, state salary allocations
36 for school district employees are regionalized by eighteen percent.

37 (b) In addition to the regionalization factors specified in (a)
38 of this subsection, school districts located west of the crest of the
39 Cascade mountains and sharing a boundary with any school district

1 with a regionalization factor more than one tercile higher, are
2 regionalized by six additional percentage points.

3 (c) In addition to the regionalization factors specified in this
4 subsection, for school districts that have certificated instructional
5 staff median years of experience that exceed the statewide average
6 certificated instructional staff years of experience and a ratio of
7 certificated instructional staff advanced degrees to bachelor degrees
8 above the statewide ratio, an experience factor of four percentage
9 points is added to the regionalization factor, beginning in the
10 2019-20 school year.

11 (d) Additional school district adjustments are identified in the
12 omnibus appropriations act, and these adjustments are partially
13 reduced or eliminated by the 2022-23 school year as follows:

14 (i) Adjustments that increase the regionalization factor to a
15 value that is greater than the tercile 3 regionalization factor must
16 be reduced by two percentage points each school year beginning with
17 school year 2020-21, through 2022-23.

18 (ii) Adjustments that increase the regionalization factor to a
19 value that is less than or equal to the tercile 3 regionalization
20 factor must be reduced by one percentage point each school year
21 beginning with school year 2020-21, through 2022-23.

22 (3) To aid the legislature in reviewing and rebasing
23 regionalization factors, the department of revenue shall, by November
24 1, 2022, and by November 1st every (~~six~~) four years thereafter,
25 determine the median single-family residential value of each school
26 district as well as the median value of proximate districts within
27 fifteen miles of the boundary of the school district for which the
28 median residential value is being calculated.

29 (4) No district may receive less state funding for the minimum
30 state salary allocation as compared to its prior school year salary
31 allocation as a result of adjustments that reflect updated
32 regionalized salaries.

33 (5) The definitions in this subsection apply throughout this
34 section unless the context clearly requires otherwise.

35 (a) "Median residential value of each school district" means the
36 median value of all single-family residential parcels included within
37 a school district and any other school district that is proximate to
38 the school district.

1 (b) "Proximate to the school district" means within fifteen miles
2 of the boundary of the school district for which the median
3 residential value is being calculated.

4 (c) "School district employees" means state-funded certificated
5 instructional staff, certificated administrative staff, and
6 classified staff.

7 (d) "School districts in tercile 1" means school districts with
8 median single-family residential values in the first tercile of
9 districts with single-family residential values above the statewide
10 median residential value.

11 (e) "School districts in tercile 2" means school districts with
12 median single-family residential values in the second tercile of
13 districts with single-family residential values above the statewide
14 median residential value.

15 (f) "School districts in tercile 3" means school districts with
16 median single-family residential values in the third tercile of
17 districts with single-family residential values above the statewide
18 median residential value.

19 (g) "Statewide median residential value" means the median value
20 of single-family residential parcels located within all school
21 districts, reduced by five percent.

22 **Sec. 204.** RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each
23 amended to read as follows:

24 (1) A school district may not (~~(provide any)~~) increase average
25 total school district expenditures for certificated administrative
26 staff (~~((with a percentage increase to total salary))~~) for the 2018-19
27 school year(~~(, including supplemental contracts, that exceeds the~~
28 ~~previous calendar year's annual average consumer price index, using~~
29 ~~the official current base compiled by the bureau of labor statistics,~~
30 ~~United States department of labor, for the city of Seattle. However,~~
31 ~~if a district's average certificated administrative staff salary is~~
32 ~~less than the average certificated administrative salary allocated by~~
33 ~~the state for that year, the district may increase salaries not to~~
34 ~~exceed the point where the district's average certificated~~
35 ~~administrative staff salary equals the average certificated~~
36 ~~administrative staff salary allocated by the state)) in excess of the
37 following:~~

38 (a) Annual salary inflationary adjustments based on the rate of
39 the yearly increase of the previous calendar year's annual average

1 consumer price index, using the official current base compiled by the
2 bureau of labor statistics, United States department of labor, for
3 the city of Seattle;

4 (b) Annual experience and education salary step increases
5 according to what was the prior year's practice within the school
6 district; or

7 (c) School districts with an average total certificated
8 administrative staff salary less than the statewide average
9 certificated administrative staff salary allocation used to
10 distribute funds for basic education as estimated by the office of
11 the superintendent of public instruction for the 2018-19 school year
12 may provide salary increases up to the statewide average allocation.

13 (2) Changes to any terms of an employment contract for
14 nonrepresented employees must comply with the same requirements
15 established in this section.

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

17 **Sec. 205.** RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each
18 amended to read as follows:

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

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

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

30 (c) Beginning with the ((2019-20)) 2018-19 school year:

31 (i) Salaries for full-time certificated instructional staff must
32 not be less than forty thousand dollars, to be adjusted for regional
33 differences in the cost of hiring staff as specified in RCW
34 28A.150.410, and to be adjusted annually by the same inflationary
35 measure as provided in RCW 28A.400.205;

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

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

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

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

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

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

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

28 (b) Through the 2018-19 school year, fringe benefit contributions
29 for certificated instructional staff shall be included as salary
30 under (a)(i) of this subsection only to the extent that the
31 district's actual average benefit contribution exceeds the amount of
32 the insurance benefits allocation, less the amount remitted by
33 districts to the health care authority for retiree subsidies,
34 provided per certificated instructional staff unit in the state
35 operating appropriations act in effect at the time the compensation
36 is payable. For purposes of this section, fringe benefits shall not
37 include payment for unused leave for illness or injury under RCW
38 28A.400.210; employer contributions for old age survivors insurance,
39 workers' compensation, unemployment compensation, and retirement
40 benefits under the Washington state retirement system; or employer

1 contributions for health benefits in excess of the insurance benefits
2 allocation provided per certificated instructional staff unit in the
3 state operating appropriations act in effect at the time the
4 compensation is payable. A school district may not use state funds to
5 provide employer contributions for such excess health benefits.

6 (c) Salary and benefits for certificated instructional staff in
7 programs other than basic education shall be consistent with the
8 salary and benefits paid to certificated instructional staff in the
9 basic education program.

10 (4)(a) Salaries and benefits for certificated instructional staff
11 may exceed the limitations in subsection (3) of this section only by
12 separate contract for additional time, for additional
13 responsibilities, or for incentives. Supplemental contracts shall not
14 cause the state to incur any present or future funding obligation.
15 Supplemental contracts must be accounted for by a school district
16 when the district is developing its four-year budget plan under RCW
17 28A.505.040.

18 (b) Supplemental contracts shall be subject to the collective
19 bargaining provisions of chapter 41.59 RCW and the provisions of RCW
20 28A.405.240, shall not exceed one year, and if not renewed shall not
21 constitute adverse change in accordance with RCW 28A.405.300 through
22 28A.405.380. No district may enter into a supplemental contract under
23 this subsection for the provision of services which are a part of the
24 basic education program required by Article IX, section 1 of the
25 state Constitution and RCW 28A.150.220.

26 (c)(i) Beginning September 1, 2019, supplemental contracts for
27 certificated instructional staff are subject to the following
28 additional restrictions: School districts may enter into supplemental
29 contracts only for enrichment activities as defined in and subject to
30 the limitations of RCW 28A.150.276. (~~The rate the district pays
31 under a supplemental contract may not exceed the hourly rate provided
32 to that same instructional staff for services under the basic
33 education salary identified pursuant to subsection (3)(a)(iii) of
34 this section.~~)

35 (ii) For a supplemental contract, or portion of a supplemental
36 contract, that is time-based, the hourly rate the district pays may
37 not exceed the hourly rate provided to that same instructional staff
38 for services under the basic education salary identified under
39 subsection (3)(a)(iii) of this section. For a supplemental contract,
40 or portion of a supplemental contract that is not time-based, the

1 contract must document the additional duties, responsibilities, or
2 incentives that are being funded in the contract.

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

5 **Sec. 206.** RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each
6 amended to read as follows:

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

9 (a) The inflationary increase shall be calculated by applying the
10 rate of the yearly increase in the inflationary adjustment index to
11 any state-funded salary base used in state funding formulas for
12 teachers and other school district employees. Beginning with the
13 ~~((2020-21))~~ 2019-20 school year, each school district shall be
14 provided an inflationary adjustment allocation sufficient to grant
15 this inflationary increase.

16 (b) A school district shall distribute its inflationary
17 adjustment allocation for salaries and salary-related benefits in
18 accordance with the district's collective bargaining agreements and
19 compensation policies. No later than the end of the school year, each
20 school district shall certify to the superintendent of public
21 instruction that it has spent funds provided for inflationary
22 increases on salaries and salary-related benefits.

23 (c) Any funded inflationary increase shall be included in the
24 salary base used to determine inflationary increases for school
25 employees in subsequent years. For teachers and other certificated
26 instructional staff, the rate of the annual inflationary increase
27 funded for certificated instructional staff shall be applied to the
28 base salary used with the statewide salary allocation methodology
29 established under RCW 28A.150.410 and to any other salary allocation
30 methodologies used to recognize school district personnel costs.

31 (2) For the purposes of this section, "inflationary adjustment
32 index" means, for any school year, the implicit price deflator for
33 that fiscal year, using the official current base, compiled by the
34 bureau of ~~((labor statistics, United States department of labor for~~
35 ~~the state of Washington))~~ economic analysis, United States department
36 of commerce.

37 **Sec. 207.** RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each
38 amended to read as follows:

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

15 (a) Annual salary inflationary adjustments based on the rate of
16 the yearly increase of the previous calendar year's annual average
17 consumer price index, using the official current base compiled by the
18 bureau of labor statistics, United States department of labor, for
19 the city of Seattle;

20 (b) Annual experience and education salary step increases
21 according to the salary schedule specified in the agreement;

22 (c) Salary changes for staffing increases due to enrollment
23 growth or state-funded increases under RCW 28A.150.260; or

24 (d) School districts with an average total classified staff
25 salary less than the statewide average classified salary allocation
26 used to distribute funds for basic education as estimated by the
27 office of the superintendent of public instruction for the 2018-19
28 school year may provide salary increases up to the statewide average
29 allocation.

30 (2) Changes to any terms of an employment contract for
31 nonrepresented employees must comply with the same requirements
32 established in this section.

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

34 **Sec. 208.** RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each
35 amended to read as follows:

36 (1) A school district collective bargaining agreement for
37 certificated instructional staff that is executed or modified after
38 July 6, 2017, and that is in effect for the 2018-19 school year may
39 not (~~provide school district certificated instructional staff with a~~

1 percentage)) increase ((to)) average total salary for the 2018-19
2 school year, including supplemental contracts, ((that exceeds the
3 previous calendar year's annual average consumer price index, using
4 the official current base compiled by the bureau of labor statistics,
5 United States department of labor, for the city of Seattle. However,
6 if a district's average certificated instructional staff salary is
7 less than the average certificated instructional staff salary
8 allocated by the state for that year, the district may increase
9 salaries not to exceed the point where the district's average
10 certificated instructional staff salary equals the average
11 certificated instructional staff salary allocated by the state)) in
12 excess of the following:

13 (a) Annual salary inflationary adjustments based on the rate of
14 the yearly increase of the previous calendar year's annual average
15 consumer price index, using the official current base compiled by the
16 bureau of labor statistics, United States department of labor, for
17 the city of Seattle;

18 (b) Annual experience and education salary step increases
19 according to the salary schedule specified in the agreement;

20 (c) Salary changes for staffing increases due to enrollment
21 growth or state-funded increases under RCW 28A.150.260;

22 (d) Salary changes to provide professional learning under RCW
23 28A.415.430;

24 (e) Increases related to bonuses for attaining certification from
25 the national board for professional teaching standards;

26 (f) School districts with an average total certificated
27 instructional staff salary less than the statewide average
28 certificated instructional staff salary allocation used to distribute
29 funds for basic education as estimated by the office of the
30 superintendent of public instruction for the 2018-19 school year may
31 provide salary increases up to the statewide average allocation; or

32 (g) Salaries for new certificated instructional staff hired in
33 the 2018-19 school year.

34 (2) Changes to any terms of an employment contract for
35 nonrepresented employees must comply with the same requirements
36 established in this section.

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

38 NEW SECTION. Sec. 209. The superintendent of public instruction
39 shall convene a work group, that must include representatives of

1 diverse school districts and education stakeholders to make
2 recommendations to define the duties and responsibilities that entail
3 a "school day" under the state's statutory program of basic education
4 under RCW 28A.150.220 and 28A.150.260. The recommendations must
5 consider: The professional responsibilities, time, and effort
6 required to provide the state's statutory program of basic education
7 that exceed the required number of instructional hours specified in
8 RCW 28A.150.220, and duties covered by state salary allocations that
9 may be outside of school instructional time including, but not
10 limited to, direct instruction required in RCW 28A.150.220; the
11 necessary preparations, planning, and coordination for that
12 instruction; meeting with and collaborating with parents and other
13 teachers or other staff regarding the program of basic education; and
14 the necessary evaluation of student learning from that instruction.
15 The superintendent shall report the recommendations to the education
16 policy and operating budget committees of the legislature by January
17 14, 2019.

18 **PART III: LEVIES**

19 **Sec. 301.** RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each
20 amended to read as follows:

21 (1)(a) Beginning September 1, (~~2019~~) 2018, school districts may
22 use local revenues only for documented and demonstrated enrichment of
23 the state's statutory program of basic education as authorized in
24 subsection (2) of this section.

25 (b) Nothing in this section revises the definition or the state
26 funding of the program of basic education under RCW 28A.150.220 and
27 28A.150.260.

28 (c) For purposes of this section, "local revenues" means
29 enrichment levies collected under RCW 84.52.053, (~~transportation~~
30 ~~vehicle enrichment levies,~~) local effort assistance funding received
31 under chapter 28A.500 RCW, and other school district local revenues
32 including, but not limited to, grants, donations, and state and
33 federal payments in lieu of taxes, except that "local revenues" does
34 not include other federal revenues, or local revenues that operate as
35 an offset to the district's basic education allocation under RCW
36 28A.150.250.

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

1 (i) Minimum instructional offerings of RCW 28A.150.220 or
2 28A.150.260;

3 (ii) Staffing ratios or program components of RCW 28A.150.260,
4 including providing additional staff for class size reduction beyond
5 class sizes allocated in the prototypical school model and additional
6 staff beyond the staffing ratios allocated in the prototypical school
7 formula;

8 (iii) Program components of RCW 28A.150.200, 28A.150.220, or
9 28A.150.260; or

10 (iv) Program of professional learning as defined by RCW
11 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

12 (b) Permitted enrichment activities consist of:

13 (i) Extracurricular activities, extended school days, or an
14 extended school year;

15 (ii) Additional course offerings beyond the minimum instructional
16 program established in the state's statutory program of basic
17 education;

18 (iii) Activities associated with early learning programs;

19 (iv) Any additional salary costs attributable to the provision or
20 administration of the enrichment activities allowed under this
21 subsection; and

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

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

31 (a) If a school district spends local revenues for salary costs
32 attributable to the administration of enrichment programs, the
33 portion of administrator salaries attributable to that purpose may
34 not exceed (~~the proportion~~) twenty-five percent of the (~~district's~~
35 ~~local revenues to its other revenues~~) total district expenditures
36 for administrator salaries; and

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

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

1 **Sec. 302.** 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)) 2018-19 school year, a local revenue
9 subfund of its general fund to account for the financial operations
10 of a school district that are paid from local revenues. The local
11 revenues that must be deposited in the local revenue subfund are
12 enrichment levies and transportation vehicle ((enrichment)) levies
13 collected under RCW 84.52.053, local effort assistance funding
14 received under chapter 28A.500 RCW, and other school district local
15 revenues including, but not limited to, grants, donations, and state
16 and federal payments in lieu of taxes, but do not include other
17 federal revenues, or local revenues that operate as an offset to the
18 district's basic education allocation under RCW 28A.150.250. School
19 districts must track expenditures from this subfund separately to
20 account for the expenditure of each of these streams of revenue by
21 source, and must provide any supplemental expenditure schedules
22 required by the superintendent of public instruction or state auditor
23 for purposes of 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. 303.** RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each
37 amended to read as follows:

38 (1) Beginning in calendar year 2019 and each calendar year
39 thereafter, the state must provide state local effort assistance

1 funding to supplement school district enrichment levies as provided
2 in this section.

3 (2) For an eligible school district, annual local effort
4 assistance funding is equal to the school district's maximum local
5 effort assistance multiplied by a fraction equal to the school
6 district's actual enrichment levy divided by the school district's
7 maximum allowable enrichment levy.

8 (3) The state local effort assistance funding provided under this
9 section is not part of the state's program of basic education deemed
10 by the legislature to comply with the requirements of Article IX,
11 section 1 of the state Constitution.

12 (4) The definitions in this subsection apply throughout this
13 section unless the context clearly requires otherwise.

14 (a) "Eligible school district" means a school district whose
15 maximum allowable enrichment levy divided by the school district's
16 total student enrollment in the prior school year is less than the
17 state local effort assistance threshold.

18 (b) For the purpose of this section, "inflation" means
19 ((inflation as defined in RCW 84.55.005)), for any school year, the
20 rate of the yearly increase of the previous calendar year's annual
21 average consumer price index for all urban consumers, Seattle area,
22 using the official current base compiled by the bureau of labor
23 statistics, United States department of labor.

24 (c) "Maximum allowable enrichment levy" means the maximum levy
25 permitted by RCW 84.52.0531.

26 (d) "Maximum local effort assistance" means ~~((the school~~
27 ~~district's student enrollment in the prior school year multiplied~~
28 ~~by))~~ the difference ~~((of))~~ between the following:

29 (i) The school district's actual prior school year enrollment
30 multiplied by the state local effort assistance threshold; and ((a))

31 (ii) The school district's maximum allowable enrichment levy
32 ((divided by the school district's student enrollment in the prior
33 school year)).

34 (e) "Prior school year" means the most recent school year
35 completed prior to the year in which the state local effort
36 assistance funding is to be distributed.

37 (f) "State local effort assistance threshold" means one thousand
38 five hundred dollars per student, ~~((adjusted))~~ increased for
39 inflation beginning in calendar year 2020.

1 (g) "Student enrollment" means the average annual ((resident))
2 full-time equivalent student enrollment.

3 (5) For districts in a high/nonhigh relationship, the enrollments
4 of the nonhigh students attending the high school shall only be
5 counted by the nonhigh school districts for purposes of funding under
6 this section.

7 (6) For school districts participating in an innovation academy
8 cooperative established under RCW 28A.340.080, enrollments of
9 students attending the academy shall be adjusted so that each
10 participant district receives its proportional share of student
11 enrollments for purposes of funding under this section.

12 **Sec. 304.** RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each
13 amended to read as follows:

14 (1) As required by RCW 84.52.053(4), before a school district may
15 submit an enrichment levy(~~(, including a transportation vehicle~~
16 ~~enrichment levy,~~) under RCW 84.52.053 to the voters, it must have
17 received approval from the office of the superintendent of public
18 instruction of an expenditure plan for the district's enrichment levy
19 and other local revenues as defined in RCW 28A.150.276. Within thirty
20 days after receiving the plan the office of the superintendent of
21 public instruction must notify the school district whether the
22 spending plan is approved. If the office of the superintendent of
23 public instruction rejects a district's proposed spending plan, then
24 the district may submit a revised spending plan, and the
25 superintendent must approve or reject the revised submission within
26 thirty days. The office of the superintendent of public instruction
27 may approve a spending plan only if it determines that the enrichment
28 levy and other local revenues as defined in RCW 28A.150.276(1) will
29 be used solely for permitted enrichment activities as provided in RCW
30 28A.150.276(2).

31 (2)(a) Except as provided in (b) of this subsection, after a
32 school district has received voter approval for a levy for an
33 enrichment levy under RCW 84.52.053, a school district may change its
34 spending plan for the voter-approved levy by submitting a revised
35 spending plan to the office of the superintendent of public
36 instruction for review and approval. To revise a previously approved
37 spending plan, the district must provide notice and an opportunity
38 for review and comment at an open meeting of the school board, and
39 the board must adopt the revised spending plan by resolution. The

1 board must then submit the plan to the office of the superintendent
2 of public instruction. Within thirty days after receiving the revised
3 spending plan the office must notify the school district whether the
4 revised spending plan is approved. The office of the superintendent
5 of public instruction may approve a revised spending plan only if it
6 determines that the enrichment levy and other local revenues as
7 defined in RCW 28A.150.276(1) will be used solely for permitted
8 enrichment activities as provided in RCW 28A.150.276(2).

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

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

18 NEW SECTION. **Sec. 305.** A new section is added to chapter 84.52
19 RCW to read as follows:

20 For districts in a high/nonhigh relationship, if the high school
21 district is subject to the maximum per pupil limit under RCW
22 84.52.0531, the high school district's maximum levy amount must be
23 reduced by an amount equal to the estimated amount of the nonhigh
24 payment due to the high school district under RCW 28A.545.030(3) and
25 28A.545.050 for the school year commencing the year of the levy.

26 **Sec. 306.** RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each
27 amended to read as follows:

28 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
29 and 84.52.043 shall not prevent the levy of taxes by school
30 districts, when authorized so to do by the voters of such school
31 district in the manner and for the purposes and number of years
32 allowable under Article VII, section 2(a) and Article IX, section 1
33 of the Constitution of this state. Elections for such taxes shall be
34 held in the year in which the levy is made or, in the case of
35 propositions authorizing two-year through four-year levies for
36 enrichment funding for a school district, authorizing two-year levies
37 for transportation vehicle funds established in RCW 28A.160.130
38 (~~through calendar year 2019, authorizing two-year levies for~~

1 ~~transportation vehicle enrichment beginning with calendar year~~
2 ~~2020,~~) or authorizing two-year through six-year levies to support
3 the construction, modernization, or remodeling of school facilities,
4 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
5 year in which the first annual levy is made.

6 (2)(a) Once additional tax levies have been authorized for
7 enrichment funding for a school district for a two-year through four-
8 year period as provided under subsection (1) of this section, no
9 further additional tax levies for enrichment funding for the district
10 for that period may be authorized, except for additional levies to
11 provide for subsequently enacted increases affecting the district's
12 maximum levy.

13 (b) Notwithstanding (a) of this subsection, any school district
14 that is required to annex or receive territory pursuant to a
15 dissolution of a financially insolvent school district pursuant to
16 RCW 28A.315.225 may call either a replacement or supplemental levy
17 election within the school district, including the territory annexed
18 or transferred, as follows:

19 (i) An election for a proposition authorizing two-year through
20 four-year levies for enrichment funding for a school district may be
21 called and held before the effective date of dissolution to replace
22 existing enrichment levies and to provide for increases due to the
23 dissolution.

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

27 (iii) In the event a replacement levy election under (b)(i) of
28 this subsection is held but does not pass, the affected school
29 district may subsequently hold a supplemental levy election pursuant
30 to (b)(ii) of this subsection if the supplemental levy election is
31 held before the effective date of dissolution. In the event a
32 supplemental levy election is held under (b)(ii) of this subsection
33 but does not pass, the affected school district may subsequently hold
34 a replacement levy election pursuant to (b)(i) of this subsection if
35 the replacement levy election is held before the effective date of
36 dissolution. Failure of a replacement levy or supplemental levy
37 election does not affect any previously approved and existing
38 enrichment levy within the affected school district or districts.

39 (c) For the purpose of applying the limitation of this subsection
40 (2), a two-year through six-year levy to support the construction,

1 modernization, or remodeling of school facilities shall not be deemed
2 to be a tax levy for enrichment funding for a school district.

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

10 (4)(a) Beginning September 1, (~~(2019)~~) 2018, school districts may
11 use enrichment levies (~~(and transportation vehicle enrichment~~
12 ~~levies)~~) solely to enrich the state's statutory program of basic
13 education as authorized under RCW 28A.150.276.

14 (b) Beginning with propositions for enrichment levies (~~and~~
15 ~~transportation vehicle enrichment levies)~~) for collection in calendar
16 year 2020 and thereafter, a district must receive approval of an
17 enrichment levy expenditure plan from the superintendent of public
18 instruction under RCW 28A.505.240 before submission of the
19 proposition to the voters.

20 **Sec. 307.** RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each
21 amended to read as follows:

22 (1) Beginning with taxes levied for collection in 2019, the
23 maximum dollar amount which may be levied by or for any school
24 district for enrichment levies under RCW 84.52.053 is equal to the
25 lesser of one dollar and fifty cents per thousand dollars of the
26 assessed value of property in the school district or the maximum per-
27 pupil limit.

28 (2) The definitions in this subsection apply to this section
29 unless the context clearly requires otherwise.

30 (a) For the purpose of this section, "inflation" means
31 ((inflation as defined in RCW 84.55.005)), for any school year, the
32 rate of the yearly increase of the previous calendar year's annual
33 average consumer price index for all urban consumers, Seattle area,
34 using the official current base compiled by the bureau of labor
35 statistics, United States department of labor.

36 (b) "Maximum per-pupil limit" means two thousand five hundred
37 dollars, multiplied by the number of average annual (~~resident~~)
38 full-time equivalent students enrolled in the school district in the
39 prior school year. Beginning with property taxes levied for

1 collection in 2020, the maximum per-pupil limit shall be increased by
2 inflation.

3 (c) "Prior school year" means the most recent school year
4 completed prior to the year in which the levies are to be collected.

5 (3) For districts in a high/nonhigh relationship, the enrollments
6 of the nonhigh students attending the high school shall only be
7 counted by the nonhigh school districts for purposes of funding under
8 this section.

9 (4) For school districts participating in an innovation academy
10 cooperative established under RCW 28A.340.080, enrollments of
11 students attending the academy shall be adjusted so that each
12 participant district receives its proportional share of student
13 enrollments for purposes of funding under this section.

14 (5) Beginning with propositions for enrichment levies for
15 collection in calendar year 2020 and thereafter, a district must
16 receive approval of an enrichment levy expenditure plan under RCW
17 28A.505.240 before submission of the proposition to the voters.

18 ~~((+4))~~ (6) The superintendent of public instruction shall
19 develop rules and regulations and inform school districts of the
20 pertinent data necessary to carry out the provisions of this section.

21 ~~((+5))~~ (7) Beginning with taxes levied for collection in
22 ~~((2020))~~ 2018, enrichment levy revenues must be deposited in a
23 separate subfund of the school district's general fund pursuant to
24 RCW 28A.320.330, and for the 2018-19 school year are subject to the
25 restrictions of RCW 28A.150.276 and the audit requirements of RCW
26 43.09.2856.

27 ~~((+6))~~ (8) Funds collected from ~~((transportation—vehicle~~
28 ~~enrichment levies shall not be subject to the levy limitations in))~~
29 levies for transportation vehicles, construction, modernization, or
30 remodeling of school facilities as established in RCW 84.52.053 are
31 not subject to the levy limitations in subsections (1) through (5) of
32 this section.

33 PART IV: OTHER POLICIES

34 NEW SECTION. Sec. 401. (1) For the 2018-19 and 2019-20 school
35 years, the office of the superintendent of public instruction shall
36 allocate a hold-harmless payment to school districts if the sum of
37 (b) of this subsection is greater than the sum of (a) of this

1 subsection for either of the respective school years or if a school
2 district meets the criteria under subsection (2) of this section.

3 (a) The current school year is calculated as the sum of (a)(i)
4 through (iii) of this subsection using the enrollments and values in
5 effect for that school year for the school district's:

6 (i) Formula-driven state allocations in part V of the state
7 omnibus appropriations act for these programs: General apportionment,
8 employee compensation adjustments, pupil transportation, special
9 education programs, institutional education programs, transitional
10 bilingual programs, highly capable, and learning assistance programs;

11 (ii) Local effort assistance funding received under chapter
12 28A.500 RCW; and

13 (iii) The lesser of the school district's voter-approved
14 enrichment levy collection or the maximum levy authority provided
15 under RCW 84.52.0531 for the previous calendar year.

16 (b) The baseline school year is calculated as the sum of (b)(i)
17 through (iii) of this subsection using the current school year
18 enrollments and the values in effect during the 2017-18 school year
19 for the school district's:

20 (i) Formula-driven state allocations in part V of the state
21 omnibus appropriations act for these programs: General apportionment,
22 employee compensation adjustments, pupil transportation, special
23 education programs, institutional education programs, transitional
24 bilingual programs, highly capable, and learning assistance programs;

25 (ii) Local effort assistance funding received under chapter
26 28A.500 RCW; and

27 (iii) Maintenance and operation levy collection under RCW
28 84.52.0531 in the 2017 calendar year.

29 (2) From amounts appropriated in this act, the superintendent of
30 public instruction must prioritize hold harmless payments to
31 districts that meet both the following criteria:

32 (a) The sum of the school district's enrichment levy under RCW
33 84.52.0531 and 2017 3rd sp.s. c 13 s 203 and local effort assistance
34 under RCW 28A.500.015 is less than half of the sum of the maintenance
35 and operations levy and local effort assistance provided under law as
36 it existed on January 1, 2017. For purposes of the calculation in
37 this subsection, the maintenance and operations levy is limited to
38 the lesser of the voter-approved levy as of January 1, 2017, or the
39 maximum levy under law as of January 1, 2017; and

1 (b) The adjusted assessed value of property within the school
2 district as calculated by the department of revenue is greater than
3 twenty billion dollars in calendar year 2017.

4 (3) Districts eligible for hold-harmless payments under
5 subsection (1) of this section shall receive the difference between
6 subsection (1)(b) and (a) of this section through the apportionment
7 payment process in RCW 28A.510.250.

8 (4) The voters of the school district must approve an enrichment
9 levy under RCW 84.52.0531 to be eligible for a hold-harmless payment
10 under this section.

11 (5) This section expires December 31, 2020.

12 **Sec. 402. RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are*
13 *each amended to read as follows:*

14 (1) *Beginning with the ((2018-19)) 2019-20 school year, the*
15 *legislature shall begin phasing in funding for professional learning*
16 *days for certificated instructional staff. The state allocation must*
17 *be used solely for the purpose of providing professional learning. At*
18 *a minimum, the state must allocate funding for:*

19 (a) *One professional learning day in the ((2018-19)) 2019-20*
20 *school year;*

21 (b) *Two professional learning days in the ((2019-20)) 2020-21*
22 *school year; and*

23 (c) *Three professional learning days in the ((2020-21)) 2021-22*
24 *school year.*

25 (2) *The office of the superintendent of public instruction shall*
26 *calculate each school district's professional learning allocation as*
27 *provided in subsection (1) of this section separate from the minimum*
28 *state allocation for salaries as specified in RCW 28A.150.410 and*
29 *associated fringe benefits on the apportionment reports provided to*
30 *each local educational agency. The professional learning allocation*
31 *shall be equal to the proportional increase resulting from adding the*
32 *professional learning days provided in subsection (1) of this section*
33 *to the required minimum number of school days in RCW*
34 *28A.150.220(5)(a) applied to the school district's minimum state*
35 *allocation for salaries and associated fringe benefits for*
36 *certificated instructional staff as specified in the omnibus*
37 *appropriations act. Professional learning allocations shall be*
38 *included in per-pupil calculations for programs funded on a per*
39 *student rate calculation.*

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

4 ~~((3))~~ (4) The professional learning days must meet the
5 definitions and standards provided in RCW 28A.415.430, 28A.415.432,
6 and 28A.415.434.

7 (5) The use of the funding provided under this section must be
8 audited as part of the regular financial audits of school districts
9 by the state auditor's office to ensure compliance with the
10 limitations and conditions of this section.

**Sec. 402 was vetoed. See message at end of chapter.*

11 **Sec. 403.** RCW 28A.710.280 and 2016 c 241 s 128 are each amended
12 to read as follows:

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

16 (2) For eligible students enrolled in a charter school
17 established and operating in accordance with this chapter, the
18 superintendent of public instruction shall transmit to each charter
19 school an amount calculated as provided in this section and based on
20 the statewide average ~~((staff mix factor))~~ salaries set forth in RCW
21 28A.150.410 for certificated instructional staff adjusted by the
22 regionalization factor that applies to the school district in which
23 the charter school is geographically located, including any
24 enrichment to those statutory formulae that is specified in the
25 omnibus appropriations act. The amount must be the sum of (a) and (b)
26 of this subsection ~~((, as applicable))~~.

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

31 (b) The superintendent also shall, for purposes of making
32 distributions under this section, and in accordance with the
33 applicable formulae for categorical programs specified in (b)(i)
34 through (v) of this subsection (2) and any enrichment to those
35 statutory formulae that is specified in the omnibus appropriations
36 act, separately calculate and distribute moneys appropriated by the
37 legislature to charter schools for:

1 (i) Supplemental instruction and services for underachieving
2 students through the learning assistance program under RCW
3 28A.165.005 through 28A.165.065;

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

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

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

13 (v) Pupil transportation services to and from school in
14 accordance with RCW 28A.160.150 through 28A.160.180. Distributions
15 for pupil transportation must be calculated on a per eligible student
16 basis based on the allocation for the previous school year to the
17 school district in which the charter school is located.

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

21 **Sec. 404.** RCW 28A.715.040 and 2013 c 242 s 5 are each amended to
22 read as follows:

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

30 (2) Funding for a school that is the subject of a state-tribal
31 education compact shall be apportioned by the superintendent of
32 public instruction according to the schedule established under RCW
33 28A.510.250, including general apportionment, special education,
34 categorical, and other nonbasic education moneys. Allocations for
35 certificated instructional staff must be based on the statewide
36 average (~~(staff mix ratio of the school, as calculated by the~~
37 ~~superintendent of public instruction using the statewide salary~~
38 ~~allocation schedule and related documents, conditions, and~~
39 ~~limitations established by the omnibus appropriations act)) salary~~

1 set forth in RCW 28A.150.410, adjusted by the regionalization factor
2 that applies to the school district in which the school is located.
3 Allocations for classified staff and certificated administrative
4 staff must be based on the salary allocations of the school district
5 in which the school is located(~~(, subject to conditions and~~
6 ~~limitations established by the omnibus appropriations act)) as set
7 forth in RCW 28A.150.410, adjusted by the regionalization factor that
8 applies to the school district in which the school is located.
9 Nothing in this section requires a school that is the subject of a
10 state-tribal education compact to use the statewide salary allocation
11 schedule. Such a school is eligible to apply for state grants on the
12 same basis as a school district.~~

13 (3) Any moneys received by a school that is the subject of a
14 state-tribal education compact from any source that remain in the
15 school's accounts at the end of any budget year must remain in the
16 school's accounts for use by the school during subsequent budget
17 years.

18 **Sec. 405.** RCW 72.40.028 and 2009 c 381 s 7 are each amended to
19 read as follows:

20 All teachers employed by the Washington state center for
21 childhood deafness and hearing loss and the state school for the
22 blind shall meet all certification requirements and the programs
23 shall meet all accreditation requirements and conform to the
24 standards defined by law or by rule of the Washington professional
25 educator standards board or the office of the state superintendent of
26 public instruction. The superintendent and the director, by rule, may
27 adopt additional educational standards for their respective
28 facilities. Salaries of all certificated employees shall be (~~set so~~
29 ~~as to conform to and be contemporary with salaries paid to other~~
30 ~~certificated employees of similar background and experience in))
31 based on the statewide average salary set forth in RCW 28A.150.410,
32 adjusted by the regionalization factor that applies to the school
33 district in which the program or facility is located. The
34 superintendent and the director may provide for provisional
35 certification for teachers in their respective facilities including
36 certification for emergency, temporary, substitute, or provisional
37 duty.~~

1 **Sec. 406.** RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each
2 amended to read as follows:

3 (1) Beginning with the 2019-20 school year, to ensure that school
4 district local revenues are used solely for purposes of enriching the
5 state's statutory program of basic education, the state auditor's
6 regular financial audits of school districts must include a review of
7 the expenditure of school district local revenues for compliance with
8 RCW 28A.150.276, including the spending plan approved by the
9 superintendent of public instruction under RCW 28A.505.240 and its
10 implementation, and any supplemental contracts entered into under RCW
11 28A.400.200.

12 (2) If an audit under subsection (1) of this section results in
13 findings that a school district has failed to comply with these
14 requirements, then within ninety days of completing the audit the
15 auditor must report the findings to the superintendent of public
16 instruction, the office of financial management, and the education
17 and operating budget committees of the legislature.

18 (3) The use of the state allocation provided for professional
19 learning under RCW 28A.150.415 must be audited as part of the regular
20 financial audits of school districts by the state auditor's office to
21 ensure compliance with the limitations and conditions of RCW
22 28A.150.415.

23 NEW SECTION. **Sec. 407.** The sum of twelve million dollars is
24 appropriated for the fiscal year ending June 30, 2019, from the
25 general fund to the superintendent of public instruction solely for
26 hold harmless payments for purposes of section 401(2) of this act.

27 **Sec. 408. RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are*
28 *each amended to read as follows:*

29 (1) *Notwithstanding any other provision of law, the*
30 *superintendent of public instruction shall adopt such rules as will*
31 *ensure proper budgetary procedures and practices, including monthly*
32 *financial statements consistent with the provisions of RCW 43.09.200,*
33 *and this chapter. By the ((2019-20)) 2018-19 school year, the rules*
34 *must require school districts to provide separate accounting of state*
35 *and local revenues to expenditures.*

36 (2) *If the superintendent of public instruction determines upon a*
37 *review of the budget of any district that said budget does not comply*
38 *with the budget procedures established by this chapter or by rules*

1 *adopted by the superintendent of public instruction, or the*
2 *provisions of RCW 43.09.200, the superintendent shall give written*
3 *notice of this determination to the board of directors of the local*
4 *school district.*

5 *(3) The local school district, notwithstanding any other*
6 *provision of law, shall, within thirty days from the date the*
7 *superintendent of public instruction issues a notice pursuant to*
8 *subsection (2) of this section, submit a revised budget which meets*
9 *the requirements of RCW 43.09.200, this chapter, and the rules of the*
10 *superintendent of public instruction.*

**Sec. 408 was vetoed. See message at end of chapter.*

11 NEW SECTION. **Sec. 409.** A new section is added to chapter
12 28A.320 RCW to read as follows:

13 (1) Public schools may develop curricula that:

14 (a) Links student learning with engagement in seasonal or
15 nonseasonal outdoor-based activities, including activities related to
16 academic requirements in science, health and fitness, and career and
17 technical education;

18 (b) Aligns with the essential academic learning requirements
19 under RCW 28A.655.070 that are a component of the state's
20 instructional program of basic education; and

21 (c) Includes locally administered competency based assessments
22 that align with the Washington state learning standards.

23 (2) Public schools that develop curricula under this section may
24 request authorization from the superintendent of public instruction
25 as provided in section 410 of this act to consider student
26 participation in seasonal or nonseasonal outdoor-based activities as
27 instructional days for the purposes of basic education requirements
28 established in RCW 28A.150.220(5).

29 NEW SECTION. **Sec. 410.** A new section is added to chapter
30 28A.300 RCW to read as follows:

31 (1) The superintendent of public instruction, subject to
32 conformity with application or other requirements adopted by rule,
33 shall approve requests by public schools as provided in section 409
34 of this act to consider student participation in seasonal or
35 nonseasonal outdoor-based activities as instructional days for the
36 purposes of basic education requirements established in RCW
37 28A.150.220(5).

1 (2) The superintendent of public instruction shall adopt rules to
2 implement this section.

3 NEW SECTION. **Sec. 411.** The following acts or parts of acts are
4 each repealed:

5 (1) RCW 28A.415.020 (Credit on salary schedule for approved in-
6 service training, continuing education, and internship) and 2011 1st
7 sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2,
8 1990 c 33 s 415, & 1987 c 519 s 1;

9 (2) RCW 28A.415.023 (Credit on salary schedule for approved in-
10 service training, continuing education, or internship—Course content
11 —Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6; and

12 (3) RCW 28A.415.024 (Credit on salary schedule—Accredited
13 institutions—Verification—Penalty for submitting credits from
14 unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1.

15 NEW SECTION. **Sec. 412.** Sections 303 and 307 of this act take
16 effect January 1, 2019.

Passed by the Senate March 8, 2018.

Passed by the House March 8, 2018.

Approved by the Governor March 27, 2018, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State March 29, 2018.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 402
and 408, Engrossed Second Substitute Senate Bill No. 6362 entitled:

"AN ACT Relating to modifying basic education funding
provisions."

Section 402 delays the implementation of state-funded professional
learning days. Research shows that time for job-embedded professional
learning and collaboration is linked to student success. Limiting
practices that improve student achievement goes against the intent of
this bill and our goals. For this reason, I am vetoing Section 402.

Section 408 moves forward by one year the requirement for OSPI to
develop rules and budgetary procedures to ensure school districts
provide separate accounting of state and local revenues to
expenditures. The work is underway to design and build the accounting
systems required to implement this data transparency within the
original timeline for school year 2019-20. Speeding up the
development of the system will jeopardize the long-term reliability
of the accounting system and suspend the development of all other
systems work. For this reason I am vetoing Section 408.

For these reasons I have vetoed Sections 402 and 408 of Engrossed
Second Substitute Senate Bill No. 6362.

With the exception of Sections 402 and 408, Engrossed Second Substitute Senate Bill No. 6362 is approved."

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