
HOUSE BILL 2250

State of Washington 58th Legislature 2003 Regular Session

By Representative Sommers

Read first time 04/16/2003. Referred to Committee on Appropriations.

1 AN ACT Relating to education funds; amending RCW 84.52.068,
2 28A.505.210, 28A.150.380, and 67.70.240; reenacting and amending RCW
3 43.135.045; adding a new section to chapter 43.79 RCW; providing an
4 effective date; and declaring an emergency.

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

6 **Sec. 1.** RCW 84.52.068 and 2001 c 3 s 5 are each amended to read as
7 follows:

8 (1) Through the 2003-04 school year, a portion of the proceeds of
9 the state property tax levy shall be distributed to school districts in
10 the amounts and in the manner provided in this section.

11 (2) The amount of the distribution to each school district shall be
12 based upon the average number of full-time equivalent students in the
13 school district during the previous school year, and shall be
14 calculated as follows:

15 ((~~a~~)) Out of taxes collected in calendar years 2001 through and
16 including 2003, an annual amount equal to one hundred forty dollars per
17 each full-time equivalent student in all school districts shall be
18 deposited in the student achievement fund to be distributed to each
19 school district based on one hundred forty dollars per full-time

1 equivalent student in the school district for each year beginning with
2 the school year 2001-2002 and through the end of the 2003-04 school
3 year.

4 ~~((b) Out of taxes collected in calendar year 2004, an annual~~
5 ~~amount equal to four hundred fifty dollars per full-time equivalent~~
6 ~~student in all school districts shall be deposited in the student~~
7 ~~achievement fund to be distributed to each school district based on~~
8 ~~four hundred fifty dollars per full-time equivalent student for each~~
9 ~~year beginning with the school year 2004-2005. Each subsequent year,~~
10 ~~the amount deposited shall be adjusted for inflation as defined in RCW~~
11 ~~43.135.025(7).))~~

12 (3) The office of the superintendent of public instruction shall
13 verify the average number of full-time equivalent students in each
14 school district from the previous school year to the state treasurer by
15 August 1st of each year.

16 NEW SECTION. Sec. 2. A new section is added to chapter 43.79 RCW
17 to read as follows:

18 The student achievement fund is created in the state treasury.
19 Appropriations from the student achievement fund may be made for the
20 following purposes:

21 (1) Distributions to school districts on a per pupil basis for the
22 purposes set forth in RCW 28A.505.210.

23 (a) For the 2003-04 school year, moneys in the student achievement
24 fund shall be distributed on the basis of an equal amount per full-time
25 equivalent student as provided in RCW 84.52.068 and 43.135.045(5).

26 (b) Beginning with school year 2004-05, the legislature shall
27 appropriate an annual amount equal to three hundred sixteen dollars per
28 full-time equivalent student to the superintendent of public
29 instruction for distribution to each school district based on three
30 hundred fifteen dollars per full-time equivalent student for each
31 school year.

32 (2) Beginning with school year 2004-05, allocations to school
33 districts for the better schools program, subject to any conditions,
34 limitations, and formulae in the omnibus operating appropriations act.

35 (3) Beginning with school year 2004-05, appropriations to the
36 higher education coordinating board and two-year and four-year
37 institutions of higher education for programs that increase access to

1 higher education, including but not limited to the Washington promise
2 scholarship program and high-demand enrollments, and subject to any
3 conditions or limitations in the omnibus operating appropriations act.

4 (4) The legislature, in the omnibus operating appropriations act,
5 may transfer unappropriated balances in the student achievement fund to
6 the general fund.

7 **Sec. 3.** RCW 28A.505.210 and 2001 c 3 s 3 are each amended to read
8 as follows:

9 (~~School~~) For student achievement fund moneys distributed to
10 school districts pursuant to RCW 84.52.068 and section 2(1) of this
11 act, the districts shall have the authority to decide the best use of
12 student achievement funds to assist students in meeting and exceeding
13 the new, higher academic standards in each district consistent with the
14 provisions of chapter 3, Laws of 2001.

15 (1) Student achievement funds shall be allocated for the following
16 uses:

17 (a) To reduce class size by hiring certificated elementary
18 classroom teachers in grades K-4 and paying nonemployee-related costs
19 associated with those new teachers;

20 (b) To make selected reductions in class size in grades 5-12, such
21 as small high school writing classes;

22 (c) To provide extended learning opportunities to improve student
23 academic achievement in grades K-12, including, but not limited to,
24 extended school year, extended school day, before-and-after-school
25 programs, special tutoring programs, weekend school programs, summer
26 school, and all-day kindergarten;

27 (d) To provide additional professional development for educators,
28 including additional paid time for curriculum and lesson redesign and
29 alignment, training to ensure that instruction is aligned with state
30 standards and student needs, reimbursement for higher education costs
31 related to enhancing teaching skills and knowledge, and mentoring
32 programs to match teachers with skilled, master teachers. The funding
33 shall not be used for salary increases or additional compensation for
34 existing teaching duties, but may be used for extended year and
35 extended day teaching contracts;

36 (e) To provide early assistance for children who need
37 prekindergarten support in order to be successful in school;

1 (f) To provide improvements or additions to school building
2 facilities which are directly related to the class size reductions and
3 extended learning opportunities under (a) through (c) of this
4 subsection.

5 (2) Annually on or before May 1st, the school district board of
6 directors shall meet at the time and place designated for the purpose
7 of a public hearing on the proposed use of these funds to improve
8 student achievement for the coming year. Any person may appear or by
9 written submission have the opportunity to comment on the proposed plan
10 for the use of these funds. No later than August 31st, as a part of
11 the process under RCW 28A.505.060, each school district shall adopt a
12 plan for the use of these funds for the upcoming school year.
13 Annually, each school district shall provide to the citizens of their
14 district a public accounting of the funds made available to the
15 district during the previous school year under chapter 3, Laws of 2001,
16 how the funds were used, and the progress the district has made in
17 increasing student achievement, as measured by required state
18 assessments and other assessments deemed appropriate by the district.
19 Copies of this report shall be provided to the superintendent of public
20 instruction and to the academic achievement and accountability
21 commission.

22 **Sec. 4.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to read
23 as follows:

24 (1) The state legislature shall, at each regular session in an odd-
25 numbered year, appropriate from the state general fund for the current
26 use of the common schools such amounts as needed for state support to
27 the common schools during the ensuing biennium as provided in this
28 chapter, RCW 28A.160.150 through 28A.160.210, 28A.300.170, and
29 28A.500.010.

30 (2) The state legislature shall also, at each regular session in an
31 odd-numbered year, appropriate from the student achievement fund (~~and~~
32 ~~education construction fund solely for the purposes of and in~~
33 ~~accordance with the provisions of the student achievement act during~~
34 ~~the ensuing biennium)) as provided in RCW 84.52.068 and section 2 of
35 this act.~~

1 **Sec. 5.** RCW 67.70.240 and 2001 c 3 s 4 are each amended to read as
2 follows:

3 The moneys in the state lottery account shall be used only:

4 (1) For the payment of prizes to the holders of winning lottery
5 tickets or shares;

6 (2) For purposes of making deposits into the reserve account
7 created by RCW 67.70.250 and into the lottery administrative account
8 created by RCW 67.70.260;

9 (3) For purposes of making deposits into the education construction
10 fund and student achievement fund created in RCW 43.135.045. For the
11 transition period from July 1, 2001, until and including June 30, 2002,
12 fifty percent of the moneys not otherwise obligated under this section
13 shall be placed in the student achievement fund and fifty percent of
14 these moneys shall be placed in the education construction fund. On
15 and after July 1, 2002, until June 30, 2004, seventy-five percent of
16 these moneys shall be placed in the student achievement fund and
17 twenty-five percent shall be placed in the education construction fund.
18 On and after July 1, 2004, all deposits not otherwise obligated under
19 this section shall be placed in the education construction fund.
20 However, after July 1, 2004, the legislature may direct the transfer of
21 lottery deposits from the education construction fund to the state
22 general fund in the omnibus operating appropriations act. Moneys in
23 the state lottery account deposited in the education construction fund
24 and the student achievement fund are included in "general state
25 revenues" under RCW 39.42.070;

26 (4) For distribution to a county for the purpose of paying the
27 principal and interest payments on bonds issued by the county to
28 construct a baseball stadium, as defined in RCW 82.14.0485, including
29 reasonably necessary preconstruction costs. Three million dollars
30 shall be distributed under this subsection during calendar year 1996.
31 During subsequent years, such distributions shall equal the prior
32 year's distributions increased by four percent. Distributions under
33 this subsection shall cease when the bonds issued for the construction
34 of the baseball stadium are retired, but not more than twenty years
35 after the tax under RCW 82.14.0485 is first imposed;

36 (5) For distribution to the stadium and exhibition center account,
37 created in RCW 43.99N.060. Subject to the conditions of RCW
38 43.99N.070, six million dollars shall be distributed under this

1 subsection during the calendar year 1998. During subsequent years,
2 such distribution shall equal the prior year's distributions increased
3 by four percent. No distribution may be made under this subsection
4 after December 31, 1999, unless the conditions for issuance of the
5 bonds under RCW 43.99N.020(2) are met. Distributions under this
6 subsection shall cease when the bonds are retired, but not later than
7 December 31, 2020;

8 (6) For the purchase and promotion of lottery games and game-
9 related services; and

10 (7) For the payment of agent compensation.

11 The office of financial management shall require the allotment of
12 all expenses paid from the account and shall report to the ways and
13 means committees of the senate and house of representatives any changes
14 in the allotments.

15 **Sec. 6.** RCW 43.135.045 and 2001 c 3 s 9, 2000 2nd sp.s. c 5 s 1,
16 and 2000 2nd sp.s. c 2 s 3 are each reenacted and amended to read as
17 follows:

18 (1) The emergency reserve fund is established in the state
19 treasury. During each fiscal year, the state treasurer shall deposit
20 in the emergency reserve fund all general fund--state revenues in
21 excess of the state expenditure limit for that fiscal year. Deposits
22 shall be made at the end of each fiscal quarter based on projections of
23 state revenues and the state expenditure limit. The treasurer shall
24 make transfers between these accounts as necessary to reconcile actual
25 annual revenues and the expenditure limit for fiscal year 2000 and
26 thereafter.

27 (2) The legislature may appropriate moneys from the emergency
28 reserve fund only with approval of at least two-thirds of the members
29 of each house of the legislature, and then only if the appropriation
30 does not cause total expenditures to exceed the state expenditure limit
31 under this chapter.

32 (3) The emergency reserve fund balance shall not exceed five
33 percent of annual general fund--state revenues as projected by the
34 official state revenue forecast. Any balance in excess of five percent
35 shall be transferred on a quarterly basis by the state treasurer as
36 follows: Seventy-five percent to the student achievement fund (~~hereby~~
37 ~~created in the state treasury~~) and twenty-five percent to the general

1 fund balance. The treasurer shall make transfers between these
2 accounts as necessary to reconcile actual annual revenues for fiscal
3 year 2000 and thereafter. When per-student state funding for the
4 maintenance and operation of K-12 education meets a level of no less
5 than ninety percent of the national average of total funding from all
6 sources per student as determined by the most recent published data
7 from the national center for education statistics of the United States
8 department of education, as calculated by the office of financial
9 management, further deposits to the student achievement fund shall be
10 required only to the extent necessary to maintain the ninety-percent
11 level. Remaining funds are part of the general fund balance and these
12 funds are subject to the expenditure limits of this chapter.

13 (4) The education construction fund is hereby created in the state
14 treasury.

15 (a) Funds may be appropriated from the education construction fund
16 exclusively for common school construction or higher education
17 construction or, after July 1, 2004, for transfer to the state general
18 fund.

19 (b) Funds may be appropriated for any other purpose only if
20 approved by a two-thirds vote of each house of the legislature and if
21 approved by a vote of the people at the next general election. An
22 appropriation approved by the people under this subsection shall result
23 in an adjustment to the state expenditure limit only for the fiscal
24 period for which the appropriation is made and shall not affect any
25 subsequent fiscal period.

26 (5) Until June 30, 2004, funds from the student achievement fund
27 shall be appropriated to the superintendent of public instruction
28 strictly for distribution to school districts to meet the provisions
29 set out in the student achievement act. Allocations shall be made on
30 an equal per full-time equivalent student basis to each school
31 district.

32 (6) Earnings of the emergency reserve fund under RCW
33 43.84.092(4)(a) shall be transferred quarterly to the multimodal
34 transportation account, except for those earnings that are in excess of
35 thirty-five million dollars each fiscal year. Within thirty days
36 following any fiscal year in which earnings transferred to the
37 multimodal transportation account under this subsection did not total
38 thirty-five million dollars, the state treasurer shall transfer from

1 the emergency reserve fund an amount necessary to bring the total
2 deposited in the multimodal transportation account under this
3 subsection to thirty-five million dollars. The revenues to the
4 multimodal transportation account reflected in this subsection provide
5 ongoing support for the transportation programs of the state. However,
6 it is the intent of the legislature that any new long-term financial
7 support that may be subsequently provided for transportation programs
8 will be used to replace and supplant the revenues reflected in this
9 subsection, thereby allowing those revenues to be returned to the
10 purposes to which they were previously dedicated.

11 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 July 1, 2003.

--- END ---