H-4265.2			

## HOUSE BILL 2840

State of Washington 61st Legislature 2010 Regular Session

By Representatives Kretz and Short

Read first time 01/14/10. Referred to Committee on Education Appropriations.

- AN ACT Relating to examining levy-funded employee-related costs of school districts; amending RCW 28A.290.010; amending 2009 c 548 s 302 (uncodified); and creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. The legislature finds that additional analysis and examination is needed of how resources from voter-approved 6 excess levies are used, particularly for employee-related costs that exceed state allocations of funding. The legislature further finds 8 9 that such an analysis is particularly timely given the creation of the 10 local finance working group under chapter 548, Laws of 2009, which is 11 scheduled to commence its work in 2010. Furthermore, the quality 12 education council should add such an examination to its workplan for 13 2010 and make recommendations to the 2011 legislature regarding how 14 supplemental employee-related costs should be addressed in a revised 15 system of local funding and local effort assistance for public schools.
- 16 **Sec. 2.** 2009 c 548 s 302 (uncodified) is amended to read as 17 follows:
- 18 (1) Beginning July 1, 2010, the office of financial management,

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with assistance and support from the office of the superintendent of public instruction, shall convene a technical working group to develop options for a new system of supplemental school funding through local school levies and local effort assistance.

- (2) The working group shall consider the impact on overall school district revenues of the new basic education funding system established under this act and shall recommend a phase-in plan that ensures that no school district suffers a decrease in funding from one school year to the next due to implementation of the new system of supplemental funding.
- (3)(a) The working group shall also examine how local levy funds are used for supplemental employee-related costs beyond state funding allocations including, but not limited to, supplemental contracts, enhanced employee basic benefits, professional development days, release time, and other employee benefits such as tuition reimbursement or additional leave. The purpose of the examination is not only to improve overall understanding of how local levy funds are currently used, but also to explore the possible impact of such uses on class size, staffing levels, instructional time for students, availability of cocurricular programs, levels of student support services, and the use of substitute teachers. The working group shall use the information and insight gained through the examination as it develops options for a new system of supplemental funding, including providing recommendations for appropriate uses of levy funds for employee-related costs within that system.
  - (b) The working group shall make a preliminary report to the quality education council and the legislature containing its analysis, findings, and recommendations under this subsection (3) by November 15, 2010.
  - (4) The working group shall be composed of representatives from the department of revenue, the legislative evaluation and accountability program committee, school district and educational service district financial managers, and representatives of the Washington association of school business officers, the Washington education association, the Washington association of school administrators, the association of Washington school principals, the Washington state school directors' association, the public school employees of Washington, and other interested stakeholders with expertise in education finance. The

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working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

 $((\frac{4}{1}))$  (5) The local funding working group shall be monitored and overseen by the legislature and by the quality education council created in ((section 114 of this act)) RCW 28A.290.010. The working group shall submit a final report to the legislature by December 1, 2011.

- Sec. 3. RCW 28A.290.010 and 2009 c 548 s 114 are each amended to read as follows:
- (1) The quality education council is created to recommend and inform the ongoing implementation by the legislature of an evolving program of basic education and the financing necessary to support such program. The council shall develop strategic recommendations on the program of basic education for the common schools. The council shall take into consideration the capacity report produced under RCW 28A.300.172 and the availability of data and progress of implementing the data systems required under RCW 28A.655.210. Any recommendations for modifications to the program of basic education shall be based on evidence that the programs effectively support student learning. The council shall update the statewide strategic recommendations every four years. The recommendations of the council are intended to:
- (a) Inform future educational policy and funding decisions of the legislature and governor;
- (b) Identify measurable goals and priorities for the educational system in Washington state for a ten-year time period, including the goals of basic education and ongoing strategies for coordinating statewide efforts to eliminate the achievement gap and reduce student dropout rates; and
- (c) Enable the state of Washington to continue to implement an evolving program of basic education.
- (2) The council may request updates and progress reports from the office of the superintendent of public instruction, the state board of education, the professional educator standards board, and the department of early learning on the work of the agencies as well as educational working groups established by the legislature.

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

- (a) Four members of the house of representatives, with two members representing each of the major caucuses and appointed by the speaker of the house of representatives;
- (b) Four members of the senate, with two members representing each of the major caucuses and appointed by the president of the senate; and
- (c) One representative each from the office of the governor, office of the superintendent of public instruction, state board of education, professional educator standards board, and department of early learning.
- (4) In the 2009 fiscal year, the council shall meet as often as necessary as determined by the chair. In subsequent years, the council shall meet no more than four times a year.
- (5)(a) The council shall submit an initial report to the governor and the legislature by January 1, 2010, detailing its recommendations, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session, and recommendations for any funding necessary to continue development and implementation of chapter 548, Laws of 2009.
  - (b) The initial report shall, at a minimum, include:
- (i) Consideration of how to establish a statewide beginning teacher mentoring and support system;
- (ii) Recommendations for a program of early learning for at-risk children;
- (iii) A recommended schedule for the concurrent phase-in of the changes to the instructional program of basic education and the implementation of the funding formulas and allocations to support the new instructional program of basic education as established under chapter 548, Laws of 2009. The phase-in schedule shall have full implementation completed by September 1, 2018; and
- (iv) A recommended schedule for phased-in implementation of the new distribution formula for allocating state funds to school districts for the transportation of students to and from school, with phase-in beginning no later than September 1, 2013.
- 37 (6) The council shall include in its 2010 workplan an examination 38 of levy-funded employee-related costs, using the information and

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analysis gathered by the local finance working group in its examination of this topic and any other information requested by the council. The council shall submit a report to the legislature by January 1, 2011, containing conclusions and recommendations for appropriate uses of levy funds for employee-related costs within a revised system of supplemental local finance for public schools.

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

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

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