

SHB 2776 - S AMD 997
By Senator

ADOPTED AND ENGROSSED 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 during the 2011-2013 biennium. Unless otherwise stated, the
9 numeric values adopted in section 2 of this act represent the
10 translation of 2009-2010 state funding levels for the basic education
11 act into the funding factors of the prototypical school funding
12 formula, based on the expert advice and extensive work of the funding
13 formula technical working group established by the legislature for this
14 purpose. The legislature intends to continue to review and revise the
15 formulas and may make revisions as necessary for technical purposes and
16 consistency in the event of mathematical or other technical errors.

17 (2) The legislature intends that per-pupil basic education funding
18 for a school district shall not be decreased as a result of the
19 transition of basic education funding formulas in effect during the
20 2009-2011 biennium to the new funding formulas under RCW 28A.150.260
21 that take effect during the 2011-2013 biennium.

22 (3) It is also the legislature's intent to begin phasing-in
23 enhancements to the baseline funding levels of 2009-10 in the 2011-2013
24 biennium for pupil transportation, class size allocations for grades
25 kindergarten through three, full-day kindergarten, and allocations for
26 maintenance, supplies, and operating costs.

27 (4) Finally, it is the legislature's intent to adjust the timelines
28 for other working groups so that their expertise and advice can be
29 received as soon as possible and to make technical adjustments to
30 certain provisions of chapter 548, Laws of 2009.

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

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

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

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

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

1 full-time equivalent students in each grade level at each school in the
2 district and not based on the grade-level configuration of the school
3 to the extent that data is available. The allocations shall be further
4 adjusted from the school prototypes with minimum allocations for small
5 schools and to reflect other factors identified in the omnibus
6 appropriations act.

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

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

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

14 (iii) A prototypical elementary school has four hundred average
15 annual full-time equivalent students in grades kindergarten through
16 six.

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

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

33 (b) During the 2011-2013 biennium and beginning with schools with
34 the highest percentage of students eligible for free and reduced-price
35 meals in the prior school year, the general education average class
36 size for grades K-3 shall be reduced until the average class size
37 funded under this subsection (4) is no more than 17.0 full-time
38 equivalent students per teacher beginning in the 2017-18 school year.

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

5 Career and technical
6 education average
7 class size

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

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

- 14 ~~(i) ((Basic average class size;~~
- 15 ~~(ii) Basic))~~ A high-poverty average class size in schools where
16 more than fifty percent of the students are eligible for free and
17 reduced-price meals; and
- 18 ~~((iii))~~ (ii) A specialty average class size for ~~((exploratory and~~
19 ~~preparatory career and technical education,))~~ laboratory science,
20 advanced placement, and international baccalaureate courses ~~((and~~
21 ~~(iv) Average class size in grades kindergarten through three))~~.

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

- 25 ~~((i) Principals, including assistant principals, and other~~
26 ~~certificated building level administrators;~~
- 27 ~~(ii) Teacher librarians, performing functions including information~~
28 ~~literacy, technology, and media to support school library media~~
29 ~~programs;~~
- 30 ~~(iii) Student health services, a function that includes school~~
31 ~~nurses, whether certificated instructional or classified employee, and~~
32 ~~social workers;~~
- 33 ~~(iv) Guidance counselors, performing functions including parent~~
34 ~~outreach and graduation advisor;~~
- 35 ~~(v) Professional development coaches;~~
- 36 ~~(vi) Teaching assistance, which includes any aspect of educational~~
37 ~~instructional services provided by classified employees;~~

1 administration shall be 5.30 percent of the staff units generated under
2 subsections (4)(a) and (b) and (5) of this section and (a) of this
3 subsection.

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

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

	<u>Per annual average</u> <u>full-time equivalent student</u> <u>in grades K-12</u>
17	
18	
19	
20	<u>Technology \$54.43</u>
21	<u>Utilities and insurance \$147.90</u>
22	<u>Curriculum and textbooks \$58.44</u>
23	<u>Other supplies and library materials \$124.07</u>
24	<u>Instructional professional development for certified and</u>
25	<u>classified staff \$9.04</u>
26	<u>Facilities maintenance \$73.27</u>
27	<u>Security and central office \$50.76</u>

28 (b) ((The annual average full-time equivalent student amounts in
29 (a) of this subsection shall be enhanced)) During the 2011-2013
30 biennium, the minimum allocation for maintenance, supplies, and
31 operating costs shall be increased as specified in the omnibus
32 appropriations act. The following allocations, adjusted for inflation
33 from the 2007-08 school year, are provided in the 2015-16 school year,
34 after which the allocations shall be adjusted annually for inflation as
35 specified in the omnibus appropriations act:

36 Per annual average
37 full-time equivalent student

in grades K-12

1		
2	<u>Technology</u>	<u>\$113.80</u>
3	<u>Utilities and insurance</u>	<u>\$309.21</u>
4	<u>Curriculum and textbooks</u>	<u>\$122.17</u>
5	<u>Other supplies and library materials</u>	<u>\$259.39</u>
6	<u>Instructional professional development for certificated and</u>	
7	<u>classified staff</u>	<u>\$18.89</u>
8	<u>Facilities maintenance</u>	<u>\$153.18</u>
9	<u>Security and central office administration</u>	<u>\$106.12</u>

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

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

15 (b) Laboratory science courses for students in grades nine through
16 twelve;

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

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

21 ~~((+5))~~ (10) In addition to the allocations otherwise provided
22 under ~~((subsections (3) and (4) of))~~ this section ~~((shall be enhanced~~
23 ~~as follows to provide additional allocations for classroom teachers and~~
24 ~~maintenance, supplies, and operating costs))~~, amounts shall be provided
25 to support the following programs and services:

26 (a) To provide supplemental instruction and services for
27 underachieving students through the learning assistance program under
28 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
29 ~~((percent))~~ district percentage of students in ~~((each school))~~ grades

30 K-12 who ~~((are))~~ were eligible for free ~~((and))~~ or reduced-price meals

31 in the prior school year. The minimum allocation for the ~~((learning~~

32 assistance)) program shall provide ~~((an extended school day and~~

33 extended school year)) for each level of prototypical school ~~((and a~~

34 per student allocation for maintenance, supplies, and operating costs))

35 resources to provide, on a statewide average, 1.5156 hours per week in

36 extra instruction with a class size of fifteen learning assistance

37 program students per teacher.

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

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

25 (~~(7)~~) (11) The allocations under subsections (~~(3)~~) (4)(a) and
26 (b), (~~(c)(i), and (d), (4),~~) (5), (6), and (8) of this section shall
27 be enhanced as provided under RCW 28A.150.390 on an excess cost basis
28 to provide supplemental instructional resources for students with
29 disabilities.

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

36 ~~(9)~~) (12)(a) For the purposes of allocations for prototypical high
37 schools and middle schools under subsections (~~(3)~~) (4) and (~~(5)~~)
38 (10) of this section that are based on the percent of students in the

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

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

11 (~~((10))~~) (13)(a) This formula for distribution of basic education
12 funds shall be reviewed biennially by the superintendent and governor.
13 The 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 and
26 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 review
32 of the superintendent's reported full-time equivalent students in the
33 common schools in conjunction with RCW 43.62.050.

34 **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to
35 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

1 programmed budget request for special education programs for students
2 with disabilities. Funding for programs operated by local school
3 districts shall be on an excess cost basis from appropriations provided
4 by the legislature for special education programs for students with
5 disabilities and shall take account of state funds accruing through RCW
6 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8) and federal~~
7 ~~medical assistance and private funds accruing under RCW 74.09.5249~~
8 ~~through 74.09.5253 and 74.09.5254 through 74.09.5256)) (4)(a) and (b),
9 (5), (6), and (8).~~

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

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

17 (b) A district's annual average full-time equivalent basic
18 education enrollment, multiplied by the district's funded enrollment
19 percent, multiplied by the district's base allocation per full-time
20 equivalent student, multiplied by 0.9309.

21 (3) As used in this section:

22 (a) "Base allocation" means the total state allocation to all
23 schools in the district generated by the distribution formula under RCW
24 28A.150.260 (~~((3) (b), (c)(i), and (d), (4), and (8))~~) (4)(a) and (b),
25 (5), (6), and (8), to be divided by the district's full-time equivalent
26 enrollment.

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

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

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

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

3 (1) Beginning with the 2007-08 school year, funding for voluntary
4 all-day kindergarten programs shall be phased-in beginning with schools
5 with the highest poverty levels, defined as those schools with the
6 highest percentages of students qualifying for free and reduced-price
7 lunch support in the prior school year. During the 2011-2013 biennium,
8 funding shall continue to be phased-in each year until full statewide
9 implementation of all-day kindergarten is achieved in the 2017-18
10 school year. Once a school receives funding for the all-day
11 kindergarten program, that school shall remain eligible for funding in
12 subsequent school years regardless of changes in the school's
13 percentage of students eligible for free and reduced-price lunches as
14 long as other program requirements are fulfilled. Additionally,
15 schools receiving all-day kindergarten program support shall agree to
16 the following conditions:

17 (a) Provide at least a one thousand-hour instructional program;

18 (b) Provide a curriculum that offers a rich, varied set of
19 experiences that assist students in:

20 (i) Developing initial skills in the academic areas of reading,
21 mathematics, and writing;

22 (ii) Developing a variety of communication skills;

23 (iii) Providing experiences in science, social studies, arts,
24 health and physical education, and a world language other than English;

25 (iv) Acquiring large and small motor skills;

26 (v) Acquiring social and emotional skills including successful
27 participation in learning activities as an individual and as part of a
28 group; and

29 (vi) Learning through hands-on experiences;

30 (c) Establish learning environments that are developmentally
31 appropriate and promote creativity;

32 (d) Demonstrate strong connections and communication with early
33 learning community providers; and

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

36 (2) Subject to funds appropriated for this purpose, the
37 superintendent of public instruction shall designate one or more school
38 districts to serve as resources and examples of best practices in

1 designing and operating a high-quality all-day kindergarten program.
2 Designated school districts shall serve as lighthouse programs and
3 provide technical assistance to other school districts in the initial
4 stages of implementing an all-day kindergarten program. Examples of
5 topics addressed by the technical assistance include strategic
6 planning, developing the instructional program and curriculum, working
7 with early learning providers to identify students and communicate with
8 parents, and developing kindergarten program readiness activities.

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

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

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

28 (a) Develop the details of the funding formulas under RCW
29 28A.150.260;

30 (b) Recommend to the legislature an implementation schedule for
31 phasing-in any increased program or instructional requirements
32 concurrently with increases in funding for adoption by the legislature;
33 and

34 (c) Examine possible sources of revenue to support increases in
35 funding allocations and present options to the legislature and the
36 quality education council created in (~~section 114 of this act~~) RCW
37 28A.290.010 for consideration.

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

12 (4) The working group shall be monitored and overseen by the
13 legislature and the quality education council established in (~~section~~
14 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its
15 recommendations to the legislature by December 1, 2009.

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

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

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

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

35 (3) The working group shall also:
36 (a) Examine local school district capacity to address facility

1 needs associated with phasing-in full-day kindergarten across the state
2 and reducing class size in kindergarten through third grade; and

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

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

19 ~~((+4))~~ (5) The local funding working group shall be monitored and
20 overseen by the legislature and by the quality education council
21 created in ~~((section 114 of this act))~~ RCW 28A.290.010. The working
22 group shall report to the legislature ~~((December 1))~~ June 30, 2011.

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

25 (1) The legislature recognizes that providing students with the
26 opportunity to access a world-class educational system depends on our
27 continuing ability to provide students with access to world-class
28 educators. The legislature also understands that continuing to attract
29 and retain the highest quality educators will require increased
30 investments. The legislature intends to enhance the current salary
31 allocation model and recognizes that changes to the current model
32 cannot be imposed without great deliberation and input from teachers,
33 administrators, and classified employees. Therefore, it is the intent
34 of the legislature to begin the process of developing an enhanced
35 salary allocation model that is collaboratively designed to ensure the
36 rationality of any conclusions regarding what constitutes adequate
37 compensation.

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

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

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

13 (c) How to account for different geographic regions of the state
14 where districts may encounter difficulty recruiting and retaining
15 teachers;

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

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

19 (f) Initial fiscal estimates for implementing the recommendations
20 including a recognition that staff on the existing salary allocation
21 model would have the option to grandfather in permanently to the
22 existing schedule.

23 (3) As part of its work, the technical working group shall conduct
24 or contract for a preliminary comparative labor market analysis of
25 salaries and other compensation for school district employees to be
26 conducted and shall include the results in any reports to the
27 legislature. For the purposes of this subsection, "salaries and other
28 compensation" includes average base salaries, average total salaries,
29 average employee basic benefits, and retirement benefits.

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

32 (a) Examine salaries and other compensation for teachers, other
33 certificated instructional staff, principals, and other building-level
34 certificated administrators, and the types of classified employees for
35 whom salaries are allocated;

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

1 (c) Include a comparison of salaries and other compensation to the
2 appropriate labor market for at least the following subgroups of
3 educators: Beginning teachers and types of educational staff
4 associates.

5 (5) The working group shall include representatives of the
6 department of personnel, the professional educator standards board, the
7 office of the superintendent of public instruction, the Washington
8 education association, the Washington association of school
9 administrators, the association of Washington school principals, the
10 Washington state school directors' association, the public school
11 employees of Washington, and other interested stakeholders with
12 appropriate expertise in compensation related matters. The working
13 group may convene advisory subgroups on specific topics as necessary to
14 assure participation and input from a broad array of diverse
15 stakeholders.

16 (6) The working group shall be monitored and overseen by the
17 legislature and the quality education council created in RCW
18 28A.290.010. The working group shall make an initial report to the
19 legislature by (~~December 1~~) June 30, 2012, and shall include in its
20 report recommendations for whether additional further work of the group
21 is necessary.

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

24 (1) The superintendent of public instruction shall phase-in the
25 implementation of the distribution formula under this chapter for
26 allocating state funds to school districts for the transportation of
27 students to and from school. The phase-in shall (~~be according to the~~
28 ~~implementation schedule adopted by the legislature and shall~~) begin no
29 later than the (~~2013-14 school year~~) 2011-2013 biennium and be fully
30 implemented by the 2013-2015 biennium.

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

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

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

7 (a) Annually, each school district shall receive the lesser of the
8 previous school year's pupil transportation operations allocation, or
9 the total of allowable pupil transportation expenditures identified on
10 the previous school year's final expenditure report to the state plus
11 district indirect expenses using the state recovery rate identified by
12 the superintendent; and

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

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

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

26 NEW SECTION. **Sec. 9.** A new section is added to chapter 28A.160
27 RCW to read as follows:

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

32 (2) Beginning in December 2010, 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 (3) This section expires June 30, 2015.

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

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

11 (2) Salary allocations for state-funded basic education
12 certificated instructional staff shall be calculated by the
13 superintendent of public instruction by determining the district's
14 average salary for certificated instructional staff, using the
15 statewide salary allocation schedule and related documents, conditions,
16 and limitations established by the omnibus appropriations act.

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

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

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

25 (4) Beginning in the 2007-08 school year, the calculation of years
26 of service for occupational therapists, physical therapists, speech-
27 language pathologists, audiologists, nurses, social workers,
28 counselors, and psychologists regulated under Title 18 RCW may include
29 experience in schools and other nonschool positions as occupational
30 therapists, physical therapists, speech-language pathologists,
31 audiologists, nurses, social workers, counselors, or psychologists.
32 The calculation shall be that one year of service in a nonschool
33 position counts as one year of service for purposes of this chapter, up
34 to a limit of two years of nonschool service. Nonschool years of
35 service included in calculations under this subsection shall not be
36 applied to service credit totals for purposes of any retirement benefit
37 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
38 system benefits.

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

3 Each school district shall account for the educational progress of
4 each of its students. To achieve this, school districts shall be
5 required to report annually to the superintendent of public
6 instruction:

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

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

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

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

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

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

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

18 (2) Dropout rates of students in each of the grades seven through
19 twelve.

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

22 (a) Ethnicity;

23 (b) Gender;

24 (c) Socioeconomic status; and

25 (d) Disability status.

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

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

35 (6) In reporting on the causes or reasons, or both, attributed to
36 students for having dropped out of school, school building officials
37 shall, to the extent reasonably practical, obtain such information

1 directly from students. In lieu of obtaining such information directly
2 from students, building principals and counselors shall identify the
3 causes or reasons, or both, based on their professional judgment.

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

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

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

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

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

30 (1) For the purposes of this section and RCW 28A.150.410 and
31 28A.400.200, "basic education certificated instructional staff"
32 (~~shall~~) means all full-time equivalent classroom teachers, teacher
33 librarians, guidance counselors, certificated student health services
34 staff, and other certificated instructional staff in the following
35 programs as defined for statewide school district accounting purposes:

1 Basic education, secondary vocational education, general instructional
2 support, and general supportive services.

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

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

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

11 (2) RCW 28A.150.060 (Certificated employee) and 2005 c 497 s 212,
12 1990 c 33 s 102, 1977 ex.s. c 359 s 17, 1975 1st ex.s. c 288 s 21, &
13 1973 1st ex.s. c 105 s 1;

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

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

20 ~~((+5))~~ (4) RCW 28A.150.370 (Additional programs for which
21 legislative appropriations must or may be made) and 1995 c 335 s 102,
22 1995 c 77 s 5, 1990 c 33 s 114, 1982 1st ex.s. c 24 s 1, & 1977 ex.s.
23 c 359 s 7; and

24 ~~((+6))~~ (5) RCW 28A.155.180 (Safety net funds--Application--
25 Technical assistance--Annual survey) and 2007 c 400 s 8.

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

28 (1) The quality education council is created to recommend and
29 inform the ongoing implementation by the legislature of an evolving
30 program of basic education and the financing necessary to support such
31 program. The council shall develop strategic recommendations on the
32 program of basic education for the common schools. The council shall
33 take into consideration the capacity report produced under RCW
34 28A.300.172 and the availability of data and progress of implementing
35 the data systems required under RCW 28A.655.210. Any recommendations
36 for modifications to the program of basic education shall be based on

1 evidence that the programs effectively support student learning. The
2 council shall update the statewide strategic recommendations every four
3 years. The recommendations of the council are intended to:

4 (a) Inform future educational policy and funding decisions of the
5 legislature and governor;

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

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

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

18 (3) The chair of the council shall be selected from the
19 councilmembers. The council shall be composed of the following
20 members:

21 (a) Four members of the house of representatives, with two members
22 representing each of the major caucuses and appointed by the speaker of
23 the house of representatives;

24 (b) Four members of the senate, with two members representing each
25 of the major caucuses and appointed by the president of the senate;
26 ((and))

27 (c) One representative each from the office of the governor, office
28 of the superintendent of public instruction, state board of education,
29 professional educator standards board, and department of early
30 learning; and

31 (d) One nonlegislative representative from the achievement gap
32 oversight and accountability committee established under RCW
33 28A.300.136, to be selected by the members of the committee.

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

37 (5)(a) The council shall submit an initial report to the governor
38 and the legislature by January 1, 2010, detailing its recommendations,

1 including recommendations for resolving issues or decisions requiring
2 legislative action during the 2010 legislative session, and
3 recommendations for any funding necessary to continue development and
4 implementation of chapter 548, Laws of 2009.

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

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

8 (ii) Recommendations for a program of early learning for at-risk
9 children;

10 (iii) A recommended schedule for the concurrent phase-in of the
11 changes to the instructional program of basic education and the
12 implementation of the funding formulas and allocations to support the
13 new instructional program of basic education as established under
14 chapter 548, Laws of 2009. The phase-in schedule shall have full
15 implementation completed by September 1, 2018; and

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

20 (6) The council shall submit a report to the governor and the
21 legislature by December 1, 2010, that includes:

22 (a) Recommendations for specific strategies, programs, and funding,
23 including funding allocations through the funding distribution formula
24 in RCW 28A.150.260, that are designed to close the achievement gap and
25 increase the high school graduation rate in Washington public schools.
26 The council shall consult with the achievement gap oversight and
27 accountability committee and the building bridges work group in
28 developing its recommendations; and

29 (b) Recommendations for assuring adequate levels of state-funded
30 classified staff to support essential school and district services.

31 (7) The council shall be staffed by the office of the
32 superintendent of public instruction and the office of financial
33 management. Additional staff support shall be provided by the state
34 entities with representatives on the committee. Senate committee
35 services and the house of representatives office of program research
36 may provide additional staff support.

37 ((+7)) (8) Legislative members of the council shall serve without
38 additional compensation but may be reimbursed for travel expenses in

1 accordance with RCW 44.04.120 while attending sessions of the council
2 or on official business authorized by the council. Nonlegislative
3 members of the council may be reimbursed for travel expenses in
4 accordance with RCW 43.03.050 and 43.03.060.

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

7 Sections 304 through 311 of this act take effect September 1,
8 ((2013)) 2011.

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

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

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

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

SHB 2776 - S AMD
By Senator

ADOPTED AND ENGROSSED 03/11/2010

19 On page 1, line 2 of the title, after "education;" strike the
20 remainder of the title and insert "amending RCW 28A.150.260,
21 28A.150.390, 28A.150.315, 43.41.398, 28A.160.192, 28A.150.410,
22 28A.175.010, 28A.150.100, and 28A.290.010; amending 2009 c 548 s 112
23 (uncodified); amending 2009 c 548 s 302 (uncodified); amending 2009 c
24 548 s 710 (uncodified); amending 2009 c 548 s 805 (uncodified); adding
25 a new section to chapter 28A.160 RCW; adding a new section to chapter

1 28A.300 RCW; adding a new section to chapter 28A.290 RCW; adding a new
2 section to chapter 28A.400 RCW; creating a new section; recodifying RCW
3 43.41.398; providing effective dates; and declaring an emergency."

--- END ---