S-4023.3			
D-4043.3			

SENATE BILL 6761

State of Washington 61st Legislature 2010 Regular Session

By Senators McAuliffe, Ranker, McDermott, Oemig, Fairley, Hargrove, Kline, Murray, Hobbs, and Shin

Read first time 01/25/10. Referred to Committee on Early Learning & K-12 Education.

AN ACT Relating to the recommendations of the quality education council; amending RCW 28A.150.390, 28A.150.315, 43.41.398, 28A.160.192, 28A.290.010, and 28A.150.410; amending 2009 c 548 s 112 (uncodified); amending 2009 c 548 s 302 (uncodified); amending 2009 c 548 s 805 (uncodified); adding a new section to chapter 43.79 RCW; adding a new section to chapter 28A.160 RCW; adding a new section to chapter 28A.290 RCW; adding a new section to chapter 28A.400 RCW; creating a new section; recodifying RCW 43.41.398; providing an effective date; providing an expiration date; and declaring an emergency.

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

1

2.

3

4

5 6

7

8

- 11 NEW SECTION. Sec. 1. (1) The legislature intends not to reduce 12 the overall K-12 funding level in the 2010 supplemental operating 13 budget, including both basic and nonbasic education allocations. The 14 legislature intends to allocate at least fifty percent of any new state 15 revenue to the implementation of the basic education program as 16 established in chapter 548, Laws of 2009.
- 17 (2) It is the legislature's intent to continue implementation of 18 chapter 548, Laws of 2009, by continuing to phase-in all-day 19 kindergarten incrementally and authorizing a phase-in of implementation

p. 1 SB 6761

of a new distribution formula for pupil transportation, both to take effect September 1, 2011. The legislature intends to continue to review and revise the formulas and may make revisions as necessary for technical purposes and consistency in the event of mathematical or other technical errors.

6 7

8

9 10

1112

13

14

15

16

17

18

19

2021

22

23

24

27

28

2930

31

32

- (3) It is the legislature's intent to adjust the timelines for other working groups so that their expertise and advice can be received as soon as possible and to make technical adjustments to certain provisions of chapter 548, Laws of 2009.
 - (4) The legislature intends the quality education council to:
- (a) Monitor progress of the K-12 data governance group and to develop and recommend a process for how to adequately fund and use research-based, empirical data analysis to analyze and drive evidence-based practices through the education research and data center and data governance group; and
- (b) Evaluate the effectiveness of the beginning educator support team pilot program and, if the program proves effective, to recommend the phase-in of funding beginning in the 2011-12 school year.
- (5) Finally, the legislature intends for the funding formula technical working group to develop the details of a new component to the prototype school funding formulas. The new component shall provide funding for school districts designated as requiring action by the state board of education to support transformation efforts in persistently low-performing schools.
- NEW SECTION. Sec. 2. A new section is added to chapter 43.79 RCW to read as follows:
 - (1) The education stabilization account is created in the state treasury. Moneys in the account may be spent only after appropriation and solely for the purpose of implementing the basic education program as established in chapter 548, Laws of 2009. All receipts from subsections (2) and (3) of this section shall be deposited into the account.
- 33 (2) The appropriations in the 2009-11 supplemental appropriations 34 act, made for K-12 basic and nonbasic allocations for school years 35 2009-10 and 2010-11 shall be made in accordance with the statutory and 36 budget policies in effect as of June 1, 2009, and those allocations 37 shall not be reduced.

- (3) In addition to the amount transferred to the education stabilization account under subsection (2) of this section, by September 30, 2011, and by September 30th of each odd-numbered year thereafter, at least fifty percent of all general state revenues that exceed the state revenues from the previous fiscal biennium shall be transferred to the account to be used solely for the purpose of implementing the basic education program established in chapter 548, Laws of 2009.
- 9 (4) For the purposes of this section, "general state revenues" 10 shall be as defined by Article VIII, section 1 of the state 11 Constitution.
- **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to read as follows:
 - (1) The superintendent of public instruction shall submit to each regular session of the legislature during an odd-numbered year a programmed budget request for special education programs for students with disabilities. Funding for programs operated by local school districts shall be on an excess cost basis from appropriations provided by the legislature for special education programs for students with disabilities and shall take account of state funds accruing through RCW 28A.150.260 (3) (b), (c)(i), and (d), (4), and (8) ((and federal medical assistance and private funds accruing under RCW 74.09.5249 through 74.09.5253 and 74.09.5254 through 74.09.5256)).
 - (2) The excess cost allocation to school districts shall be based on the following:
 - (a) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten who are eligible for and enrolled in special education, multiplied by the district's base allocation per full-time equivalent student, multiplied by 1.15; and
- 31 (b) A district's annual average full-time equivalent basic 32 education enrollment, multiplied by the district's funded enrollment 33 percent, multiplied by the district's base allocation per full-time 34 equivalent student, multiplied by 0.9309.
 - (3) As used in this section:

(a) "Base allocation" means the total state allocation to all

p. 3 SB 6761

schools in the district generated by the distribution formula under RCW 28A.150.260 (3) (b), (c)(i), and (d), (4), and (8), to be divided by the district's full-time equivalent enrollment.

- (b) "Basic education enrollment" means enrollment of resident students including nonresident students enrolled under RCW 28A.225.225 and students from nonhigh districts enrolled under RCW 28A.225.210 and excluding students residing in another district enrolled as part of an interdistrict cooperative program under RCW 28A.225.250.
- (c) "Enrollment percent" means the district's resident special education annual average enrollment, excluding students ages birth through four and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.
- 14 (d) "Funded enrollment percent" means the lesser of the district's 15 actual enrollment percent or twelve and seven-tenths percent.
- **Sec. 4.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to read as follows:
 - (1) Beginning with the 2007-08 school year, funding for voluntary all-day kindergarten programs shall be phased-in beginning with schools with the highest poverty levels, defined as those schools with the highest percentages of students qualifying for free and reduced-price lunch support in the prior school year. Beginning with the 2011-12 school year, funding shall continue to be phased-in incrementally each year until full statewide implementation of all-day kindergarten is achieved in the 2017-18 school year. Once a school receives funding for the all-day kindergarten program, that school shall remain eligible for funding in subsequent school years regardless of changes in the school's percentage of students eligible for free and reduced-price lunches as long as other program requirements are fulfilled. Additionally, schools receiving all-day kindergarten program support shall agree to the following conditions:
 - (a) Provide at least a one thousand-hour instructional program;
 - (b) Provide a curriculum that offers a rich, varied set of experiences that assist students in:
- 35 (i) Developing initial skills in the academic areas of reading, 36 mathematics, and writing;
 - (ii) Developing a variety of communication skills;

- 1 (iii) Providing experiences in science, social studies, arts, 2 health and physical education, and a world language other than English;
 - (iv) Acquiring large and small motor skills;

- (v) Acquiring social and emotional skills including successful participation in learning activities as an individual and as part of a group; and
 - (vi) Learning through hands-on experiences;
- 8 (c) Establish learning environments that are developmentally 9 appropriate and promote creativity;
 - (d) Demonstrate strong connections and communication with early learning community providers; and
 - (e) Participate in kindergarten program readiness activities with early learning providers and parents.
 - (2) Subject to funds appropriated for this purpose, the superintendent of public instruction shall designate one or more school districts to serve as resources and examples of best practices in designing and operating a high-quality all-day kindergarten program. Designated school districts shall serve as lighthouse programs and provide technical assistance to other school districts in the initial stages of implementing an all-day kindergarten program. Examples of topics addressed by the technical assistance include strategic planning, developing the instructional program and curriculum, working with early learning providers to identify students and communicate with parents, and developing kindergarten program readiness activities.
- **Sec. 5.** 2009 c 548 s 112 (uncodified) is amended to read as 26 follows:
 - (1) The legislature intends to continue to redefine the instructional program of education under RCW 28A.150.220 that fulfills the obligations and requirements of Article IX of the state Constitution. The funding formulas under RCW 28A.150.260 to support the instructional program shall be implemented to the extent the technical details of the formula have been established and according to an implementation schedule to be adopted by the legislature. The object of the schedule is to assure that any increases in funding allocations are timely, predictable, and occur concurrently with any increases in program or instructional requirements. It is the intent of the legislature that no increased programmatic or instructional

p. 5 SB 6761

expectations be imposed upon schools or school districts without an accompanying increase in resources as necessary to support those increased expectations.

- (2) The office of financial management, with assistance and support from the office of the superintendent of public instruction, shall convene a technical working group to:
- (a) Develop the details of the funding formulas under RCW 28A.150.260;
- (b) Recommend to the legislature an implementation schedule for phasing-in any increased program or instructional requirements concurrently with increases in funding for adoption by the legislature; and
- (c) Examine possible sources of revenue to support increases in funding allocations and present options to the legislature and the quality education council created in section 114 of this act for consideration.
- (3) The working group shall include representatives of the legislative evaluation and accountability program committee, school district and educational service district financial managers, 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 working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.
- (4) The working group shall be monitored and overseen by the legislature and the quality education council established in (($\frac{114 \text{ of this act}}{284.290.010}$). The working group shall submit its recommendations to the legislature by December 1, 2009.
- (5) After the 2009 report to the legislature, the office of financial management and the office of the superintendent of public instruction shall periodically reconvene the working group to monitor and provide advice on further development and implementation of the funding formulas under RCW 28A.150.260 and provide technical assistance to the ongoing work of the quality education council.

- (6) By December 1, 2010, the working group shall recommend to the quality education council the details of a new component to be included in the prototypical school funding formula. The new component shall be a struggling schools fund and shall also be known as the sos fund. The fund shall provide state funding for school districts designated as requiring action by the state board of education to support transformation efforts in persistently low-performing schools.
- **Sec. 6.** 2009 c 548 s 302 (uncodified) is amended to read as 9 follows:
 - (1) Beginning ((July)) April 1, 2010, the office of financial management, 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) The working group shall also:

- (a) Examine local school district capacity to address facility needs associated with phasing-in full-day kindergarten across the state and reducing class size in kindergarten through third grade; and
- (b) Provide the quality education council with analysis on the potential use of local funds that may become available for redeployment and redirection as a result of increased state funding allocations for pupil transportation and maintenance, supplies, and operating costs.
- (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

p. 7 SB 6761

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

((4))) (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 report to the legislature December 1, ((2011)) 2010.

- **Sec. 7.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to 9 read as follows:
 - (1) The legislature recognizes that providing students with the opportunity to access a world-class educational system depends on our continuing ability to provide students with access to world-class educators. The legislature also understands that continuing to attract and retain the highest quality educators will require increased investments. The legislature intends to enhance the current salary allocation model and recognizes that changes to the current model cannot be imposed without great deliberation and input from teachers, administrators, and classified employees. Therefore, it is the intent of the legislature to begin the process of developing an enhanced salary allocation model that is collaboratively designed to ensure the rationality of any conclusions regarding what constitutes adequate compensation.
 - (2) Beginning ((July 1, 2011)) April 1, 2010, the office of the superintendent of public instruction, in collaboration with the office of financial management, shall convene a technical working group to recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system and establishes recommendations for a concurrent implementation schedule. In addition to any other details the technical working group deems necessary, the technical working group shall make recommendations on the following:
 - (a) How to reduce the number of tiers within the existing salary allocation model;
 - (b) How to account for labor market adjustments;
- 35 (c) How to account for different geographic regions of the state 36 where districts may encounter difficulty recruiting and retaining 37 teachers;

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

- 2 (e) Ways to accomplish salary equalization over a set number of years; and
 - (f) Initial fiscal estimates for implementing the recommendations including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule.
 - (3) As part of its work, the technical working group shall conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature. For the purposes of this subsection, "salaries and other compensation" includes average base salaries, average total salaries, average employee basic benefits, and retirement benefits.
- 15 (4) The analysis required under subsection (1) of this section 16 must:
 - (a) Examine salaries and other compensation for teachers, other certificated instructional staff, principals, and other building-level certificated administrators, and the types of classified employees for whom salaries are allocated;
 - (b) Be calculated at a statewide level that identifies labor markets in Washington through the use of data from the United States bureau of the census and the bureau of labor statistics; and
 - (c) Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates.
 - (5) The working group shall include representatives of the department of personnel, the professional educator standards board, the office of the superintendent of public instruction, 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 appropriate expertise in compensation related matters. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

p. 9 SB 6761

- (6) The working group shall be monitored and overseen by the 1 2 legislature and the quality education council created in RCW 3 28A.290.010. The working group shall make an initial report to the 4 legislature by December 1, 2012, and shall include in its report recommendations for whether additional further work of the group is 5 6 necessary.
- 7 **Sec. 8.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to 8 read as follows:

1011

12

13 14

15

16 17

18

19 20

21

22

23

24

25

26

27

2829

3031

32

3334

- (1) The superintendent of public instruction shall phase-in the implementation of the distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school. The phase-in shall ((be according to the implementation schedule adopted by the legislature and shall)) begin no later than the ((2013-14)) 2011-12 school year and be fully implemented by the 2013-14 school year.
- (a) The formula must be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.
- (b) The formula must allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis.
- (2) During the phase-in period, funding provided to school districts for student transportation operations shall be distributed on the following basis:
- (a) Annually, each school district shall receive the lesser of the previous school year's pupil transportation operations allocation, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state plus district indirect expenses using the state recovery rate identified by the superintendent; and
- 35 (b) Annually, any funds appropriated by the legislature in excess 36 of the maintenance level funding amount for student transportation

shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) of this subsection and the amount determined under the formula in RCW 28A.160.180.

- (((3) The superintendent shall develop, implement, and provide a copy of the rules specifying the student transportation reporting requirements to the legislature and school districts no later than December 1, 2009.
- (4) Beginning in December 2009, and continuing until December 2014, the superintendent shall provide quarterly updates and progress reports to the fiscal committees of the legislature on the implementation and testing of the distribution formula.))
- **Sec. 9.** 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

p. 11 SB 6761

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.

- (3) The chair of the council shall be selected from the councilmembers. The council shall be composed of the following 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;
- 28 (ii) Recommendations for a program of early learning for at-risk 29 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.

(6) By December 1, 2010, the council must:

3

4

5

7

8

10

11 12

13

14

15 16

17

18 19

20

21

22

2324

2526

27

28

- (a) Evaluate the effectiveness of the beginning educator support team program, and if effective recommend to the legislature to phased-in funding for the program beginning in the 2011-12 school year in an amount sufficient to cover all first-year teachers and increased until an amount sufficient to serve all teachers in their initial three years of teaching;
- (b) Monitor progress of the K-12 data governance group and provide input to the group so that the final report fully addresses the data needed for financial and program accountability;
- (c) Develop and recommend to the legislature a process for how to adequately fund and use research-based, empirical data analysis to analyze and drive evidence-based practices through the education data center and the data governance group.
- (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.
- NEW SECTION. Sec. 10. A new section is added to chapter 28A.160 RCW to read as follows:
- 31 (1) The superintendent of public instruction shall develop, 32 implement, and provide a copy of the rules specifying the student 33 transportation reporting requirements to the legislature and school 34 districts no later than December 1, 2010.
- 35 (2) Beginning in December 2010, and continuing until December 2014, 36 the superintendent shall provide quarterly updates and progress reports

p. 13 SB 6761

- to the fiscal committees of the legislature on the implementation and testing of the distribution formula.
 - (3) This section expires June 30, 2015.

- **Sec. 11.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to read as follows:
 - (1) The legislature shall establish for each school year in the appropriations act a statewide salary allocation schedule, for allocation purposes only, to be used to distribute funds for basic education certificated instructional staff salaries under RCW 28A.150.260. For the purposes of this section, the staff allocations for classroom teachers, teacher librarians, professional development coaches, guidance counselors, and student health services staff under RCW 28A.150.260 are considered allocations for certificated instructional staff.
 - (2) Salary allocations for state-funded basic education certificated instructional staff shall be calculated by the superintendent of public instruction by determining the district's average salary for certificated instructional staff, using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act.
 - (3) Beginning January 1, 1992, no more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in the omnibus appropriations act, or any replacement schedules and documents, unless:
 - (a) The employee has a master's degree; or
 - (b) The credits were used in generating state salary allocations before January 1, 1992.
 - (4) Beginning in the 2007-08 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool position counts as one year of service for purposes of this chapter, up

- 1 to a limit of two years of nonschool service. Nonschool years of
- 2 service included in calculations under this subsection shall not be
- 3 applied to service credit totals for purposes of any retirement benefit
- 4 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
- 5 system benefits.
- 6 Sec. 12. 2009 c 548 s 805 (uncodified) is amended to read as
- 7 follows:
- 8 Sections 304 through 311 of this act take effect September 1,
- 9 $((\frac{2013}{}))$ 2011.
- 10 NEW SECTION. Sec. 13. 2009 c 548 s 112, as amended by section 5
- of this act, is codified as a section in chapter 28A.290 RCW.
- 12 <u>NEW SECTION.</u> **Sec. 14.** RCW 43.41.398 is recodified as a section in
- 13 chapter 28A.400 RCW.
- 14 NEW SECTION. Sec. 15. Sections 3, 4, 8, and 11 of this act take
- 15 effect September 1, 2011.
- 16 <u>NEW SECTION.</u> **Sec. 16.** Sections 6 and 7 of this act are necessary
- 17 for the immediate preservation of the public peace, health, or safety,
- 18 or support of the state government and its existing public
- 19 institutions, and take effect immediately.

--- END ---

p. 15 SB 6761