

2SSB 6760 - H COMM AMD

By Committee on Education Appropriations

NOT CONSIDERED 03/11/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) It is the legislature's intent to
4 continue implementation of chapter 548, Laws of 2009, by adopting the
5 technical details of a new distribution formula for the instructional
6 program of basic education and authorizing a phase-in of implementation
7 of a new distribution formula for pupil transportation, both to take
8 effect September 1, 2011. Unless otherwise stated, the numeric values
9 adopted in section 2 of this act represent the translation of 2009-2010
10 state funding levels for the basic education act into the funding
11 factors of the prototypical school funding formula, based on the expert
12 advice and extensive work of the funding formula technical working
13 group established by the legislature for this purpose. The legislature
14 intends to continue to review and revise the formulas and may make
15 revisions as necessary for technical purposes and consistency in the
16 event of mathematical or other technical errors.

17 (2) The legislature intends that basic education funding for a
18 school district shall not be decreased as a result of the transition of
19 basic education funding formulas in effect during the 2009-2011
20 biennium to the new funding formulas under RCW 28A.150.260 that take
21 effect September 1, 2011.

22 (3) It is also the legislature's intent to adopt an implementation
23 schedule for phasing-in enhancements to the baseline funding levels of
24 2009-10 beginning in the 2011-12 school year for pupil transportation,
25 class size allocations for grades kindergarten through three, full-day
26 kindergarten, and allocations for maintenance, supplies, and operating
27 costs.

28 (4) Finally, it is the legislature's intent to adjust the timelines
29 for other working groups so that their expertise and advice can be

1 received as soon as possible and to make technical adjustments to
2 certain provisions of chapter 548, Laws of 2009.

3 **Sec. 2.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to
4 read as follows:

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

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

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

25 (3)(a) To the extent the technical details of the formula have been
26 adopted by the legislature and except when specifically provided as a
27 school district allocation, the distribution formula for the basic
28 education instructional allocation shall be based on minimum staffing
29 and nonstaff costs the legislature deems necessary to support
30 instruction and operations in prototypical schools serving high,
31 middle, and elementary school students as provided in this section.
32 The use of prototypical schools for the distribution formula does not
33 constitute legislative intent that schools should be operated or
34 structured in a similar fashion as the prototypes. Prototypical
35 schools illustrate the level of resources needed to operate a school of
36 a particular size with particular types and grade levels of students
37 using commonly understood terms and inputs, such as class size, hours

1 of instruction, and various categories of school staff. It is the
2 intent that the funding allocations to school districts be adjusted
3 from the school prototypes based on the actual number of annual average
4 full-time equivalent students in each grade level at each school in the
5 district and not based on the grade-level configuration of the school
6 to the extent that data is available. The allocations shall be further
7 adjusted from the school prototypes with minimum allocations for small
8 schools and to reflect other factors identified in the omnibus
9 appropriations act.

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

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

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

17 (iii) A prototypical elementary school has four hundred average
18 annual full-time equivalent students in grades kindergarten through
19 six.

20 ~~((e))~~ (4)(a) The minimum allocation for each level of
21 prototypical school shall be based on the number of full-time
22 equivalent classroom teachers needed to provide instruction over the
23 minimum required annual instructional hours under RCW 28A.150.220 and
24 provide at least one teacher planning period per school day, and based
25 on ~~((an))~~ the following general education average class size ~~((as~~
26 ~~specified in the omnibus appropriations act.))~~ of full-time equivalent
27 students per teacher:

	<u>General education</u>
	<u>average</u>
	<u>class size</u>
31 <u>Grades K-3</u>	<u>25.23</u>
32 <u>Grade 4</u>	<u>27.00</u>
33 <u>Grades 5-6</u>	<u>27.00</u>
34 <u>Grades 7-8</u>	<u>28.53</u>
35 <u>Grades 9-12</u>	<u>28.74</u>

36 (b) Beginning in the 2011-12 school year and beginning with schools
37 with the highest percentage of students eligible for free and reduced-
38 price meals in the prior school year, the general education average

1 class size for grades K-3 shall be reduced until the average class size
2 funded under this subsection (4) is no more than 15.0 full-time
3 equivalent students per teacher beginning in the 2015-16 school year.

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

8 Career and technical
9 education average
10 class size

11 Approved career and technical education offered at
12 the middle school and high school level 26.57
13 Skill center programs meeting the standards established
14 by the office of the superintendent of public instruction 22.76

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

17 ~~(i) ((Basic average class size;~~
18 ~~(ii) Basic)) A high-poverty average class size in schools where
19 more than fifty percent of the students are eligible for free and
20 reduced-price meals; and~~

21 ~~((iii)) (ii) A specialty average class size for ((~~exploratory and~~
22 ~~preparatory career and technical education,~~) laboratory science,
23 advanced placement, and international baccalaureate courses(~~and~~
24 ~~(iv) Average class size in grades kindergarten through three))).~~~~

25 ~~((d)) (5) The minimum allocation for each level of prototypical~~
26 school shall include allocations for the following types of staff in
27 addition to classroom teachers:

28 ~~((i) Principals, including assistant principals, and other~~
29 ~~certificated building level administrators;~~

30 ~~(ii) Teacher librarians, performing functions including information~~
31 ~~literacy, technology, and media to support school library media~~
32 ~~programs;~~

33 ~~(iii) Student health services, a function that includes school~~
34 ~~nurses, whether certificated instructional or classified employee, and~~
35 ~~social workers;~~

36 ~~(iv) Guidance counselors, performing functions including parent~~
37 ~~outreach and graduation advisor;~~

38 ~~(v) Professional development coaches;~~

~~(vi) Teaching assistance, which includes any aspect of educational instructional services provided by classified employees;~~
~~(vii) Office support, technology support, and other noninstructional aides;~~
~~(viii) Custodians, warehouse, maintenance, laborer, and professional and technical education support employees; and~~
~~(ix) Classified staff providing student and staff safety.~~
 (4)(a))

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
	<u>School</u>	<u>School</u>	<u>School</u>
<u>Principals, assistant principals, and other certificated building-level administrators</u>	<u>1.253</u>	<u>1.353</u>	<u>1.880</u>
<u>Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs</u>	<u>0.663</u>	<u>0.519</u>	<u>0.523</u>
<u>Health and social services:</u>			
<u>School nurses</u>	<u>0.076</u>	<u>0.060</u>	<u>0.096</u>
<u>Social workers</u>	<u>0.042</u>	<u>0.006</u>	<u>0.015</u>
<u>Psychologists</u>	<u>0.017</u>	<u>0.002</u>	<u>0.007</u>
<u>Guidance counselors, a function that includes parent outreach and graduation advising</u>	<u>0.493</u>	<u>1.116</u>	<u>1.909</u>
<u>Teaching assistance, including any aspect of educational instructional services provided by classified employees</u>	<u>0.936</u>	<u>0.700</u>	<u>0.652</u>
<u>Office support and other noninstructional aides</u>	<u>2.012</u>	<u>2.325</u>	<u>3.269</u>
<u>Custodians</u>	<u>0.079</u>	<u>0.092</u>	<u>0.141</u>
<u>Classified staff providing student and staff safety</u>	<u>0.077</u>	<u>0.090</u>	<u>0.138</u>

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

	<u>Staff per 1,000</u>
	<u>K-12 students</u>
<u>Technology</u>	<u>0.628</u>
<u>Facilities, maintenance, and grounds</u>	<u>1.813</u>
<u>Warehouse, laborers, and mechanics</u>	<u>0.332</u>

1 (b) The minimum allocation of staff units for each school district
2 to support certificated and classified staffing of central
3 administration shall be 5.45 percent of the staff units generated under
4 subsections (4)(a) and (b) and (5) of this section and (a) of this
5 subsection.

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

10 (8)(a) Except as provided in (b) of this subsection, the minimum
11 allocation for each school district shall include allocations per
12 annual average full-time equivalent student for the following
13 materials, supplies, and operating costs, to be adjusted for inflation
14 from the 2008-09 school year: ((Student technology; utilities;
15 curriculum, textbooks, library materials, and instructional supplies;
16 instructional professional development for both certificated and
17 classified staff; other building level costs including maintenance,
18 custodial, and security; and central office administration.))

	<u>Per annual average</u> <u>full-time equivalent student</u> <u>in grades K-12</u>
<u>Technology</u>	<u>\$54.43</u>
<u>Utilities and insurance</u>	<u>\$147.90</u>
<u>Curriculum and textbooks</u>	<u>\$58.44</u>
<u>Other supplies and library materials</u>	<u>\$124.07</u>
<u>Instructional professional development for certified and</u> <u>classified staff</u>	<u>\$9.04</u>
<u>Facilities maintenance</u>	<u>\$73.27</u>
<u>Security and central office</u>	<u>\$50.76</u>

30 (b) ((The annual average full-time equivalent student amounts in
31 (a) of this subsection shall be enhanced)) Beginning in the 2011-12
32 school year, the minimum allocation for maintenance, supplies, and
33 operating costs shall be increased annually until the following
34 allocations, adjusted for inflation from the 2007-08 school year, are
35 provided in the 2013-14 school year, after which the allocations shall
36 be adjusted annually for inflation as specified in the omnibus
37 appropriations act:

	<u>Per annual average</u>
	<u>full-time equivalent student</u>
	<u>in grades K-12</u>
4 <u>Technology</u>	\$113.80
5 <u>Utilities and insurance</u>	\$309.21
6 <u>Curriculum and textbooks</u>	\$122.17
7 <u>Other supplies and library materials</u>	\$259.39
8 <u>Instructional professional development for certificated and</u>	
9 <u>classified staff</u>	\$18.89
10 <u>Facilities maintenance</u>	\$153.18
11 <u>Security and central office administration</u>	\$106.12

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

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

17 (b) Laboratory science courses for students in grades nine through
18 twelve;

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

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

23 ~~((+5))~~ (10) In addition to the allocations otherwise provided
24 under ~~((subsections (3) and (4) of))~~ this section ~~((shall be enhanced~~
25 ~~as follows to provide additional allocations for classroom teachers and~~
26 ~~maintenance, supplies, and operating costs))~~, amounts shall be provided
27 to support the following programs and services:

28 (a) To provide supplemental instruction and services for
29 underachieving students through the learning assistance program under
30 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
31 ~~((percent))~~ district percentage of students in ~~((each school))~~ grades
32 K-12 who ~~((are))~~ were eligible for free ~~((and))~~ or reduced-price meals
33 in the prior school year. The minimum allocation for the ~~((learning~~
34 assistance)) program shall provide ~~((an extended school day and~~
35 extended school year)) for each level of prototypical school ~~((and a~~
36 per student allocation for maintenance, supplies, and operating costs))
37 resources to provide, on a statewide average, 1.5156 hours per week in

1 extra instruction with a class size of fifteen learning assistance
2 program students per teacher.

3 (b) To provide supplemental instruction and services for students
4 whose primary language is other than English, allocations shall be
5 based on the head count number of students in each school who are
6 eligible for and enrolled in the transitional bilingual instruction
7 program under RCW 28A.180.010 through 28A.180.080. The minimum
8 allocation for each level of prototypical school shall provide (~~for~~
9 ~~supplemental instruction based on percent of the school day a student~~
10 ~~is assumed to receive supplemental instruction and a per student~~
11 ~~allocation for maintenance, supplies, and operating costs)) resources
12 to provide, on a statewide average, 4.7780 hours per week in extra
13 instruction with fifteen transitional bilingual instruction program
14 students per teacher.~~

15 (~~((6) The allocations provided under subsections (3) and (4) of~~
16 ~~this section shall be enhanced)) (c) To provide additional allocations
17 to support programs for highly capable students under RCW 28A.185.010
18 through 28A.185.030, allocations shall be based on two and three
19 hundred fourteen one-thousandths percent of each school district's
20 full-time equivalent basic education enrollment. The minimum
21 allocation for the programs shall provide (~~(an extended school day and~~
22 ~~extended school year for each level of prototypical school and a per~~
23 ~~student allocation for maintenance, supplies, and operating costs))
24 resources to provide, on a statewide average, 2.1590 hours per week in
25 extra instruction with fifteen highly capable program students per
26 teacher.~~~~

27 (~~((7))~~) (11) The allocations under subsections (~~((3))~~) (4)(a) and
28 (b), (~~((c)(i), and (d), (4),)~~) (5), (6), and (8) of this section shall
29 be enhanced as provided under RCW 28A.150.390 on an excess cost basis
30 to provide supplemental instructional resources for students with
31 disabilities.

32 (~~((8) The distribution formula shall include allocations to school~~
33 ~~districts to support certificated and classified staffing of central~~
34 ~~office administration. The minimum allocation shall be calculated as~~
35 ~~a percentage, identified in the omnibus appropriations act, of the~~
36 ~~total allocations for staff under subsections (3) and (6) of this~~
37 ~~section for all schools in the district.~~

1 ~~(9))~~ (12)(a) For the purposes of allocations for prototypical high
2 schools and middle schools under subsections ~~((3))~~ (4) and ~~((5))~~
3 (10) of this section that are based on the percent of students in the
4 school who are eligible for free and reduced-price meals, the actual
5 percent of such students in a school shall be adjusted by a factor
6 identified in the omnibus appropriations act to reflect underreporting
7 of free and reduced-price meal eligibility among middle and high school
8 students.

9 (b) Allocations or enhancements provided under subsections ~~((3)~~
10 ~~and))~~ (4), (7), and (9) of this section for exploratory and preparatory
11 career and technical education courses shall be provided only for
12 courses approved by the office of the superintendent of public
13 instruction under chapter 28A.700 RCW.

14 ~~((10))~~ (13)(a) This formula for distribution of basic education
15 funds shall be reviewed biennially by the superintendent and governor.
16 The recommended formula shall be subject to approval, amendment or
17 rejection by the legislature.

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

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

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

1 **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to
2 read as follows:

3 (1) The superintendent of public instruction shall submit to each
4 regular session of the legislature during an odd-numbered year a
5 programmed budget request for special education programs for students
6 with disabilities. Funding for programs operated by local school
7 districts shall be on an excess cost basis from appropriations provided
8 by the legislature for special education programs for students with
9 disabilities and shall take account of state funds accruing through RCW
10 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8) and federal~~
11 ~~medical assistance and private funds accruing under RCW 74.09.5249~~
12 ~~through 74.09.5253 and 74.09.5254 through 74.09.5256)) (4)(a) and (b),
13 (5), (6), and (8).~~

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

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

21 (b) A district's annual average full-time equivalent basic
22 education enrollment, multiplied by the district's funded enrollment
23 percent, multiplied by the district's base allocation per full-time
24 equivalent student, multiplied by 0.9309.

25 (3) As used in this section:

26 (a) "Base allocation" means the total state allocation to all
27 schools in the district generated by the distribution formula under RCW
28 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8))~~) (4)(a) and (b),
29 (5), (6), and (8), to be divided by the district's full-time equivalent
30 enrollment.

31 (b) "Basic education enrollment" means enrollment of resident
32 students including nonresident students enrolled under RCW 28A.225.225
33 and students from nonhigh districts enrolled under RCW 28A.225.210 and
34 excluding students residing in another district enrolled as part of an
35 interdistrict cooperative program under RCW 28A.225.250.

36 (c) "Enrollment percent" means the district's resident special
37 education annual average enrollment, excluding students ages birth

1 through four and those five year olds not yet enrolled in kindergarten,
2 as a percent of the district's annual average full-time equivalent
3 basic education enrollment.

4 (d) "Funded enrollment percent" means the lesser of the district's
5 actual enrollment percent or twelve and seven-tenths percent.

6 **Sec. 4.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to
7 read as follows:

8 (1) Beginning with the 2007-08 school year, funding for voluntary
9 all-day kindergarten programs shall be phased-in beginning with schools
10 with the highest poverty levels, defined as those schools with the
11 highest percentages of students qualifying for free and reduced-price
12 lunch support in the prior school year. Beginning with the 2011-12
13 school year, funding shall continue to be phased-in incrementally each
14 year until full statewide implementation of all-day kindergarten is
15 achieved in the 2017-18 school year. Once a school receives funding
16 for the all-day kindergarten program, that school shall remain eligible
17 for funding in subsequent school years regardless of changes in the
18 school's percentage of students eligible for free and reduced-price
19 lunches as long as other program requirements are fulfilled.
20 Additionally, schools receiving all-day kindergarten program support
21 shall agree to the following conditions:

- 22 (a) Provide at least a one thousand-hour instructional program;
- 23 (b) Provide a curriculum that offers a rich, varied set of
24 experiences that assist students in:
- 25 (i) Developing initial skills in the academic areas of reading,
26 mathematics, and writing;
- 27 (ii) Developing a variety of communication skills;
- 28 (iii) Providing experiences in science, social studies, arts,
29 health and physical education, and a world language other than English;
- 30 (iv) Acquiring large and small motor skills;
- 31 (v) Acquiring social and emotional skills including successful
32 participation in learning activities as an individual and as part of a
33 group; and
- 34 (vi) Learning through hands-on experiences;
- 35 (c) Establish learning environments that are developmentally
36 appropriate and promote creativity;

1 (d) Demonstrate strong connections and communication with early
2 learning community providers; and

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

5 (2) Subject to funds appropriated for this purpose, the
6 superintendent of public instruction shall designate one or more school
7 districts to serve as resources and examples of best practices in
8 designing and operating a high-quality all-day kindergarten program.
9 Designated school districts shall serve as lighthouse programs and
10 provide technical assistance to other school districts in the initial
11 stages of implementing an all-day kindergarten program. Examples of
12 topics addressed by the technical assistance include strategic
13 planning, developing the instructional program and curriculum, working
14 with early learning providers to identify students and communicate with
15 parents, and developing kindergarten program readiness activities.

16 **Sec. 5.** 2009 c 548 s 112 (uncodified) is amended to read as
17 follows:

18 (1) The legislature intends to continue to redefine the
19 instructional program of education under RCW 28A.150.220 that fulfills
20 the obligations and requirements of Article IX of the state
21 Constitution. The funding formulas under RCW 28A.150.260 to support
22 the instructional program shall be implemented to the extent the
23 technical details of the formula have been established and according to
24 an implementation schedule to be adopted by the legislature. The
25 object of the schedule is to assure that any increases in funding
26 allocations are timely, predictable, and occur concurrently with any
27 increases in program or instructional requirements. It is the intent
28 of the legislature that no increased programmatic or instructional
29 expectations be imposed upon schools or school districts without an
30 accompanying increase in resources as necessary to support those
31 increased expectations.

32 (2) The office of financial management, with assistance and support
33 from the office of the superintendent of public instruction, shall
34 convene a technical working group to:

35 (a) Develop the details of the funding formulas under RCW
36 28A.150.260;

1 (b) Recommend to the legislature an implementation schedule for
2 phasing-in any increased program or instructional requirements
3 concurrently with increases in funding for adoption by the legislature;
4 and

5 (c) Examine possible sources of revenue to support increases in
6 funding allocations and present options to the legislature and the
7 quality education council created in (~~section 114 of this act~~) RCW
8 28A.290.010 for consideration.

9 (3) The working group shall include representatives of the
10 legislative evaluation and accountability program committee, school
11 district and educational service district financial managers, the
12 Washington association of school business officers, the Washington
13 education association, the Washington association of school
14 administrators, the association of Washington school principals, the
15 Washington state school directors' association, the public school
16 employees of Washington, and other interested stakeholders with
17 expertise in education finance. The working group may convene advisory
18 subgroups on specific topics as necessary to assure participation and
19 input from a broad array of diverse stakeholders.

20 (4) The working group shall be monitored and overseen by the
21 legislature and the quality education council established in (~~section~~
22 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its
23 recommendations to the legislature by December 1, 2009.

24 (5) After the 2009 report to the legislature, the office of
25 financial management and the office of the superintendent of public
26 instruction shall periodically reconvene the working group to monitor
27 and provide advice on further development and implementation of the
28 funding formulas under RCW 28A.150.260 and provide technical assistance
29 to the ongoing work of the quality education council.

30 **Sec. 6.** 2009 c 548 s 302 (uncodified) is amended to read as
31 follows:

32 (1) Beginning (~~July~~) April 1, 2010, the office of financial
33 management, with assistance and support from the office of the
34 superintendent of public instruction, shall convene a technical working
35 group to develop options for a new system of supplemental school
36 funding through local school levies and local effort assistance.

1 (2) The working group shall consider the impact on overall school
2 district revenues of the new basic education funding system established
3 under ~~((this act))~~ chapter 548, Laws of 2009 and shall recommend a
4 phase-in plan that ensures that no school district suffers a decrease
5 in funding from one school year to the next due to implementation of
6 the new system of supplemental funding.

7 (3) The working group shall also:

8 (a) Examine local school district capacity to address facility
9 needs associated with phasing-in full-day kindergarten across the state
10 and reducing class size in kindergarten through third grade; and

11 (b) Provide the quality education council with analysis on the
12 potential use of local funds that may become available for redeployment
13 and redirection as a result of increased state funding allocations for
14 pupil transportation and maintenance, supplies, and operating costs.

15 (4) The working group shall be composed of representatives from the
16 department of revenue, the legislative evaluation and accountability
17 program committee, school district and educational service district
18 financial managers, and representatives of the Washington association
19 of school business officers, the Washington education association, the
20 Washington association of school administrators, the association of
21 Washington school principals, the Washington state school directors'
22 association, the public school employees of Washington, and other
23 interested stakeholders with expertise in education finance. The
24 working group may convene advisory subgroups on specific topics as
25 necessary to assure participation and input from a broad array of
26 diverse stakeholders.

27 ~~((+4))~~ (5) The local funding working group shall be monitored and
28 overseen by the legislature and by the quality education council
29 created in ~~((section 114 of this act))~~ RCW 28A.290.010. The working
30 group shall report to the legislature ~~((December 1))~~ June 30, 2011.

31 **Sec. 7.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to
32 read as follows:

33 (1) The legislature recognizes that providing students with the
34 opportunity to access a world-class educational system depends on our
35 continuing ability to provide students with access to world-class
36 educators. The legislature also understands that continuing to attract
37 and retain the highest quality educators will require increased

1 investments. The legislature intends to enhance the current salary
2 allocation model and recognizes that changes to the current model
3 cannot be imposed without great deliberation and input from teachers,
4 administrators, and classified employees. Therefore, it is the intent
5 of the legislature to begin the process of developing an enhanced
6 salary allocation model that is collaboratively designed to ensure the
7 rationality of any conclusions regarding what constitutes adequate
8 compensation.

9 (2) Beginning July 1, 2011, the office of the superintendent of
10 public instruction, in collaboration with the office of financial
11 management, shall convene a technical working group to recommend the
12 details of an enhanced salary allocation model that aligns state
13 expectations for educator development and certification with the
14 compensation system and establishes recommendations for a concurrent
15 implementation schedule. In addition to any other details the
16 technical working group deems necessary, the technical working group
17 shall make recommendations on the following:

18 (a) How to reduce the number of tiers within the existing salary
19 allocation model;

20 (b) How to account for labor market adjustments;

21 (c) How to account for different geographic regions of the state
22 where districts may encounter difficulty recruiting and retaining
23 teachers;

24 (d) The role of and types of bonuses available;

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

27 (f) Initial fiscal estimates for implementing the recommendations
28 including a recognition that staff on the existing salary allocation
29 model would have the option to grandfather in permanently to the
30 existing schedule.

31 (3) As part of its work, the technical working group shall conduct
32 or contract for a preliminary comparative labor market analysis of
33 salaries and other compensation for school district employees to be
34 conducted and shall include the results in any reports to the
35 legislature. For the purposes of this subsection, "salaries and other
36 compensation" includes average base salaries, average total salaries,
37 average employee basic benefits, and retirement benefits.

1 (4) The analysis required under subsection (1) of this section
2 must:

3 (a) Examine salaries and other compensation for teachers, other
4 certificated instructional staff, principals, and other building-level
5 certificated administrators, and the types of classified employees for
6 whom salaries are allocated;

7 (b) Be calculated at a statewide level that identifies labor
8 markets in Washington through the use of data from the United States
9 bureau of the census and the bureau of labor statistics; and

10 (c) Include a comparison of salaries and other compensation to the
11 appropriate labor market for at least the following subgroups of
12 educators: Beginning teachers and types of educational staff
13 associates.

14 (5) The working group shall include representatives of the
15 department of personnel, the professional educator standards board, the
16 office of the superintendent of public instruction, the Washington
17 education association, the Washington association of school
18 administrators, the association of Washington school principals, the
19 Washington state school directors' association, the public school
20 employees of Washington, and other interested stakeholders with
21 appropriate expertise in compensation related matters. The working
22 group may convene advisory subgroups on specific topics as necessary to
23 assure participation and input from a broad array of diverse
24 stakeholders.

25 (6) The working group shall be monitored and overseen by the
26 legislature and the quality education council created in RCW
27 28A.290.010. The working group shall make an initial report to the
28 legislature by (~~December 1~~) June 30, 2012, and shall include in its
29 report recommendations for whether additional further work of the group
30 is necessary.

31 **Sec. 8.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to
32 read as follows:

33 (1) The superintendent of public instruction shall phase-in the
34 implementation of the distribution formula under this chapter for
35 allocating state funds to school districts for the transportation of
36 students to and from school. The phase-in shall (~~be according to the~~

1 ~~implementation schedule adopted by the legislature and shall))~~ begin no
2 later than the ~~((2013-14))~~ 2011-12 school year and be fully implemented
3 by the 2013-14 school year.

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

11 (b) The formula must allocate funds to school districts based on
12 the average predicted costs of transporting students to and from
13 school, using a regression analysis.

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

17 (a) Annually, each school district shall receive the lesser of the
18 previous school year's pupil transportation operations allocation, or
19 the total of allowable pupil transportation expenditures identified on
20 the previous school year's final expenditure report to the state plus
21 district indirect expenses using the state recovery rate identified by
22 the superintendent; and

23 (b) Annually, any funds appropriated by the legislature in excess
24 of the maintenance level funding amount for student transportation
25 shall be distributed among school districts on a prorated basis using
26 the difference between the amount identified in (a) of this subsection
27 and the amount determined under the formula in RCW 28A.160.180.

28 ~~((3) The superintendent shall develop, implement, and provide a
29 copy of the rules specifying the student transportation reporting
30 requirements to the legislature and school districts no later than
31 December 1, 2009.~~

32 ~~(4) Beginning in December 2009, and continuing until December 2014,
33 the superintendent shall provide quarterly updates and progress reports
34 to the fiscal committees of the legislature on the implementation and
35 testing of the distribution formula.))~~

36 NEW SECTION. Sec. 9. A new section is added to chapter 28A.160
37 RCW to read as follows:

1 (1) The superintendent of public instruction shall develop,
2 implement, and provide a copy of the rules specifying the student
3 transportation reporting requirements to the legislature and school
4 districts no later than December 1, 2010.

5 (2) Beginning in December 2010, and continuing until December 2014,
6 the superintendent shall provide quarterly updates and progress reports
7 to the fiscal committees of the legislature on the implementation and
8 testing of the distribution formula.

9 (3) This section expires June 30, 2015.

10 **Sec. 10.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to
11 read as follows:

12 (1) The legislature shall establish for each school year in the
13 appropriations act a statewide salary allocation schedule, for
14 allocation purposes only, to be used to distribute funds for basic
15 education certificated instructional staff salaries under RCW
16 28A.150.260. For the purposes of this section, the staff allocations
17 for classroom teachers, teacher librarians, guidance counselors, and
18 student health services staff under RCW 28A.150.260 are considered
19 allocations for certificated instructional staff.

20 (2) Salary allocations for state-funded basic education
21 certificated instructional staff shall be calculated by the
22 superintendent of public instruction by determining the district's
23 average salary for certificated instructional staff, using the
24 statewide salary allocation schedule and related documents, conditions,
25 and limitations established by the omnibus appropriations act.

26 (3) Beginning January 1, 1992, no more than ninety college quarter-
27 hour credits received by any employee after the baccalaureate degree
28 may be used to determine compensation allocations under the state
29 salary allocation schedule and LEAP documents referenced in the omnibus
30 appropriations act, or any replacement schedules and documents, unless:

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

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

34 (4) Beginning in the 2007-08 school year, the calculation of years
35 of service for occupational therapists, physical therapists, speech-
36 language pathologists, audiologists, nurses, social workers,
37 counselors, and psychologists regulated under Title 18 RCW may include

1 experience in schools and other nonschool positions as occupational
2 therapists, physical therapists, speech-language pathologists,
3 audiologists, nurses, social workers, counselors, or psychologists.
4 The calculation shall be that one year of service in a nonschool
5 position counts as one year of service for purposes of this chapter, up
6 to a limit of two years of nonschool service. Nonschool years of
7 service included in calculations under this subsection shall not be
8 applied to service credit totals for purposes of any retirement benefit
9 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
10 system benefits.

11 **Sec. 11.** RCW 28A.175.010 and 2005 c 207 s 3 are each amended to
12 read as follows:

13 Each school district shall account for the educational progress of
14 each of its students. To achieve this, school districts shall be
15 required to report annually to the superintendent of public
16 instruction:

17 (1) For students enrolled in each of a school district's high
18 school programs:

19 (a) The number of students who graduate in fewer than four years;

20 (b) The number of students who graduate in four years;

21 (c) The number of students who remain in school for more than four
22 years but who eventually graduate and the number of students who remain
23 in school for more than four years but do not graduate;

24 (d) The number of students who transfer to other schools;

25 (e) The number of students in the ninth through twelfth grade who
26 drop out of school over a four-year period; and

27 (f) The number of students whose status is unknown.

28 (2) Dropout rates of students in each of the grades seven through
29 twelve.

30 (3) Dropout rates for student populations in each of the grades
31 seven through twelve by:

32 (a) Ethnicity;

33 (b) Gender;

34 (c) Socioeconomic status; and

35 (d) Disability status.

36 (4) The causes or reasons, or both, attributed to students for
37 having dropped out of school in grades seven through twelve.

1 (5) The superintendent of public instruction shall adopt rules
2 under chapter 34.05 RCW to assure uniformity in the information
3 districts are required to report under subsections (1) through (4) of
4 this section. In developing rules, the superintendent of public
5 instruction shall consult with school districts, including
6 administrative and counseling personnel, with regard to the methods
7 through which information is to be collected and reported.

8 (6) In reporting on the causes or reasons, or both, attributed to
9 students for having dropped out of school, school building officials
10 shall, to the extent reasonably practical, obtain such information
11 directly from students. In lieu of obtaining such information directly
12 from students, building principals and counselors shall identify the
13 causes or reasons, or both, based on their professional judgment.

14 (7) The superintendent of public instruction shall report annually
15 to the legislature the information collected under subsections (1)
16 through (4) of this section.

17 (8) The Washington state institute for public policy shall
18 calculate an annual estimate of the savings to taxpayers resulting from
19 any improvement compared to the prior school year in the extended
20 graduation rate, as calculated by the superintendent of public
21 instruction. The superintendent shall include the estimate from the
22 institute in an appendix of the report required under subsection (7) of
23 this section, beginning with the 2010 report.

24 NEW SECTION. Sec. 12. A new section is added to chapter 28A.300
25 RCW to read as follows:

26 The office of the superintendent of public instruction shall
27 implement and maintain an internet-based portal that provides ready
28 public access to the state's prototypical school funding model for
29 basic education under RCW 28A.150.260. The portal must provide
30 citizens the opportunity to view, for each local school building, the
31 staffing levels and other prototypical school funding elements that are
32 assumed under the state funding formula. The portal must also provide
33 a matrix displaying how individual school districts are deploying those
34 same state resources through their allocation of staff and other
35 resources to school buildings, so that citizens are able to compare the
36 state assumptions to district allocation decisions for each local
37 school building.

1 **Sec. 13.** RCW 28A.150.100 and 1990 c 33 s 103 are each amended to
2 read as follows:

3 (1) For the purposes of this section and RCW 28A.150.410 and
4 28A.400.200, "basic education certificated instructional staff"
5 (~~shall~~) means all full-time equivalent classroom teachers, teacher
6 librarians, guidance counselors, certificated student health services
7 staff, and other certificated instructional staff in the following
8 programs as defined for statewide school district accounting purposes:
9 Basic education, secondary vocational education, general instructional
10 support, and general supportive services.

11 (2) (~~In the 1988-89 school year and thereafter,~~) Each school
12 district shall maintain a ratio of at least forty-six basic education
13 certificated instructional staff to one thousand annual average full
14 time equivalent students.

15 **Sec. 14.** 2009 c 548 s 710 (uncodified) is amended to read as
16 follows:

17 (1) RCW 28A.150.030 (School day) and 1971 ex.s. c 161 s 1 & 1969
18 ex.s. c 223 s 28A.01.010;

19 (2) RCW 28A.150.060 (Certificated employee) and 2005 c 497 s 212,
20 1990 c 33 s 102, 1977 ex.s. c 359 s 17, 1975 1st ex.s. c 288 s 21, &
21 1973 1st ex.s. c 105 s 1;

22 (3) (~~RCW 28A.150.100 (Basic education certificated instructional~~
23 ~~staff Definition Ratio to students) and 1990 c 33 s 103 & 1987 1st~~
24 ~~ex.s. c 2 s 203;~~

25 ~~(4))~~ RCW 28A.150.040 (School year--Beginning--End) and 1990 c 33
26 s 101, 1982 c 158 s 5, 1977 ex.s. c 286 s 1, 1975-'76 2nd ex.s. c 118
27 s 22, & 1969 ex.s. c 223 s 28A.01.020;

28 ~~((5))~~ (4) RCW 28A.150.370 (Additional programs for which
29 legislative appropriations must or may be made) and 1995 c 335 s 102,
30 1995 c 77 s 5, 1990 c 33 s 114, 1982 1st ex.s. c 24 s 1, & 1977 ex.s.
31 c 359 s 7; and

32 ~~((6))~~ (5) RCW 28A.155.180 (Safety net funds--Application--
33 Technical assistance--Annual survey) and 2007 c 400 s 8.

34 **Sec. 15.** RCW 28A.290.010 and 2009 c 548 s 114 are each amended to
35 read as follows:

36 (1) The quality education council is created to recommend and

1 inform the ongoing implementation by the legislature of an evolving
2 program of basic education and the financing necessary to support such
3 program. The council shall develop strategic recommendations on the
4 program of basic education for the common schools. The council shall
5 take into consideration the capacity report produced under RCW
6 28A.300.172 and the availability of data and progress of implementing
7 the data systems required under RCW 28A.655.210. Any recommendations
8 for modifications to the program of basic education shall be based on
9 evidence that the programs effectively support student learning. The
10 council shall update the statewide strategic recommendations every four
11 years. The recommendations of the council are intended to:

12 (a) Inform future educational policy and funding decisions of the
13 legislature and governor;

14 (b) Identify measurable goals and priorities for the educational
15 system in Washington state for a ten-year time period, including the
16 goals of basic education and ongoing strategies for coordinating
17 statewide efforts to eliminate the achievement gap and reduce student
18 dropout rates; and

19 (c) Enable the state of Washington to continue to implement an
20 evolving program of basic education.

21 (2) The council may request updates and progress reports from the
22 office of the superintendent of public instruction, the state board of
23 education, the professional educator standards board, and the
24 department of early learning on the work of the agencies as well as
25 educational working groups established by the legislature.

26 (3) The chair of the council shall be selected from the
27 councilmembers. The council shall be composed of the following
28 members:

29 (a) Four members of the house of representatives, with two members
30 representing each of the major caucuses and appointed by the speaker of
31 the house of representatives;

32 (b) Four members of the senate, with two members representing each
33 of the major caucuses and appointed by the president of the senate;
34 (~~and~~)

35 (c) One representative each from the office of the governor, office
36 of the superintendent of public instruction, state board of education,
37 professional educator standards board, and department of early
38 learning; and

1 (d) Two nonlegislative representatives from the achievement gap
2 oversight and accountability committee established under RCW
3 28A.300.136, to be selected by the members of the committee.

4 (4) In the 2009 fiscal year, the council shall meet as often as
5 necessary as determined by the chair. In subsequent years, the council
6 shall meet no more than four times a year.

7 (5)(a) The council shall submit an initial report to the governor
8 and the legislature by January 1, 2010, detailing its recommendations,
9 including recommendations for resolving issues or decisions requiring
10 legislative action during the 2010 legislative session, and
11 recommendations for any funding necessary to continue development and
12 implementation of chapter 548, Laws of 2009.

13 (b) The initial report shall, at a minimum, include:

14 (i) Consideration of how to establish a statewide beginning teacher
15 mentoring and support system;

16 (ii) Recommendations for a program of early learning for at-risk
17 children;

18 (iii) A recommended schedule for the concurrent phase-in of the
19 changes to the instructional program of basic education and the
20 implementation of the funding formulas and allocations to support the
21 new instructional program of basic education as established under
22 chapter 548, Laws of 2009. The phase-in schedule shall have full
23 implementation completed by September 1, 2018; and

24 (iv) A recommended schedule for phased-in implementation of the new
25 distribution formula for allocating state funds to school districts for
26 the transportation of students to and from school, with phase-in
27 beginning no later than September 1, 2013.

28 (6) The council shall submit a report to the governor and the
29 legislature by December 1, 2010, that includes recommendations for
30 specific strategies, programs, and funding, including funding
31 allocations through the funding distribution formula in RCW
32 28A.150.260, that are designed to close the achievement gap and
33 increase the high school graduation rate in Washington public schools.
34 The council shall consult with the achievement gap oversight and
35 accountability committee and the building bridges work group in
36 developing its recommendations.

37 (7) The council shall be staffed by the office of the
38 superintendent of public instruction and the office of financial

1 management. Additional staff support shall be provided by the state
2 entities with representatives on the committee. Senate committee
3 services and the house of representatives office of program research
4 may provide additional staff support.

5 ~~((7))~~ (8) Legislative members of the council shall serve without
6 additional compensation but may be reimbursed for travel expenses in
7 accordance with RCW 44.04.120 while attending sessions of the council
8 or on official business authorized by the council. Nonlegislative
9 members of the council may be reimbursed for travel expenses in
10 accordance with RCW 43.03.050 and 43.03.060.

11 **Sec. 16.** 2009 c 548 s 805 (uncodified) is amended to read as
12 follows:

13 Sections 304 through 311 of this act take effect September 1,
14 ~~((2013))~~ 2011.

15 NEW SECTION. **Sec. 17.** 2009 c 548 s 112, as amended by section 5
16 of this act, is codified as a section in chapter 28A.290 RCW.

17 NEW SECTION. **Sec. 18.** RCW 43.41.398 is recodified as a section in
18 chapter 28A.400 RCW.

19 NEW SECTION. **Sec. 19.** Sections 2, 3, 4, 8, 10, 13, and 14 of this
20 act take effect September 1, 2011.

21 NEW SECTION. **Sec. 20.** Section 6 of this act is necessary for the
22 immediate preservation of the public peace, health, or safety, or
23 support of the state government and its existing public institutions,
24 and takes effect immediately."

25 Correct the title.

EFFECT: Revises the intent of the bill to be adoption of the
technical details of the new distribution formula, rather than
continued refinement. Includes intent to adopt an implementation
schedule for phasing-in enhancements to the formula as well as
implementation and phasing-in funding for pupil transportation under a

new formula. Includes intent that basic education funding for a school district not be decreased as a result of transitioning to the new funding formulas.

Increases the maintenance, supplies, and operating costs (MSOC) factors in the funding formula to a total of \$1,082.76 per student over a three-year period. Provides a K-3 class size allocation of 15.0 students per classroom teacher, to be phased in over a five-year period starting with high poverty schools. Requires continued incremental phase-in of full-day kindergarten according to the statutory schedule, with full implementation in 2018. Implements the new pupil transportation funding formula as of 2011 rather than 2013, and states that full funding of the new pupil transportation formula is to be phased in over a three-year period.

Requires a report from the Compensation Working Group by June 30, 2012, rather than December 1, 2012, and changes the lead agency to OSPI. Starts the Local Finance Working Group immediately with a report due November 30, 2010. Expands tasks of the Group. Continues the Funding Formula Technical Working Group to monitor implementation of the formula and provide technical advice to the Quality Education Council.

Makes the following modifications to the prototypical school funding formula: (1) Adjusts the funding values for classified staff allocations to reflect the 2009-10 budget values rather than the Basic Education Act values, including adjusting the Central Administration allocation for the increase in classified staff; (2) removes building-level staff categories for professional development coaches and parent involvement coordinators; (3) removes specified allocations for CTE and skill center administrative and building-level certificated staff and instead requires that these allocations be included in the appropriations act; (4) requires that MSOC allocations are to be adjusted for inflation from specified dates; and (5) removes an allocation of "zero" instructional hours during vacation periods within the formulas for categorical programs.

Directs the Washington State Institute for Public Policy to calculate savings to taxpayers from increases in the extended graduation rate and requires the OSPI to publish this information in its annual dropout report. Directs OSPI to implement an internet portal displaying the prototype school allocations compared to actual allocations by building.

Adds two nonlegislative members of the Achievement Gap Committee to the Quality Education Council. Requires the QEC to submit a report by December 1, 2010, with recommendations to close the achievement gap and increase the high school graduation rate.

--- END ---