

SENATE BILL REPORT

ESHB 2261

As Reported by Senate Committee On:
Early Learning & K-12 Education, March 30, 2009
Ways & Means, April 6, 2009

Title: An act relating to education.

Brief Description: Concerning the state's education system.

Sponsors: House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Hunter, Anderson, Maxwell, White, Quall, Lias, Dammeier, Rodne, Wallace, Pedersen, Kelley, Goodman, Springer, Hope, Nelson, Miloscia, Carlyle, Hunt, Morris, Morrell, Probst, Pettigrew, Eddy, Simpson, Kenney, Moeller, Smith, Condotta, McCoy, Kagi, Chase, Rolfes, Clibborn, Ormsby, Haler and Cox).

Brief History: Passed House: 3/12/09, 71-26.

Committee Activity: Early Learning & K-12 Education: 3/25/09, 3/30/09 [DPA-WM, DNP, w/oRec].

Ways & Means: 4/06/09 [DPA, DNP, w/oRec].

Brief Summary

- An expanded program of basic education and the funding to support it is phased in based on the capacity of the educational system.
- The Quality Education Council is created to recommend and inform the ongoing implementation by the Legislature of an evolving program of basic education & financing.
- The K-12 Data Governance Group is established to assist in the design and implementation of a data system for financial, student, and educator data.
- The State Board of Education (SBE) must create a system to identify schools for recognition and additional support.
- The Professional Educator Standards Board (PESB) must adopt performance standards for effective teaching and recommend other modifications for educator certification.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- The Education Stabilization Account is created to receive specified percentages of general state revenue growth to be used to maintain the percentage of general state revenue spent on K-12 education.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Kauffman, Vice Chair, Early Learning; Oemig, Vice Chair, K-12; Hobbs, Jarrett, McDermott, Roach and Tom.

Minority Report: Do not pass.

Signed by Senator King, Ranking Minority Member.

Minority Report: That it be referred without recommendation.

Signed by Senator Brandland.

Staff: Susan Mielke (786-7422)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Oemig, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Honeyford, Parlette and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Pflug.

Staff: Elise Greef (786-7708)

Background: Constitutional Duty of the State. Under article IX, section 1 of the Washington State Constitution, "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders" The courts have interpreted this to mean that the state must define a program of basic education and amply fund it from a regular and dependable source. The courts have found that local levies are not regular or dependable and may only be used for enrichment programs beyond basic education. The courts have concluded that once the Legislature has established full funding for the program of basic education it may not reduce such funding, even in periods of fiscal crisis. However, the Legislature must review, evaluate, and revise the program of education and its funding in order to meet the current needs of the children in the state. The state must also provide a general and uniform system of public schools under article IX, section 2 of the Constitution.

Basic Education Goal. The stated goal for basic education, among other things, is to provide students the opportunity to become responsible and respectful citizens. The stated goal for Washington State is the intent to provide a public school system that gives students the opportunity to achieve personal and academic success. The stated goal for school districts is to provide opportunities for every student to develop knowledge and skills in specified subject areas.

Definition and Instructional Program of Basic Education. In order to carry out its constitutional responsibility and in response to court decisions, the Legislature passed the Basic Education Act of 1977 (BEA), defining a basic education by establishing goals, minimum program hours, teacher-student contact hours, and a mix of course offerings for school districts to provide. The minimum instructional program currently offered by school districts must be accessible to students who are five years of age and less than 21 years of age, consist of 180 school days per school year (with 180 half-days for kindergarten), and a district wide annual average of 1,000 instructional hours across grades 1-12 (with at least 450 hours for kindergarten).

The courts have found that a basic education also includes specialized instruction due to a disability; the Learning Assistance Program (LAP), which provides remedial instruction to students functioning below grade level in reading, math, and language arts; the Transitional Bilingual Instruction Program (TBIP), which assists students to achieve competency in English when they are from homes where the primary language is other than English; the educational program for students in residential schools and detention facilities and students under the age of 18 incarcerated in adult correctional facilities; and portions of the student transportation program.

Local Control. While it is the state's constitutional duty to fund basic education and to provide a general and uniform system of public schools, the delivery of public education is and historically has been a local function with power vested in the local school boards.

Private Schools. The statutes governing private schools specifically recognize that private schools should be subject only to those minimum state controls necessary to insure the health and safety of all students in the state and to insure a sufficient basic education to meet usual graduation requirements.

Graduation Requirements. The Legislature has delegated the establishment of the high school graduation requirements to the SBE. The SBE has created a proposed credit framework called CORE 24, intended to represent the essential high school graduation requirements all students should have to prepare for life after high school. SBE has formed a 20-member task force to create a phase in and implementation strategy for CORE 24.

State Funding Allocation for Basic Education. Basic education is funded by appropriations from the state General Fund. The funding allocation for the basic education instructional program is based on instructional, administrative, and classified staff per student ratios, staff compensation factors, and nonemployee-related costs. Additionally, school districts receive funding for LAP, TBIP, and Special Education. In accordance with statute, LAP funding is based on the percent of students eligible for free and reduced-price meals, with the formula

specified in the Appropriations Act. TBIP funding is based on an amount per student enrolled in the program and specified in the budget. Special education for students with disabilities is funded on an "excess cost" basis. The formula, which appears in the Appropriations Act, is a percentage (1.15 percent for children aged birth to five that are not in kindergarten and .9309 for students in grades kindergarten through 12) of the Instructional Program allocation. The allocation is based on a maximum of 12.7 percent of total FTE student enrollment in grades kindergarten through 12. The Appropriations Act also establishes a Special Education Safety Net process which allows school districts to apply for additional funds if the district can demonstrate needs for special education funding beyond the amounts provided through the excess cost allocation.

Kindergarten. School districts must offer 450 hours of instruction for kindergarten. In 2007 the Legislature began phasing in voluntary all-day kindergarten programs consisting of at least 1,000 instructional hours and meeting other specified criteria, starting with schools with the highest percentages of students qualifying for free and reduced meals (FRM).

Education Data Center. In 2007 the Legislature created an Education Data Center (Center) within the Office of Financial Management (OFM) and required the Center to work jointly with the Legislative Evaluation and Accountability Program Committee (LEAP) in conducting collaborative data analyses of early learning, K-12, and higher education programs and issues.

Teacher Certification. The Professional Educator Standards Board (PESB) is responsible for the policy and oversight of Washington's system of educator preparation and certification. There are currently two levels of teacher certification: residency and professional. To receive a residency certificate, teachers must complete an approved teacher preparation program. Approved programs must require the candidates to demonstrate competencies based on standards adopted by PESB, including evidence of positive impact on student learning. Candidates must also pass a state-administered basic skills and content knowledge test. A residency certificate is valid until the holder has completed two years of successful teaching in Washington and may be renewed once with a five-year expiration date.

To obtain a professional certificate, teachers enroll in an approved professional certification program or earn a certificate from the National Board for Professional Teaching Standards (NBPTS). Professional certificates can be renewed every five years based on continuing education credits. In 2007 the Legislature directed the PESB to implement a uniform and externally-administered assessment of teaching skill for professional certification by 2010.

Learning Improvement Days (LIDs). Since 1993 the Legislature has provided funding for some form of LIDs. In 2007 LIDs were put into statute as targeted professional development. School districts must report to the Office of the Superintendent of Public Instruction (OSPI) how funds are used and the outcomes. Currently, the appropriations act provides two LIDs for school districts that add the LIDs to the 180-day contract. The act limits the use of LIDs for specific activities identified in a school improvement plan. Both the statute and appropriations act provide that LIDs are not part of the definition of basic education.

Accountability. The Legislature has directed the State Board of Education (SBE) to implement a standards-based accountability system to improve student academic achievement, which includes identification of successful schools and districts, those in need of assistance, and those in which state intervention measures are needed. Intervention strategies may be implemented only after authorization by the Legislature, which has not occurred. For the past two years SBE has been working on an accountability system and on January 15, 2009, SBE adopted a resolution to:

- develop an accountability index to identify schools and districts based on student achievement;
- work to build the capacity of districts to help their schools improve, including an Innovation Zone program to provide improvement assistance;
- establish a process for placing schools and districts on academic watch if no significant improvement occurs, which would include a binding performance contract between the state and the district; and
- continue to refine the details of the accountability system.

Compensation. State allocations for salaries for certificated instructional staff (CIS) are provided through a salary schedule adopted by the Legislature in the Appropriations Act. The current schedule is based on years of experience and academic degrees and credits attained by the individual. Some districts receive higher salary allocations for CIS. The state does not require school districts to pay CIS in accordance with the state allocation schedule. However, most school districts have adopted a salary schedule the same as, or similar to, the state allocation schedule. Actual salaries are determined through collective bargaining, subject to certain minimum and maximum requirements.

There is not a state salary allocation schedule for administrators or classified staff. Each school district receives an allocation from the state based on historical salary allocations adjusted for cost-of-living increases. Actual salary levels are determined through the local collective bargaining process.

Local Levies and Local Effort Assistance (LEA). The Washington State Constitution gives school districts the authority to collect property tax revenues in excess of 1 percent of the assessed value of county property for transportation, capital or operating purposes, and to assume excess debt when voters approve a levy or bond issue. These school levy dollars are retained by the school district and do not go into the State General Fund. Local levy funds may only be used for enrichment programs and not for basic education obligations.

In 1987 a program of state-provided levy equalization or LEA was created by statute to mitigate the effect that above-average property tax rates might have on the ability of a school district to raise local revenues to supplement the state's basic program of education. Districts are eligible for levy equalization if they have passed a local maintenance and operations levy, and their 12 percent levy rate is higher than the statewide average. LEA funds are not part of a school district's basic education allocation.

Revenue. Over 70 percent of school district General Fund revenue comes from the state. Other revenue sources include local property taxes, federal funding, other local sources, and private grants.

Basic Education Finance Task Force. On January 14, 2009, the task force, created by the Legislature in 2007, submitted its final report with recommendations on the definition of basic education, the instructional program of basic education, and the use of a prototypical school model to distribute core allocations for basic education. The report included five minority reports.

Summary of Bill (Recommended Amendments): This act addresses an expanded program of basic education and the funding to support it with enhancements phased in based on the capacity of the educational system; creates the Quality Education Council; requires the development of data systems for financial, student, and educator data; directs the SBE to create a system to identify schools for recognition and additional support; tasks the PESB to make recommendations on educator preparation and certification; creates working groups to develop details and proposals in the areas of finance and compensation; and enables specified percentages of revenue growth to be transferred to the Education Stabilization Account to be used for K-12 purposes.

Constitutional Duty of the State. The Legislature finds ample evidence to continue to refine the program of basic education. The Legislature reaffirms the bold recommendations of Washington Learns and others to educate students to a higher level, close the achievement gap, reduce dropouts, and prepare students for a demanding global economy. The Legislature intends to continue to review, evaluate, and revise the definition and funding of basic education to fulfill the state's constitutional obligation. The Legislature recognizes that the first steps for revising is to create a transparent funding system using prototypical schools so everyone knows how the state supports basic education and an adequate data system for making data driven decisions. For practical and educational reasons, major change cannot occur instantaneously. The Legislature intends to establish a structure for monitoring the capacity of the system to implement enhancements so the Legislature can begin a schedule for the implementation of a redefined program of basic education and the resources necessary to support it. When the system has the capacity to fully implement future reforms and enhancements they will be included in a definition and funding of basic education. The Legislature intends to continue to review and revise the formulas and schedules and may make additional revisions for technical purposes and consistency.

Basic Education Goal. Added to the goal is that a basic education is an evolving program of instruction.

Definition and Instructional Program of Basic Education. Effective September 1, 2011, the program of basic education that complies with the State Constitution is that which provides the opportunity to develop the knowledge and skills necessary to meet the state-established high school graduation requirements that are intended to allow students to have the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship. It is an evolving program of instruction that includes the following:

- the minimum instructional program currently offered by school districts, including LAP, TBIP, and an appropriate education for all eligible students with disabilities;
- the educational program for students in residential schools, juvenile detention facilities, and for individuals under age 18 who are in adult correctional facilities; and

- the addition of transportation and transportation services to and from school for eligible students.

Effective September 1, 2011, school districts must make available to students the following minimum instructional program:

- 180 school days per school year (with 180 half-days for kindergarten, increased to 180 full days as all-day kindergarten is phased in);
- in accordance with an implementation schedule adopted by the Legislature, an increased instructional hour offering of 1,080 hours in grades seven through 12 and at least 1,000 instructional hours in grades one through six; and
- the opportunity to complete the high school coursework necessary to meet state-established high school graduation requirements.

Local Control. School districts may enrich the instructional program of basic education with additional instruction, services, programs, or activities that the school district determines is appropriate.

Private Schools. The current definition of a school day and number of instructional hours are maintained and not increased as the public school instructional hours are increased.

Graduation Requirements. SBE must forward any proposed changes to high school graduation requirements to the legislative education committees and the Quality Education Council (created in this act). The Legislature must be provided an opportunity to act before changes are adopted by the SBE. Changes with a fiscal impact on school districts take effect only if formally authorized and funded by the Legislature. When proposing changes to the graduation requirements the SBE and Legislature must take into account the capacity of the educational system to implement the changes and establish an implementation schedule that reflects capacity needs.

State Funding Allocation for Basic Education. Effective September 1, 2011, the minimum staffing ratios are repealed. Beginning September 1, 2011, a new distribution formula for the allocation of state funds to support the Instructional Program of Basic Education is in effect. The formula is for allocation purposes only. Nothing requires a particular teacher-to-student ratio or particular types or classifications of staff.

To the extent the technical details of the formula have been adopted by the Legislature, the distribution formula for basic education is based on minimum staffing and nonstaff costs to support prototypical schools. The prototypes illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs. Allocations to school districts will be adjusted from the prototypes based on actual FTE student enrollment in each grade, in each school in the district, adjusted for small schools and reflecting other factors in the Appropriations Act. Allocations for middle and high schools that are based on the percent of students in the school who are eligible for free and reduced meals (FRM) will be adjusted to reflect underreporting of eligibility for FRM among these students.

The school prototypes are defined as follows:

- high school: 600 FTE students in grades nine through 12;

- middle school: 432 FTE students in grades seven and eight; and
- elementary school: 400 FTE students in grades kindergarten through six.

The minimum allocation for each level of school prototype consists of four parts:

- *Class Size.* An allocation based on the number of FTE classroom teachers to provide for the annual instructional hours and at least one teacher planning period per school day, based on an average class size as specified in the appropriations act. The Appropriations Act must specify the basic average class size; basic average class size in schools with more than 50 percent of students eligible for FRM; and average class size in grades K-3.
- *Other Building Staff.* An allocation for staff in addition to classroom teachers.
- *Maintenance, Supplies, and Operating Costs (MSOC).* A per-FTE student allocation for student technology, utilities, curriculum, instructional professional development, other building costs, and central office administration.
- *Central Office Administrative Staff.* An allocation based on a percentage, identified in the Appropriations Act, of the allocations for teachers and other staff for all schools in the district.

The minimum allocation is enhanced for LAP, TBIP, and students with disabilities who are eligible for special education, as follows:

- *Learning Assistance Program.* An enhancement based on the percent of students in each school eligible for FRM. The minimum allocation for LAP must provide an extended school day and extended school year for each level of prototypical school, and a per student allocation for MSOC;
- *Transitional Bilingual Instruction Program.* An enhancement based on the number of students in each school enrolled in the TBIP, the percent of the school day a student is assumed to receive supplemental instruction, and a per student allocation for MSOC; and
- *Special Education.* An enhancement based on the basic average class size, other staff in addition to class room teachers, a per student allocation for MSOC, and central office administration support. The special education excess cost allocation formula and the safety net are placed into statute.

Clarifications and corrections are made to statutes of the other categorical programs to align with the new distribution formulas. In addition to state funds provided to school districts for basic education, the Legislature may appropriate funds for other factors or programs to enhance the program of basic education.

System Capacity. OSPI must annually make biennial determinations regarding the educational system's capacity to accommodate increased resources in relation to the recommended elements in the prototypical funding allocation model and identify areas where there are specific and significant capacity limitations to providing enhancements and recommend how to address the limitations. The Legislature must review the OSPI recommendations to ensure that no enhancement is imposed on the system that cannot be accommodated by the system's capacity. "System capacity," includes capital facilities, types of available staff and staff experience levels, and the availability of data. Increases in appropriations that are not basic education must be used primarily for the purposes of

building system capacity to support class size reductions in kindergarten through third grade or enhancing a statewide beginning teacher and support system.

Kindergarten. As the voluntary all-day kindergarten is phased-in, school districts that are not receiving state funding for all-day kindergarten are authorized to charge a co-pay from families to help support a district-provided program. Co-pay waivers must be available to families who are low-income. School districts must have a policy that defines low-income, the use of a co-pay, and a co-pay waiver. When all-day kindergarten is fully implemented statewide then the Quality Education Council must review student and school performance data and recommend whether all-day kindergarten should be included in the definition of basic education.

Education Data Center (Center). The Legislature intends to establish a K-12 comprehensive education data improvement system for financial, student, and educator data with the compatibility to make reports and to provide an independent review of the K-12 education data systems by the Center and LEAP. A Data Governance Group (Group) is established in OSPI with specified agency representatives and others with expertise. The Group will assist in the design and implementation of an education data improvement system and must identify critical research and policy questions that need to be addressed by the K-12 education data improvement system, create a comprehensive needs requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections. The Group must provide the Center and LEAP updates on its work. The Center, with LEAP, must identify critical research and policy questions and annually provide the Group a list of data elements and improvements that are necessary to answer the research and policy questions identified by the Center so the Group can develop a feasibility analysis of obtaining or improving the data. If necessary, the Center must submit a recommendation to the Legislature regarding any statutory changes or resources that would be needed to collect or improve the data and to help ensure the goals and objectives of this act are being met. By November 15, 2009, OSPI must submit a preliminary report to the Legislature including the analysis by the Group and preliminary options for addressing identified gaps. By September 1, 2010, OSPI must provide a final report to the Legislature including a proposed phase-in plan and preliminary cost estimates for implementation of comprehensive data accountability systems for financial, student, and educator data. The Center and OSPI must seek federal funds to implement these provisions.

Teacher Certification. The Legislature recognizes that teachers and administrators must be provided access to opportunities to gain knowledge and skills that will enable them to be increasingly successful. By January 1, 2010, PESB must:

- adopt performance standards for effective teaching calibrated for each level of certification. The standards must, to the extent possible, incorporate standards for cultural competency, as defined in the act;
- define a master teacher, with a comparable level of increased competency between the professional level and the master level as between the professional level and the National Board Certification; and
- submit to the Governor and Legislature:
 - an update on the implementation of the professional certificate assessment;
 - a proposal for a uniform and reliable classroom-based evaluation of teacher effectiveness for the student-teaching field experience that uses multiple

measures of performance, and a timeline for when the assessment will be required for successful completion of a state-approved teacher preparation program; and

- after consulting with stakeholders, a recommendation on the length of time that a residency certificate is valid and when a teacher must meet the minimum level of performance to receive a professional certificate in order to continue to be certified as a teacher. The recommendation must include a description of the stakeholders' comments.

Beginning, July 1, 2011, educator preparation programs for residency certification must demonstrate how the program produces effective teachers. If funds are appropriated, recognizing the capacity limitation of the education systems, the PESB must develop the system proposed through the 2011-12 school year. No earlier than September 1, 2011, a professional certificate must be based on a minimum of two years of successful teaching experience as defined by the PESB and the results of the professional certificate assessment, and may not require enrollment in a professional certification program.

LIDs. School districts are eligible to receive funds for LIDs for activities that contribute to specified outcomes. School districts must document how the funds contribute to measurable improvement in the outcomes.

Accountability. The Legislature intends to develop a system of shared accountability between the state and school districts for achieving state educational standards and continuous improvement. SBE's purpose statement is modified to implement a framework that creates a unified system of increasing levels of support for schools in order to improve student academic achievement. SBE must develop an Accountability Index to identify schools and districts for recognition and additional state support. SBE must develop a proposal and timeline, taking into account system capacity limitations, for implementing a comprehensive system of voluntary support and assistance for schools and districts based on the Accountability Index. Once a school is identified for additional help a more thorough analysis will be done to analyze specific conditions in the district, including the level of state resources, achievement gaps for different groups of students, and community support. Any changes that have a fiscal impact on school districts take effect only if authorized and funded by the Legislature.

By December 1, 2009, SBE must also develop a proposal and timeline for a more formalized comprehensive system improvement targeted to schools and districts that have not demonstrated sufficient improvement through the voluntary system. The proposal takes effect only if formally authorized by the Legislature. The proposal must include the following:

- an academic performance audit using peer review teams of educators to develop specific corrective actions to improve student learning;
- a requirement for the local school board to develop a corrective action plan and be responsible for implementation of the plan.
- approval of the corrective action plans by the SBE;
- after approval by the SBE then the plan is binding upon the school district; and
- OSPI must monitor the district's progress.

SBE, with OSPI, must seek approval of the federal government for use of accountability system. SBE must work with the Education Data Center and the K-12 Data Governance Group to determine the feasibility of using the prototypical funding allocation model as a tool for allocating and for reporting spending.

Quality Education Council (Council). The Council is created to recommend and inform the ongoing implementation by the Legislature of an evolving program of basic education and financing. The Council must identify goals and priorities of the educational system, including basic education, for a ten-year period, and update the recommendations every four years. The Council receives reports from the SBE regarding any changes proposed to the high school graduation requirements, the local funding work group, and the compensation work group. The Council is composed of four legislators, and one representative from the Governor's Office, OSPI, SBE, PESB, and DEL. The chair is selected by the council members. In 2009 the Council will meet as often as necessary as determined by the chair but in subsequent years no more than four times a year. An initial report to the Governor and the Legislature is required by January 1, 2010. The initial report must include recommendations for legislative action in 2010, and consider a statewide beginning teacher mentoring and support system, strategies for enriching instruction for all types of students, including highly capable, strategies for eliminating the achievement gap, recommendations regarding early-learning programs for at-risk children and whether those programs should be considered part of basic education, and any system capacity limitations. OSPI and OFM staff the Council, with additional staff support provided by the state entities with representatives on the Council. Legislative committee staff may provide additional support. Council members will be reimbursed for travel but will receive no additional compensation.

Funding Formula Working Group. It is the intent of the Legislature that no increased programmatic or instructional expectations be imposed upon schools or school districts without an accompanying increase in resources. OFM, with OSPI, must convene a technical work group, with specified members, to address specified issues and recommend to the Legislature the details of the funding formulas and a concurrent implementation schedule by December 1, 2009.

Compensation Working Group. The Legislature understands that continuing to attract and retain the highest quality educators will require increased investments. Beginning July 1, 2011, OFM must convene a working group, with specified membership, to make recommendations on specified issues and an enhanced salary allocation model that aligns with state expectations for educator development and certification and an implementation schedule. The group must conduct or contract for a preliminary comparative labor market analysis of compensation for school districts' employees and report the results to the Legislature. The working group must make an initial report by December 1, 2012, and must include whether additional work is necessary.

Local Levies and LEA. The Legislature finds that local levy authority remains an important component of the overall support of the public schools even though it is outside the state's obligation for basic education. Beginning July 1, 2010, OFM must convene a working group, with specified membership, to develop options for a new system of supplemental school funding through local levies and the LEA. The working group must report to the Legislature December 1, 2011.

Revenue. Starting September 30, 2011, and every odd year after that, when the general state revenues exceed the previous fiscal biennium, the growth, up to 5 percent, must be transferred to the education stabilization account to maintain the percentage of general state revenue spent on K-12 education. If the amount of growth is greater than 5 percent then the amount equal to 50 percent of the increase must be transferred to the Education Stabilization Account.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Adds early-learning programs for at-risk children to the subjects the Quality Education Council is to review.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (Recommended Amendments): Language is added to the intent section and a reference to implementation of changes beginning in 2011-12 is removed. A declaration that basic education is an evolving program intended to reflect the changing educational opportunities that are needed to equip students to be productive citizens is added. The instructional hours for basic education are increased from the annual average district wide requirement of 1,000 hours to at least 1,080 hours for students in grades 7-12 and at least 1,000 for students in grades 1-6, to be phased in according to an implementation schedule adopted by the Legislature and as the capacity of the educational system is adequate to support the increase. The opportunity to complete high school coursework necessary to meet state-established high school graduation requirements is added to the basic education definition. When the SBE proposes changes to the high school graduation requirements then SBE must forward the proposal to the Quality Education Council created in the act, in addition to the Legislature. SBE must consider the capacity of the educational system to implement the proposed changes and establish an implementation schedule that reflects capacity needs. Once all-day kindergarten is fully implemented statewide the Quality Education Council must review the performance data of the schools and students and recommend to the Legislature whether all-day kindergarten should be included in the definition of basic education. As all-day kindergarten programs are phased in, school districts not receiving state funding for an all-day kindergarten program may charge parents a co-pay to help support a district-provided program, but waivers must be available to low-income families. School districts must have a policy that clearly defines low-income, the use of a kindergarten co-pay, and the waiver.

The use of the prototypical schools model to allocate the funding of basic education is maintained. The new funding model is implemented beginning in the 2011-12 school year to the extent the technical details have been established and according to a schedule adopted by the Legislature. The redefinition and funding formulas for basic education become effective upon completion of implementation.

The Superintendent of Public Instruction (SPI) must biennially make determinations on the educational system's capacity and recommend how to address limitations. The Legislature will use the information to continue to review, evaluate, and revise the definition and funding of basic education.

The Quality Education Council is created and is composed of four legislators and one representative from the Governor's office, OSPI, SBE, PESB, and DEL. The chair is selected by the council members. The Council makes recommendations and informs the ongoing implementation by the Legislature of an evolving program of basic education and financing, taking into consideration the capacity report by SPI. The Council must identify goals and priorities of the educational system, including basic education, for a ten-year period and update the recommendations every four years. The Council may request reports from OSPI, SBE, PESB, DEL, and others. The Council reports to the Governor and Legislature. The initial report must include recommendations for legislative action in 2010; consider establishing a statewide beginning teacher mentoring and support system; consider strategies for enriching instruction for all types of students, including highly capable; consider strategies for eliminating the achievement gap, dropout reduction and student re-engagement; and must note system capacity limitations. OSPI & OFM, will staff the Council with additional staff support provided by the state entities with representatives on the Council. Legislative committee staff may provide additional support. Council members serve without compensation but may be reimbursed for travel.

An intent statement that the Legislature intends to establish a K-12 comprehensive education data improvement system for financial, student, and educator data with the compatibility to make reports is added. A Data Governance Group (Group) is created and is composed of specified agency representatives and others with expertise and established in the Center to assist in the design and implementation of an education data improvement system. The Group is given a number of specified tasks, including identifying critical research and policy questions that need to be addressed by the K-12 education data improvement system, creating a comprehensive needs requirement document, conducting a gap analysis, and defining operating rules and a governance structure for K-12 data collections. The Group must provide updates on its work as requested by the Center and LEAP. The Data Center, in consultation with LEAP, must identify critical research and policy questions and annually provide the Group a list of data elements and improvements that are necessary to answer the research and policy questions identified by the Center so the Group can develop a feasibility analysis of obtaining or improving the data. If necessary, the Center must submit a recommendation to the Legislature regarding any statutory changes or resources that would be needed to collect or improve the data and to help ensure that the goals and objectives of this act are being met. By November 15, 2009, OSPI must submit a preliminary report to the Legislature including the analysis by the Group and preliminary options for addressing identified gaps. By September 1, 2010, OSPI must provide a final report to the Legislature including a proposed phase-in plan and preliminary cost estimates for implementation of comprehensive data accountability systems for financial, student, and educator data. The Center and OSPI must take all actions necessary to secure federal funds to implement the act.

The Legislature finds that levies & LEA, while not Basic Education, are important components to school finance. The Local Funding Working Group is created beginning July 1, 2010. The Working Group is monitored by the Legislature and the Quality Education Council.

Starting September 30, 2011, and every odd year after that, when the general state revenues exceed the previous fiscal biennium, the growth, up to 5 percent, must be transferred to the Education Stabilization Account to be used for education purposes. If the amount of growth

is greater than 5 percent then the amount equal to 50 percent of the increase must be transferred to the Education Stabilization Account.

The Legislature intends to provide teachers and principals with opportunities to gain the knowledge and skills that enable them to be successful and create a system that clearly defines, supports, measures and recognizes effective teaching and leadership. By January 1, 2010, PESB must adopt standards, calibrated for each level of certification, for effective teaching that are clear, measurable, meaningful, and documented in high-quality research as improving student learning. The standards must incorporate cultural competency, to extent possible. PESB must adopt a definition of master teacher with National Board certification within the definition. PESB must submit to the Legislature:

- an update to the Legislature on the status of implementing the professional certificate assessments already authorized in law, including estimated costs, a rubric for determining performance levels on the assessment, and a description of administration and management of the assessments;
- a proposal for a statewide classroom-based means of evaluating teacher effectiveness at the pre-service level, use of multiple measures, evidence of positive impact on student learning, and a timeline for implementation that considers the capacity of the system; and
- a recommendation on how long a residency certificate should be valid and when a teacher must meet minimum levels of performance to receive a professional certificate in order to continue being certified.

To the extent funds are available, the PESB must develop the evaluation system in the 2010-11 and 2011-12 schools years. Beginning no earlier than September 2011, a professional certificate must be based on a minimum of two years of successful teaching experience as defined by the PESB. Beginning in July 2011, educator prep programs approved to offer a residency teaching certificate must demonstrate how the program produces effective teachers.

School districts must document that LID funds are limited to specific activities and how funds contributed to improvement in specified outcomes. The current language LIDs which are not part of Basic Education are maintained.

The Legislature intends to develop a system of shared accountability between state and school districts for achieving state educational standards and continuous improvement. SBE's purpose statement is modified to implement a framework that creates a unified system of increasing levels of support for schools in order to improve student academic achievement. SBE is directed to develop an Accountability Index to identify schools and districts for recognition and additional state support. The index must take into account the level of state resources a school or school district receives in support of basic education. SBE must develop a proposal and timeline, taking into account system capacity limitations, for implementing a comprehensive system of voluntary support and assistance for schools and districts based on the Accountability Index. Changes that have a fiscal impact on school districts take effect only if authorized and funded by the Legislature. SBE will develop a proposal and timeline, taking into account system capacity limitations, for a system of improvements targeted to challenged school districts that have not improved through the voluntary system to take effect if formally authorized by the Legislature. This system must

include an academic performance audit using peer review team to assist the school board to develop a corrective action plan that once approved by the SBE will be binding upon the district. The OSPI must monitor the district's progress on the plan. The SBE must seek approval of the federal government for use of accountability system. SBE must work with the Education Data Center established within OFM and the K-12 data governance group to determine the feasibility of using the prototypical funding allocation model as a tool for allocating and reporting on spending.

The Legislature intends to begin the process of developing an enhanced salary allocation model. Beginning July 1, 2011, OFM must convene a working group to recommend details and a concurrent implementation schedule of an enhanced salary allocation model that aligns with educator development and certification. Several topic areas for recommendations are specified. The workgroup must conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation.

Technical changes are made to current statutes to align with the changes made by the bill.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 17, 2009.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 101-110, 402-408, and 501-510, which take effect September 1, 2011; and section 409, which takes effect September 1, 2013.

Staff Summary of Public Testimony on Engrossed Substitute House Bill (Early Learning & K-12 Education): PRO: The state faces great challenges with the budget this year but that should not be an excuse not to invest in our future. We ask that you set a bold vision. It is urgent, essential, and a priority to pass this bill this session. If you do not act this year, you will not be able to recapture the missed opportunity in spite of the budget deficit. This bill sends a message that the Legislature is committed to fixing a definition and funding system of basic education that is outdated and broken. We need to better prepare our students for their future. Increasing funding alone will not fix the system. We need a broader, more inclusive definition, with CORE-24, increasing the instructional hours, smaller class sizes, all-day Kindergarten, a basic education program for early learning, and the Highly Capable Program. A student's access to quality education must not be based on their zip code. Frequently we talk about accountability for schools, teachers, and students but not for the Legislature. The Legislature needs to be accountable to teachers by providing resources for them to be successful and to the students by providing them an equitable opportunity to learn in the classroom. School districts should not have to depend on local levies or private donations to fund basic education. The state needs to amply fund it. This is the year to commit to a new structure for funding basic education in order to be prepared to move forward when the money is available. Scientific research shows that the investments in the bill addressing early learning and full-day kindergarten will pay huge dividends by adequately preparing our at-risk children to be successful in school. The devil is in the details but the largest devil is delay. The Legislature should at least provide a road map by

adopting the prototypical school funding model for when the money comes in the future and have a phase in plan. The Highly Capable Program is necessary to the basic education of those children and their interests need to be protected too. There is federal money that is available to fund this bill. If you clearly define basic education and can show how much it will cost then you will be able to get people to support a new tax to support education.

CON: Why would you introduce a bill that cannot be funded in this budget crisis? There are pieces of this bill that we could support but first you need to fund the system you have before you add requirements on to it. This is the wrong message to send. Basic education is currently underfunded and the funding is dwindling. The system is being stretched beyond capacity. Teachers work longer days and weekends that they are not paid to work. We work harder and are paid less than teachers in other states. Schools have unfunded mandates. Our district is closing schools because the state does not fully fund them. This bill does not provide how basic education under this bill will be fully funded. It solves nothing. The issues addressed in the bill are not the problems, such as merit pay, teacher certification, teacher evaluation, etc. Changes in these things will not improve teacher quality or student learning. The problem is the state is failing our students by not fully funding education which is what the focus of the Legislature should be this year. Washington continues to drop when compared to the level of funding that other states provide for teacher compensation and per-student funding of education. If we do not invest and fully fund education now then there will be no economic recovery because we will not have an adequately prepared workforce to dig us out of the hole. Faith in the system is fraying. There is no confidence that money will be provided to follow through on these promises. If CORE-24 is adopted then it leaves no room for failing – not all children learn at the same speed. This bill is a giant step backwards.

OTHER: Education and the ample funding of education is the state's paramount duty. This bill addresses funding but does not commit to specific funding amounts. It is shocking how many local levy funds are being used to fund the state's obligation of basic education. The Superintendent of Public Instruction offers the numerical values for the funding formulas. If this bill continues to include revenue then, because of Initiative 960, it requires two-thirds vote of the Legislature and a vote of the people. If it does not include revenue then the Legislature should at least provide a road map by adopting the prototypical school funding model for when the money comes in the future and have a phase in plan. We request that there be tribal leaders on the oversight Steering Committee that monitors the implementation of the bill. We recommend that you include the details from the Native American Achievement Gap study in the bill and make additional changes to the section addressing the achievement gap which we will submit. While we support more money for early learning, do not label the money for at-risk children and do not link it to a kindergarten assessment. Such an assessment would label tribal children in a negative way. Do not increase the length of the school day or number of credits required to graduate because it takes away from local control and forces schools to become less focused on the whole child. More school and longer days is doing the same thing but expecting different results, which you will not achieve. We support tribal representation in the development of teacher standards regarding cultural competency. We recommend caution in promoting National Board Certification for master teachers because there is no research in the tribal community that shows these teachers do better with our youth.

Persons Testifying (Early Learning & K-12 Education): PRO: Representative Sullivan, prime sponsor; Representative Priest, sponsor; Mary Jean Ryan, State Board of Education; Michelle Sripranaratanakul, Brooke Valentine, Tracy Marander, Stand for Children; Bonnie Kayla, Mother and Parent Teacher Association (PTA) member; Nancy Cartwright, Tukwila Schools; Carol Porka, teacher; Michelle Alten-Kahler, Krista Cpodanno, Corinne Patten, Anne Moore, Jody Mull, Tricia Jerue, Julie Wright, parents; Mary Alice Heuschel, Superintendent of Renton School District; Kim Golding, Tacoma School Board; Barbara Billingshurst, school finance researcher/ parent; Sarah Powers, parent/Stand for Children; Michael Teal, college student; Pam Deming, PTA/ Parent; Lacey Deming, Harrison Linsey, students; Frank Ordway, League of Education Voters (LEV); Pat Montgomery, self; Molly Wakeling, Washington Library Media Association; Janis Traven, parent.

CON: Danny Waldo, Snohomish Education Association; Liam Renner, student; Margaret Richards, Jenny Zamanillo, Crystal Affolter, Melissa Chalfant, Nathaniel Shepherd, Suzanne Wisenburg, Rod Snyder, Debbie Stalder, Tracie Cannon, teachers; Anita Coats, Educator; Grace Beeler, Mariane Brotsanos, Seattle Schools; Olga Addae, Seattle School District/ Seattle Education Association; Donna Raymond, Special Education Teacher; Catherine Kernan, Mukilteo Education Association.

OTHER: Randy Dorn, Superintendent of Public Instruction; Marie Zackuse, Tulalip Tribe; Karen Condon, Colville Tribes; Teresa Jackson, Stand for Children; and Kerste Helms, parent/Stand for Children.

Staff Summary of Public Testimony on EDU Recommended Amended Bill (Ways & Means): PRO: This is a difficult year for education and we all face large challenges; however, this does not excuse us from confronting the structural problems of our education system. This bill gives us two years to work and we welcome the chance to do so. Many studies point to the need to address these issues. The bill is a work in progress. The stronger requirements around accountability are important, as are addressing data systems, the achievement gap, and the Education Stabilization Fund. A problem with the bill is that it concentrates on the forms of the system rather than the substance — missing all-day kindergarten, early learning, six period and 24 credits, and basic staff costs. We urge passage of the bill and continuation of the work on the bill. We support a bill that will lay out a plan for the future and continue progress. We've come a long way in recent years in improving K-12 education, especially in the area of math and science. This bill will continue that progress. Fifty-seven percent of education services are paid at the local level and the state should pay more. We need comprehensive teacher preparation and a strong system of data collection, which is addressed in the bill. We would like to see a stronger bill, especially for struggling students and in the area of college readiness, but need to continue to move forward.

CON: We oppose for fiscal reasons. The bill repeals the minimum staffing levels in 2011, so removes the current levels with no assurance that they will be maintained in the future. It creates an Education Stabilization Account for K-12 purposes but is worded to allow the funds to be spent for maintenance-level purposes and not necessarily for funding improvements. The proposed Senate budget makes serious cuts to K-12, setting the state back 20 years. Reductions-in-force notices are being sent out now. The proposed Senate budget includes \$4.3 million to implement this bill, and the money could be better spent for

classroom purposes to mitigate pending layoffs. Now is not the time to pass. The Workforce Board likes the House version of the bill more than the Senate bill because it addresses comprehensive guidance, enhanced funding for career & technical programs, at-risk and dropout prevention, and CORE 24 proposal whereas the Senate bill does not.

Persons Testifying (Ways & Means): PRO: Jim Kainber, Stand for Children; George Scarola, League of Education Voters; Kim Howard, Washington State Parent/Teacher Association; Dan Steele, Washington State School Directors' Association; Lew McMurrin, Washington Technology Industry Association; Wes Pruitt, Workforce Board; Doug Nelson, Public School Employees' SEIU 1948; Bob Cooper, Washington Association of Colleges for Teacher Education; Barbara Mertens, Washington Association of School Administrators; John Stokes, parent.

CON: Bill Freund, Washington Education Association.