
SENATE BILL 6574 (Corrected Copy)

State of Washington

63rd Legislature

2014 Regular Session

By Senators McAuliffe, Ranker, Frockt, Rolfes, Nelson, Pedersen, Hargrove, Billig, Fraser, Keiser, Kohl-Welles, Kline, Conway, Eide, Darneille, Hasegawa, and Chase

Read first time 02/26/14. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to improving education financing; amending RCW
2 28A.150.260, 28A.150.315, 28A.150.220, 28A.150.390, 28A.150.410,
3 28A.400.200, 28A.400.205, 84.52.0531, 28A.400.205, 28B.50.465,
4 28B.50.468, 28A.405.415, 82.08.0293, 82.12.0293, 82.12.0263,
5 82.08.0273, 82.04.280, and 82.04.280; amending 2013 2nd sp.s. c 4 s 502
6 (uncodified); reenacting and amending RCW 84.52.0531 and 82.32.790;
7 adding new sections to chapter 28A.150 RCW; adding a new section to
8 chapter 28A.300 RCW; adding new sections to chapter 82.08 RCW; adding
9 new sections to chapter 82.12 RCW; adding a new section to chapter
10 82.32 RCW; adding a new section to chapter 43.135 RCW; creating new
11 sections; repealing RCW 82.04.272; making appropriations; providing
12 effective dates; providing a contingent effective date; providing
13 expiration dates; providing a contingent expiration date; and declaring
14 an emergency.

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

16 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
17 provide a beginning proposal for an expenditure plan as required by the
18 Washington state supreme court's order dated January 9, 2014.

1 The legislature recognizes that Substitute House Bill No. 2776,
2 chapter 236, Laws of 2010, was part one of a phase-in plan for meeting
3 the state's constitutional obligations. That legislation established
4 four initial funding priorities within the program of basic education
5 as defined in Engrossed Substitute House Bill No. 2261, chapter 548,
6 Laws of 2009, and provided the final 2018 enhanced values for those
7 priorities. The legislature intends to establish part two of the
8 phase-in plan by requiring a linear funding expectation for fully
9 phasing-in the final values of the Substitute House Bill No. 2776
10 priorities while also establishing final enhanced values for a second
11 set of priorities and also requiring a linear funding phase-in of those
12 enhancements. The legislature intends to focus these second priorities
13 on those portions of the prototypical school formula that will assist
14 schools in implementing the opportunity to earn twenty-four credits for
15 high school graduation. In recognition of the court's statement that
16 it is "deeply troubling" that the state has not offered any plan for
17 meeting its compensation obligations, phase two also includes a phase-
18 in plan for compensation. The legislature acknowledges that future
19 legislatures may consider alternative schedules and plans to reflect
20 different legislative priorities and new emerging research.

21 **PART I**

22 **A PHASE-IN PLAN FOR MEETING MCCLEARY OBLIGATIONS**

23 **Sec. 101.** RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each
24 amended to read as follows:

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

30 (1) The governor shall and the superintendent of public instruction
31 may recommend to the legislature a formula for the distribution of a
32 basic education instructional allocation for each common school
33 district.

34 (2) The distribution formula under this section shall be for
35 allocation purposes only. Except as may be required under chapter
36 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and

1 regulations, nothing in this section requires school districts to use
2 basic education instructional funds to implement a particular
3 instructional approach or service. Nothing in this section requires
4 school districts to maintain a particular classroom teacher-to-student
5 ratio or other staff-to-student ratio or to use allocated funds to pay
6 for particular types or classifications of staff. Nothing in this
7 section entitles an individual teacher to a particular teacher planning
8 period.

9 (3)(a) To the extent the technical details of the formula have been
10 adopted by the legislature and except when specifically provided as a
11 school district allocation, the distribution formula for the basic
12 education instructional allocation shall be based on minimum staffing
13 and nonstaff costs the legislature deems necessary to support
14 instruction and operations in prototypical schools serving high,
15 middle, and elementary school students as provided in this section.
16 The use of prototypical schools for the distribution formula does not
17 constitute legislative intent that schools should be operated or
18 structured in a similar fashion as the prototypes. Prototypical
19 schools illustrate the level of resources needed to operate a school of
20 a particular size with particular types and grade levels of students
21 using commonly understood terms and inputs, such as class size, hours
22 of instruction, and various categories of school staff. It is the
23 intent that the funding allocations to school districts be adjusted
24 from the school prototypes based on the actual number of annual average
25 full-time equivalent students in each grade level at each school in the
26 district and not based on the grade-level configuration of the school
27 to the extent that data is available. The allocations shall be further
28 adjusted from the school prototypes with minimum allocations for small
29 schools and to reflect other factors identified in the omnibus
30 appropriations act.

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

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

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

1 (iii) A prototypical elementary school has four hundred average
2 annual full-time equivalent students in grades kindergarten through
3 six.

4 (4)(a)(i) The minimum allocation for each level of prototypical
5 school shall be based on the number of full-time equivalent classroom
6 teachers needed to provide instruction over the minimum required annual
7 instructional hours under RCW 28A.150.220 and provide at least one
8 teacher planning period per school day, and based on the following
9 general education average class size of full-time equivalent students
10 per teacher:

	General education average class size
14 Grades K-3	25.23
15 Grade 4	27.00
16 Grades 5-6	27.00
17 Grades 7-8	28.53
18 Grades 9-12	28.74

19 (ii) Beginning in the 2015-2017 biennium, to assist school
20 districts to provide students the opportunity to complete twenty-four
21 credits for high school graduation, the minimum allocation for the
22 general education average class in grades nine through twelve shall be
23 enhanced in a linear fashion to provide sufficient state funding to
24 reduce class size to twenty-three full-time equivalent students per
25 teacher in the 2017-18 school year.

26 (b) To assist school districts to provide students the opportunity
27 to complete twenty-four credits for high school graduation, the minimum
28 allocation for high school laboratory class size shall be enhanced to
29 provide sufficient state funding as provided in this subsection (4)(b).

30 (i) The minimum class size allocation for each prototypical high
31 school shall be enhanced to provide funding for two laboratory science
32 courses per full-time equivalent student to be completed within grades
33 nine through twelve, calculated as follows: The number of total full-
34 time equivalent students enrolled in grades nine through twelve
35 multiplied by the laboratory science course factor of 0.0833, by the
36 number of full-time equivalent classroom teachers needed to provide
37 instruction over the minimum required annual instructional hours under

1 RCW 28A.150.220, providing at least one teacher planning period per
2 school day, and based on the laboratory science average class size of
3 19.98 full-time equivalent students per teacher.

4 Laboratory science
5 average class size
6 enhancement
7 Grades 9-12 19.98

8 ~~((b) During))~~ (ii) Beginning in the 2015-2017 biennium, the
9 laboratory science average class size shall be enhanced in a linear
10 fashion in order to provide sufficient state funding to achieve an
11 average class size of no more than nineteen full-time equivalent
12 students per teacher in the 2017-18 school year.

13 (c) Beginning with the ~~((2011-2013))~~ 2015-2017 biennium and
14 beginning with schools with the highest percentage of students eligible
15 for free and reduced-price meals in the prior school year, sufficient
16 state funding must be provided to reduce the general education average
17 class size for grades K-3 ~~((shall be reduced until the))~~ in a linear
18 fashion each biennium in order to achieve an average class size funded
19 under this subsection (4) ~~((is))~~ of no more than 17.0 full-time
20 equivalent students per teacher ~~((beginning in))~~ by the 2017-18 school
21 year.

22 ~~((e))~~ (d)(i) The minimum allocation for each prototypical middle
23 and high school shall also provide for full-time equivalent classroom
24 teachers based on the following number of full-time equivalent students
25 per teacher in career and technical education:

26 Career and technical
27 education average
28 class size
29 Approved career and technical education offered at
30 the middle school and high school level 26.57
31 Skill center programs meeting the standards established
32 by the office of the superintendent of public
33 instruction 22.76

34 ~~((d))~~ (ii) Beginning in the 2015-2017 biennium, to assist school
35 districts to provide students the opportunity to complete twenty-four
36 credits for high school graduation, the minimum allocation for high
37 schools shall be enhanced in a linear fashion to provide sufficient

1 state funding for full-time equivalent classroom teachers based on the
 2 following number of full-time equivalent students per teacher in career
 3 and technical education in the 2017-18 school year:

	<u>Career and technical education average class size</u>
<u>Approved career and technical education</u>	<u>19.0</u>
<u>Skill center programs meeting the standards established by the office of the superintendent of public instruction</u>	<u>16.0</u>

10 (e) In addition, the omnibus appropriations act shall at a minimum
 11 specify:

12 (i) A high-poverty average class size in schools where more than
 13 fifty percent of the students are eligible for free and reduced-price
 14 meals; and

15 (ii) A specialty average class size for (~~laboratory science,~~)
 16 advanced placement(~~(τ)~~) and international baccalaureate courses.

17 (5)(a) The minimum allocation for each level of prototypical school
 18 shall include allocations for the following types of staff in addition
 19 to classroom teachers:
 20

	Elementary School	Middle School	High School
Principals, assistant principals, and other certificated building-level administrators	1.253	1.353	1.880
Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs	0.663	0.519	0.523
Health and social services:			
School nurses	0.076	0.060	0.096
Social workers	0.042	0.006	0.015
Psychologists	0.017	0.002	0.007
Guidance counselors, a function that includes parent outreach and graduation advising	0.493	((1.116)) <u>1.216</u>	((1.909)) <u>2.539</u>
Teaching assistance, including any aspect of educational instructional services provided by classified employees	0.936	0.700	0.652
Office support and other noninstructional aides	2.012	2.325	3.269

1	Custodians	1.657	1.942	2.965
2	Classified staff providing student and staff safety	0.079	0.092	0.141
3	((Parent involvement)) <u>Family and community engagement coordinators</u>	((0.00))	0.00	0.00
4		<u>0.0825</u>		

5 (b) Beginning in the 2015-2017 biennium, to assist school districts
6 to provide students the opportunity to complete twenty-four credits for
7 high school graduation, the minimum allocations shall be enhanced in a
8 linear fashion to provide sufficient state funds to provide the
9 following types of staff at the high school level in addition to
10 teachers in 2017-18 school year:

11 (i) Principals, assistant principals, and other certificated
12 building level administrators to 1.9; and

13 (ii) Guidance counselors, a function that includes parent outreach
14 and graduation advising to 3.5.

15 (c) Beginning in the 2015-2017 biennium, in addition to the amounts
16 provided in (a) and (b) of this subsection, the minimum allocations
17 shall be enhanced in a linear fashion to provide sufficient state funds
18 to provide the following types of staff in addition to teachers at the
19 elementary and middle school level in the 2017-18 school year:

	<u>Elementary School</u>	<u>Middle School</u>
20		
21		
22		
23		
	<u>0.5</u>	<u>2.0</u>
	<u>1.0</u>	<u>1.0</u>

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

	Staff per 1,000 K-12 students
28	
29	
30	0.628
31	1.813
32	0.332

1 (b) The minimum allocation of staff units for each school district
2 to support certificated and classified staffing of central
3 administration shall be 5.30 percent of the staff units generated under
4 subsections (4)(a) and (~~(b)~~) (c) and (5) of this section and (a) of
5 this subsection.

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

10 (8)(a) Except as provided in (b) and (c) of this subsection, the
11 minimum allocation for each school district shall include allocations
12 per annual average full-time equivalent student for the following
13 materials, supplies, and operating costs, to be adjusted for inflation
14 from the 2008-09 school year:

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

26 (b) During the 2011-2013 biennium, the minimum allocation for
27 maintenance, supplies, and operating costs shall be increased as
28 specified in the omnibus appropriations act. The following
29 allocations, adjusted for inflation from the 2007-08 school year, are
30 provided in the 2015-16 school year, after which the allocations shall
31 be adjusted annually for inflation as specified in the omnibus
32 appropriations act:

	Per annual average full-time equivalent student in grades K-12
36 Technology	\$113.80
37 Utilities and insurance	\$309.21

1	Curriculum and textbooks	\$122.17
2	Other supplies and library materials	\$259.39
3	Instructional professional development for certificated and	
4	classified staff	\$18.89
5	Facilities maintenance	\$153.18
6	Security and central office administration	\$106.12

7 (c) In addition to the amounts provided in (a) and (b) of this
8 subsection, to assist school districts to provide students the
9 opportunity to complete twenty-four credits for high school graduation,
10 beginning in the 2014-15 school year, the omnibus appropriations act
11 shall provide the following minimum allocation for each annual average
12 full-time equivalent student in grades nine through twelve sufficient
13 for the following materials, supplies, and operating costs, to be
14 adjusted annually for inflation:

15		<u>Per annual average</u>
16		<u>full-time equivalent student</u>
17		<u>in grades 9-12</u>
18	<u>Technology</u>	<u>\$36.35</u>
19	<u>Curriculum and textbooks</u>	<u>\$39.02</u>
20	<u>Other supplies and library materials</u>	<u>\$82.84</u>
21	<u>Instructional professional development for certificated and</u>	
22	<u>classified staff</u>	<u>\$6.04</u>

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

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

28 (b) ~~((Laboratory science courses for students in grades nine~~
29 ~~through twelve;~~

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

32 ~~((d))~~ (c) Preparatory career and technical education courses for
33 students in grades eleven and twelve offered through a skill center.

34 (10) In addition to the allocations otherwise provided under this
35 section, amounts shall be provided to support the following programs
36 and services:

1 (a) To provide supplemental instruction and services for
2 underachieving students through the learning assistance program under
3 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
4 district percentage of students in grades K-12 who were eligible for
5 free or reduced-price meals in the prior school year. The minimum
6 allocation for the program shall provide for each level of prototypical
7 school resources to provide, on a statewide average, ~~((1-5156))~~ 2.3975
8 hours per week in extra instruction with a class size of fifteen
9 learning assistance program students per teacher.

10 (b)(i) To provide supplemental instruction and services for
11 students whose primary language is other than English, allocations
12 shall be based on the head count number of students in each school who
13 are eligible for and enrolled in the transitional bilingual instruction
14 program under RCW 28A.180.010 through 28A.180.080. The minimum
15 allocation for each level of prototypical school shall provide
16 resources to provide, on a statewide average, 4.7780 hours per week in
17 extra instruction with fifteen transitional bilingual instruction
18 program students per teacher.

19 (ii) Beginning in the 2015-2017 biennium, the minimum allocation
20 must be increased to provide six hours per week in extra instruction
21 with fifteen transitional bilingual instruction program students per
22 teacher in middle school, and eight hours per week in extra instruction
23 with fifteen transitional bilingual instruction program students per
24 teacher in high school. Notwithstanding other provisions of this
25 subsection (10), the actual per-student allocation may be scaled to
26 provide a larger allocation for students needing more intensive
27 intervention and a commensurate reduced allocation for students needing
28 less intensive intervention, as detailed in the omnibus appropriations
29 act.

30 (iii) In addition to the amounts provided in (b)(i) and (ii) of
31 this subsection, an additional three hours per week of transitional
32 support with fifteen transitional bilingual instruction program
33 students per teacher must be provided for each student for up to two
34 years after exiting the transitional bilingual instruction program.

35 (c) To provide additional allocations to support programs for
36 highly capable students under RCW 28A.185.010 through 28A.185.030,
37 allocations shall be based on two and three hundred fourteen one-
38 thousandths percent of each school district's full-time equivalent

1 basic education enrollment. The minimum allocation for the programs
2 shall provide resources to provide, on a statewide average, 2.1590
3 hours per week in extra instruction with fifteen highly capable program
4 students per teacher.

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

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

16 (b) Allocations or enhancements provided under subsections (4),
17 (7), and (9) of this section for exploratory and preparatory career and
18 technical education courses shall be provided only for courses approved
19 by the office of the superintendent of public instruction under chapter
20 28A.700 RCW.

21 (13)(a) This formula for distribution of basic education funds
22 shall be reviewed biennially by the superintendent and governor. The
23 recommended formula shall be subject to approval, amendment or
24 rejection by the legislature.

25 (b) In the event the legislature rejects the distribution formula
26 recommended by the governor, without adopting a new distribution
27 formula, the distribution formula for the previous school year shall
28 remain in effect.

29 (c) The enrollment of any district shall be the annual average
30 number of full-time equivalent students and part-time students as
31 provided in RCW 28A.150.350, enrolled on the first school day of each
32 month, including students who are in attendance pursuant to RCW
33 28A.335.160 and 28A.225.250 who do not reside within the servicing
34 school district. The definition of full-time equivalent student shall
35 be determined by rules of the superintendent of public instruction and
36 shall be included as part of the superintendent's biennial budget
37 request. The definition shall be based on the minimum instructional

1 hour offerings required under RCW 28A.150.220. Any revision of the
2 present definition shall not take effect until approved by the house
3 ways and means committee and the senate ways and means committee.

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

7 **Sec. 102.** RCW 28A.150.315 and 2012 c 51 s 1 are each amended to
8 read as follows:

9 (1) Beginning with the 2007-08 school year, funding for voluntary
10 all-day kindergarten programs shall be phased-in beginning with schools
11 with the highest poverty levels, defined as those schools with the
12 highest percentages of students qualifying for free and reduced-price
13 lunch support in the prior school year. (~~During~~) Beginning with the
14 (~~2011-2013~~) 2015-2017 biennium, funding enhancements shall (~~continue~~
15 ~~to~~) be phased-in (~~each year until~~) in a linear fashion each biennium
16 in order to provide sufficient state funding to achieve full statewide
17 implementation of all-day kindergarten (~~is achieved~~) in the 2017-18
18 school year. Once a school receives funding for the all-day
19 kindergarten program, that school shall remain eligible for funding in
20 subsequent school years regardless of changes in the school's
21 percentage of students eligible for free and reduced-price lunches as
22 long as other program requirements are fulfilled. Additionally,
23 schools receiving all-day kindergarten program support shall agree to
24 the following conditions:

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

1 (c) Establish learning environments that are developmentally
2 appropriate and promote creativity;

3 (d) Demonstrate strong connections and communication with early
4 learning community providers; and

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

7 (2)(a) It is the intent of the legislature that administration of
8 the Washington kindergarten inventory of developing skills as required
9 in this subsection (2) and RCW 28A.655.080 replace administration of
10 other assessments being required by school districts or that other
11 assessments only be administered if they seek to obtain information not
12 covered by the Washington kindergarten inventory of developing skills.

13 (b) In addition to the requirements in subsection (1) of this
14 section and to the extent funds are available, beginning with the 2011-
15 12 school year on a voluntary basis, schools must identify the skills,
16 knowledge, and characteristics of kindergarten students at the
17 beginning of the school year in order to support social-emotional,
18 physical, and cognitive growth and development of individual children;
19 support early learning provider and parent involvement; and inform
20 instruction. Kindergarten teachers shall administer the Washington
21 kindergarten inventory of developing skills, as directed by the
22 superintendent of public instruction in consultation with the
23 department of early learning and in collaboration with the
24 nongovernmental private-public partnership designated in RCW
25 43.215.070, and report the results to the superintendent. The
26 superintendent shall share the results with the director of the
27 department of early learning.

28 (c) School districts shall provide an opportunity for parents and
29 guardians to excuse their children from participation in the Washington
30 kindergarten inventory of developing skills.

31 (3) Subject to funds appropriated for this purpose, the
32 superintendent of public instruction shall designate one or more school
33 districts to serve as resources and examples of best practices in
34 designing and operating a high-quality all-day kindergarten program.
35 Designated school districts shall serve as lighthouse programs and
36 provide technical assistance to other school districts in the initial
37 stages of implementing an all-day kindergarten program. Examples of
38 topics addressed by the technical assistance include strategic

1 planning, developing the instructional program and curriculum, working
2 with early learning providers to identify students and communicate with
3 parents, and developing kindergarten program readiness activities.

4 **Sec. 103.** RCW 28A.150.220 and 2013 2nd sp.s. c 9 s 2 are each
5 amended to read as follows:

6 (1) In order for students to have the opportunity to develop the
7 basic education knowledge and skills under RCW 28A.150.210, school
8 districts must provide instruction of sufficient quantity and quality
9 and give students the opportunity to complete graduation requirements
10 that are intended to prepare them for postsecondary education, gainful
11 employment, and citizenship. The program established under this
12 section shall be the minimum instructional program of basic education
13 offered by school districts.

14 (2) Each school district shall make available to students the
15 following minimum instructional offering each school year:

16 (a) For students enrolled in grades one through twelve, at least a
17 district-wide annual average of one thousand hours, which shall be
18 increased beginning in the 2015-16 school year to at least one thousand
19 eighty instructional hours for students enrolled in ~~((each of))~~ grades
20 ~~((seven))~~ nine through twelve and at least one thousand instructional
21 hours for students in ~~((each of))~~ grades one through ~~((six according to~~
22 ~~an implementation schedule adopted by the legislature, but not before~~
23 ~~the 2014-15 school year))~~ eight, all of which may be calculated by a
24 school district using a district-wide annual average of instructional
25 hours over grades one through twelve. The increase in instructional
26 hours for students enrolled in grades nine through twelve is intended
27 to assist school districts to provide students the opportunity to
28 complete twenty-four credits for high school graduation; and

29 (b) For students enrolled in kindergarten, at least four hundred
30 fifty instructional hours, which shall be increased to at least one
31 thousand instructional hours according to the implementation schedule
32 under RCW 28A.150.315.

33 (3) The instructional program of basic education provided by each
34 school district shall include:

35 (a) Instruction in the essential academic learning requirements
36 under RCW 28A.655.070;

1 (b) Instruction that provides students the opportunity to complete
2 twenty-four credits for high school graduation, (~~subject to a phased-~~
3 ~~in implementation of the twenty-four credits as established by the~~
4 ~~legislature~~) beginning with the graduating class of 2019. Course
5 distribution requirements may be established by the state board of
6 education under RCW 28A.230.090;

7 (c) If the essential academic learning requirements include a
8 requirement of languages other than English, the requirement may be met
9 by students receiving instruction in one or more American Indian
10 languages;

11 (d) Supplemental instruction and services for underachieving
12 students through the learning assistance program under RCW 28A.165.005
13 through 28A.165.065;

14 (e) Supplemental instruction and services for eligible and enrolled
15 students and exited students whose primary language is other than
16 English through the transitional bilingual instruction program under
17 RCW 28A.180.010 through 28A.180.080;

18 (f) The opportunity for an appropriate education at public expense
19 as defined by RCW 28A.155.020 for all eligible students with
20 disabilities as defined in RCW 28A.155.020; and

21 (g) Programs for highly capable students under RCW 28A.185.010
22 through 28A.185.030.

23 (4) Nothing contained in this section shall be construed to require
24 individual students to attend school for any particular number of hours
25 per day or to take any particular courses.

26 (5)(a) Each school district's kindergarten through twelfth grade
27 basic educational program shall be accessible to all students who are
28 five years of age, as provided by RCW 28A.225.160, and less than
29 twenty-one years of age and shall consist of a minimum of one hundred
30 eighty school days per school year in such grades as are conducted by
31 a school district, and one hundred eighty half-days of instruction, or
32 equivalent, in kindergarten, to be increased to a minimum of one
33 hundred eighty school days per school year according to the
34 implementation schedule under RCW 28A.150.315. (~~However,~~)

35 (b) Schools administering the Washington kindergarten inventory of
36 developing skills may use up to three school days at the beginning of
37 the school year to meet with parents and families as required in the

1 parent involvement component of the inventory. (~~In addition,~~
2 ~~effective May 1, 1979,~~)

3 (c) In the case of students who are graduating from high school, a
4 school district may schedule the last five school days of the one
5 hundred (~~and~~) eighty day school year for noninstructional purposes
6 (~~in the case of students who are graduating from high school,~~)
7 including, but not limited to, the observance of graduation and early
8 release from school upon the request of a student(~~,~~~~and~~). All such
9 students may be claimed as a full-time equivalent student to the extent
10 they could otherwise have been so claimed for the purposes of RCW
11 28A.150.250 and 28A.150.260. Any hours scheduled by a school district
12 for noninstructional purposes during the last five school days for such
13 students shall count toward the instructional hours requirement in
14 subsection (2)(a) of this section.

15 (6) Nothing in this section precludes a school district from
16 enriching the instructional program of basic education, such as
17 offering additional instruction or providing additional services,
18 programs, or activities that the school district determines to be
19 appropriate for the education of the school district's students.

20 (7) The state board of education shall adopt rules to implement and
21 ensure compliance with the program requirements imposed by this
22 section, RCW 28A.150.250 and 28A.150.260, and such related supplemental
23 program approval requirements as the state board may establish.

24 **Sec. 104.** RCW 28A.150.390 and 2010 c 236 s 3 are each amended to
25 read as follows:

26 (1) The superintendent of public instruction shall submit to each
27 regular session of the legislature during an odd-numbered year a
28 programmed budget request for special education programs for students
29 with disabilities. Funding for programs operated by local school
30 districts shall be on an excess cost basis from appropriations provided
31 by the legislature for special education programs for students with
32 disabilities and shall take account of state funds accruing through RCW
33 28A.150.260 (4)(a) (~~and~~), (b), and (c), (5), (6), and (8).

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

36 (a) A district's annual average headcount enrollment of students
37 ages birth through four and those five year olds not yet enrolled in

1 kindergarten who are eligible for and enrolled in special education,
2 multiplied by the district's base allocation per full-time equivalent
3 student, multiplied by 1.15; and

4 (b) A district's annual average full-time equivalent basic
5 education enrollment, multiplied by the district's funded enrollment
6 percent, multiplied by the district's base allocation per full-time
7 equivalent student, multiplied by 0.9309.

8 (3) As used in this section:

9 (a) "Base allocation" means the total state allocation to all
10 schools in the district generated by the distribution formula under RCW
11 28A.150.260 (4)(a) (~~and~~), (b), and (c), (5), (6), and (8), to be
12 divided by the district's full-time equivalent enrollment.

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

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

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

25 NEW SECTION. **Sec. 105.** A new section is added to chapter 28A.150
26 RCW to read as follows:

27 (1)(a) In order to eliminate grandfathered salary allocations,
28 which means a state salary allocation rate for classified or
29 certificated administrative staff provided to a school district that
30 exceeds the standard salary allocation, beginning in the 2015-2017
31 biennium, the legislature shall provide sufficient funds for whichever
32 is greater:

33 (i) The certificated administrative and classified salary
34 allocation amounts shown on LEAP Document 2 for the 2015-16 school
35 year; or

36 (ii) The average state salary allocation amounts for basic

1 education state-funded certificated administrative staff and classified
2 staff units per full-time equivalent as follows:

3 Certificated administrative staff \$99,765
4 Classified staff \$43,153

5 (b) The minimum allocations provided in (a) of this subsection
6 shall be enhanced in a linear fashion to provide sufficient state funds
7 for the average state salary allocations for basic education state-
8 funded certificated administrative staff and classified staff units per
9 full-time equivalent in the 2019-20 school year as follows:

10 Certificated administrative staff \$105,158
11 Classified staff \$45,486

12 (2) The allocations established in subsection (1) of this section
13 shall be adjusted for Initiative Measure No. 732 cost-of-living
14 increases as provided in the omnibus appropriations act.

15 (3) This section expires August 1, 2021.

16 **Sec. 106.** RCW 28A.150.410 and 2010 c 236 s 10 are each amended to
17 read as follows:

18 (1) The legislature shall establish for each school year in the
19 appropriations act a statewide salary allocation schedule, for
20 allocation purposes only(~~(, to be)~~) and used to distribute funds for
21 basic education certificated instructional staff salaries under RCW
22 28A.150.260. For the purposes of this section, the staff allocations
23 for classroom teachers, teacher librarians, guidance counselors, and
24 student health services staff under RCW 28A.150.260 are considered
25 allocations for certificated instructional staff.

26 (2) Salary allocations for state-funded basic education
27 certificated instructional staff shall be calculated by the
28 superintendent of public instruction by determining the district's
29 average salary for certificated instructional staff, using the
30 statewide salary allocation schedule and related documents, conditions,
31 and limitations established by the omnibus appropriations act.

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

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

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

9 (4) For the 2015-16 school year through the 2019-20 school year, a
10 revised statewide salary allocation schedule as provided in section 107
11 of this act shall be phased-in for certificated instructional staff.

12 (5)(a) Beginning in the 2020-21 school year and thereafter, the
13 state must provide sufficient funding for a beginning certificated
14 instructional staff with an entry-level residency certificate to remain
15 on a residency certificate for up to nine years at the same salary
16 allocation, although there are different levels of salary allocations
17 for residency certificate holders who have a bachelor's degree and
18 those who have an advanced degree. Allocations based on an advanced
19 degree must be only for those degrees that are relevant to current or
20 future assignments as locally determined by the relevant school
21 district.

22 (b) The school year after a certificated instructional staff
23 obtains a professional certificate, the state must provide sufficient
24 funding to provide a salary increase. A minimum of three years of
25 experience is required to make the progression from the residency
26 certification to the professional certification.

27 (c) The state must provide sufficient funding to provide an
28 additional salary increase for a certificated instructional staff after
29 nine years of experience with retention of the professional/continuing
30 certificate.

31 (d) In the 2020-21 school year, the state minimum salary allocation
32 shall be as follows:

<u>Years of</u>	<u>BA -</u>	<u>BA -</u>	<u>MA+ -</u>	<u>MA+ -</u>
<u>Experience</u>	<u>Initial/</u>	<u>Prof.</u>	<u>Initial/</u>	<u>Prof.</u>
	<u>Residency</u>	<u>/Cont.</u>	<u>Residency</u>	<u>/Cont.</u>
0	\$48,000	\$N/A	\$52,800	\$N/A

1	<u>1</u>	<u>48,000</u>	<u>N/A</u>	<u>52,800</u>	<u>N/A</u>
2	<u>2</u>	<u>48,000</u>	<u>N/A</u>	<u>52,800</u>	<u>N/A</u>
3	<u>3</u>	<u>48,000</u>	<u>N/A</u>	<u>52,800</u>	<u>N/A</u>
4	<u>4</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
5	<u>5</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
6	<u>6</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
7	<u>7</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
8	<u>8</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
9	<u>9</u>	<u>48,000</u>	<u>58,000</u>	<u>52,800</u>	<u>62,800</u>
10	<u>10+</u>	<u>N/A</u>	<u>70,000</u>	<u>52,800</u>	<u>77,000</u>

11 (6) Beginning in the 2021-22 school year and thereafter, the actual
12 state salary allocation schedule shall be based on the 2020-21 school
13 year salary allocation schedule framework with the values specified in
14 the omnibus appropriations act.

15 (7) The office of the superintendent of public instruction and the
16 professional educator standards board shall make rules to implement
17 this section.

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

32 NEW SECTION. Sec. 107. A new section is added to chapter 28A.150
33 RCW to read as follows:

34 (1)(a) In the 2015-16 school year, except for certificated
35 instructional staff who do not receive a salary increase under the

1 following state salary allocation schedule, the minimum state salary
 2 allocation shall be as follows:

3	Years of	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+	MA+
4	Experience								45	90
5	0	\$38,000	\$38,000	\$38,000	\$38,000	\$41,000	\$43,000	\$47,000	\$47,000	\$47,000
6	1	38,000	38,000	38,000	38,000	41,000	43,000	47,000	47,000	47,000
7	2	38,000	38,000	38,000	38,000	41,000	43,000	47,000	47,000	47,000
8	3	38,000	38,000	38,000	38,437	41,518	43,549	47,000	47,000	47,000
9	4	38,000	38,000	38,000	38,964	42,064	44,110	47,000	47,000	47,000
10	5	38,000	38,000	38,000	39,498	42,586	44,673	47,000	47,000	47,000
11	6	38,000	38,000	38,769	40,039	43,113	45,211	47,000	47,000	47,000
12	7	38,000	38,572	39,621	40,960	44,079	46,235	47,000	47,000	47,000
13	8	38,787	39,831	40,905	42,355	45,516	47,751	47,000	47,000	47,000
14	9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
15	10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
16	11				46,772	50,121	52,557	50,249	53,599	56,034
17	12				48,249	51,761	54,269	51,835	55,238	57,748
18	13					53,440	56,024	53,476	56,918	59,501
19	14					55,128	57,844	55,165	48,716	61,322
20	15					62,500	62,500	68,750	68,750	68,750
21	16+					62,500	62,500	68,750	68,750	68,750

22 (b) In the 2016-17 school year, except for certificated
 23 instructional staff who do not receive a salary increase under the
 24 following state salary allocation schedule, the minimum state salary
 25 allocation shall be as follows:

26	Years of	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+	MA+
27	Experience								45	90
28	0	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$44,000	\$48,500	\$48,500	\$48,500
29	1	42,000	42,000	42,000	42,000	42,000	44,000	48,500	48,500	48,500
30	2	42,000	42,000	42,000	42,000	42,000	44,000	48,500	48,500	48,500
31	3	42,000	42,000	42,000	42,000	42,000	44,000	48,500	48,500	48,500
32	4	42,000	42,000	42,000	42,000	42,064	44,110	48,500	48,500	48,500
33	5	42,000	42,000	42,000	42,000	42,586	44,673	48,500	48,500	48,500

1	6	42,000	42,000	42,000	42,000	43,113	45,211	48,500	48,500	48,500
2	7	42,000	42,000	42,000	42,000	44,079	46,235	48,500	48,500	48,500
3	8	42,000	42,000	42,000	42,355	45,516	47,751	48,500	48,500	48,500
4	9		41,135	42,262	43,765	46,999	49,310	48,500	48,500	48,500
5	10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
6	11				46,772	50,121	52,557	50,249	53,599	56,034
7	12				48,249	51,761	54,269	51,835	55,238	57,748
8	13					53,440	56,024	53,476	56,918	59,501
9	14					64,000	64,000	70,400	70,400	70,400
10	15					64,000	64,000	70,400	70,400	70,400
11	16+					64,000	64,000	70,400	70,400	70,400

12 (c) In the 2017-18 school year, except for certificated
13 instructional staff who do not receive a salary increase under the
14 following state salary allocation schedule, the minimum state salary
15 allocation shall be as follows:

16										
17	Years of	BA +0	BA +15	BA +30	BA +45	BA +90	BA +	MA	MA +	MA +
18	Experience						135		45	90
19	0	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$46,000	\$50,000	\$50,000	\$50,000
20	1	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
21	2	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
22	3	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
23	4	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
24	5	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
25	6	44,000	44,000	44,000	44,000	44,000	46,000	50,000	50,000	50,000
26	7	44,000	44,000	44,000	44,000	44,079	46,235	50,000	50,000	50,000
27	8	44,000	44,000	44,000	44,000	45,516	47,751	50,000	50,000	50,000
28	9		44,000	44,000	44,000	46,999	49,310	50,000	50,000	50,000
29	10			44,000	45,247	48,524	50,913	48,724	52,003	54,390
30	11				46,772	50,121	52,557	50,249	53,599	56,034
31	12				48,249	51,761	54,269	51,835	55,238	57,748
32	13					65,500	65,500	72,050	72,050	72,050
33	14					65,500	65,500	72,050	72,050	72,050
34	15					65,500	65,500	72,050	72,050	72,050

1 16+ 65,500 65,500 72,050 72,050 72,050

2 (d) In the 2018-19 school year, except for certificated
 3 instructional staff who do not receive an increase under the following
 4 state salary allocation schedule, the minimum state salary allocation
 5 shall be as follows:

6	Years of	BA+0	BA+	BA+	BA+	BA+90	BA+	MA	MA+	MA+90
7	Experience		15	30	45		135		45	
8	0	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$52,800	\$52,800	\$52,800
9	1	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
10	2	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
11	3	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
12	4	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
13	5	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
14	6	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
15	7	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
16	8	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
17	9	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
18	10			48,000	48,000	48,524	50,913	52,800	52,800	54,390
19	11				48,000	50,121	52,557	52,800	53,599	56,034
20	12				67,000	67,000	67,000	73,700	73,700	73,700
21	13					67,000	67,000	73,700	73,700	73,700
22	14					67,000	67,000	73,700	73,700	73,700
23	15					67,000	67,000	73,700	73,700	73,700
24	16+					67,000	67,000	73,700	73,700	73,700

25 (e) In the 2019-20 school year, except for certificated
 26 instructional staff who do not receive a salary increase under the
 27 following state salary allocation schedule, the minimum state salary
 28 allocation shall be as follows:

29	Years of	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+	MA+
30	Experience								45	90
31	0	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$52,800	\$52,800	\$52,800

1	1	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
2	2	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
3	3	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
4	4	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
5	5	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
6	6	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
7	7	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
8	8	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
9	9	48,000	48,000	48,000	48,000	48,000	48,000	52,800	52,800	52,800
10	10			48,000	48,000	48,524	50,913	52,800	52,800	54,390
11	11				68,500	68,500	68,500	75,350	75,350	75,350
12	12				68,500	68,500	68,500	75,350	75,350	75,350
13	13					68,500	68,500	75,350	75,350	75,350
14	14					68,500	68,500	75,350	75,350	75,350
15	15					68,500	68,500	75,350	75,350	75,350
16	16+					68,500	68,500	75,350	75,350	75,350

17 (2) Beginning with the 2015-16 school year through the 2019-20
18 school year, if an individual certificated instructional staff unit
19 would not receive a salary increase under the revised state salary
20 allocation schedules in this section, then the state shall provide
21 sufficient funding to provide the certificated instructional staff unit
22 with a cost-of-living adjustment in accordance with RCW 28A.400.205.

23 (3) This section expires August 1, 2021.

24 NEW SECTION. Sec. 108. A new section is added to chapter 28A.300
25 RCW to read as follows:

26 (1) The legislature intends to ensure that K-12 state salary
27 allocations keep pace with the wages of comparable occupations by
28 requiring a comparable wage analysis be conducted every four years.

29 (2) By July 1, 2018, and every four years thereafter, the
30 superintendent of public instruction shall conduct or contract for a
31 comparative labor market analysis of the salaries and other
32 compensation for school district employees. The first analysis,
33 including any recommendations for salary adjustments based on the
34 analysis, must be submitted to the governor and the legislature by July
35 1, 2019. Subsequent reports shall be submitted by July 1st every four
36 years thereafter.

1 **Sec. 109.** RCW 28A.400.200 and 2010 c 235 s 401 are each amended to
2 read as follows:

3 (1) The legislature finds that the state is responsible for fully
4 funding salaries of staff performing basic education activities. The
5 legislature further finds that the compensation technical working group
6 created in Engrossed Substitute House Bill No. 2261 (chapter 548, Laws
7 of 2009) in its June 30, 2012, final report affirmed that average
8 comparable wages are sufficient to recruit and retain high quality
9 staff. However, the legislature further finds that the compensation
10 technical working group recommended that districts be allowed to
11 provide locally funded salary enhancements for nonbasic education
12 functions. The legislature intends to implement the recommendation of
13 the working group and authorize school districts to use local funds to
14 provide salary enhancements for nonbasic education functions. The
15 legislature further intends to ensure equity around the state by
16 limiting the locally funded enhancements to ten percent above the state
17 allocation to the district once the state is fully funding basic
18 education salaries at comparable wages in the 2019-20 school year.

19 (2) Every school district board of directors shall fix, alter,
20 allow, and order paid salaries and compensation for all district
21 employees in conformance with this section.

22 ~~((+2))~~ (3)(a) Salaries for certificated instructional staff shall
23 not be less than the salary provided in the appropriations act in the
24 statewide salary allocation schedule for an employee with a
25 baccalaureate degree and zero years of service~~((+and))~~.

26 (b) Salaries for certificated instructional staff with a master's
27 degree shall not be less than the salary provided in the appropriations
28 act in the statewide salary allocation schedule for an employee with a
29 master's degree and zero years of service.

30 ~~((+3)(a) The actual average salary paid to certificated~~
31 ~~instructional staff shall not exceed the district's average~~
32 ~~certificated instructional staff salary used for the state basic~~
33 ~~education allocations for that school year as determined pursuant to~~
34 ~~RCW 28A.150.410.~~

35 ~~(b))~~ (c) Fringe benefit contributions for certificated
36 instructional staff shall be included as salary ~~((under (a) of this~~
37 ~~subsection))~~ only to the extent that the district's actual average
38 benefit contribution exceeds the amount of the insurance benefits

1 allocation provided per certificated instructional staff unit in the
2 state operating appropriations act in effect at the time the
3 compensation is payable. For purposes of this section, fringe benefits
4 shall not include payment for unused leave for illness or injury under
5 RCW 28A.400.210; employer contributions for old age survivors
6 insurance, workers' compensation, unemployment compensation, and
7 retirement benefits under the Washington state retirement system; or
8 employer contributions for health benefits in excess of the insurance
9 benefits allocation provided per certificated instructional staff unit
10 in the state operating appropriations act in effect at the time the
11 compensation is payable. A school district may not use state funds to
12 provide employer contributions for such excess health benefits.

13 ((+e)) (4)(a) Except as provided in (b) of this subsection, school
14 districts are authorized to use local funds for salaries of
15 certificated instructional staff up to but not exceeding ten percent of
16 the state allocation to the district. The use of the local funds will
17 be defined at the school district level and will provide for locally
18 funded salary enhancements for nonbasic education functions.

19 (b) As the state phases-in a revised state salary allocation
20 schedule in section 107 of this act, for the school years 2015-16
21 through 2019-20, school districts are authorized to provide ten percent
22 of the amount that the school district would receive under the 2020-21
23 school year state salary allocation schedule contained in RCW
24 28A.150.410.

25 (c) The use of local funds for salary enhancements under this
26 section:

27 (i) Shall not cause the state to incur any present or future
28 funding obligation; and

29 (ii) Is subject to the collective bargaining provisions of chapter
30 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one
31 year, and, if not renewed, shall not constitute adverse change in
32 accordance with RCW 28A.405.300 through 28A.405.380.

33 (d) No district may use local funds under the authorization of this
34 subsection (4) for the provision of services that are a part of the
35 basic education program required by Article IX, section 3 of the state
36 Constitution.

37 (5) Salary and benefits for certificated instructional staff in

1 programs other than basic education shall be consistent with the salary
2 and benefits paid to certificated instructional staff in the basic
3 education program.

4 ~~((4) Salaries and benefits for certificated instructional staff
5 may exceed the limitations in subsection (3) of this section only by
6 separate contract for additional time, for additional responsibilities,
7 for incentives, or for implementing specific measurable innovative
8 activities, including professional development, specified by the school
9 district to: (a) Close one or more achievement gaps, (b) focus on
10 development of science, technology, engineering, and mathematics (STEM)
11 learning opportunities, or (c) provide arts education. Beginning
12 September 1, 2011, school districts shall annually provide a brief
13 description of the innovative activities included in any supplemental
14 contract to the office of the superintendent of public instruction.
15 The office of the superintendent of public instruction shall summarize
16 the district information and submit an annual report to the education
17 committees of the house of representatives and the senate.
18 Supplemental contracts shall not cause the state to incur any present
19 or future funding obligation. Supplemental contracts shall be subject
20 to the collective bargaining provisions of chapter 41.59 RCW and the
21 provisions of RCW 28A.405.240, shall not exceed one year, and if not
22 renewed shall not constitute adverse change in accordance with RCW
23 28A.405.300 through 28A.405.380. No district may enter into a
24 supplemental contract under this subsection for the provision of
25 services which are a part of the basic education program required by
26 Article IX, section 3 of the state Constitution.~~

27 ~~(5))~~ (6) Employee benefit plans offered by any district shall
28 comply with RCW 28A.400.350 ~~((and))~~, 28A.400.275, and 28A.400.280.

29 **Sec. 110.** RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each
30 amended to read as follows:

31 (1) School district employees shall be provided an annual salary
32 cost-of-living increase in accordance with this section.

33 (a) The cost-of-living increase shall be calculated by applying the
34 rate of the yearly increase in the cost-of-living index to any state-
35 funded salary base used in state funding formulas for teachers and
36 other school district employees. Beginning with the 2001-02 school
37 year, and for each subsequent school year, except for the 2013-14 and

1 2014-15 school years, each school district shall be provided a cost-of-
2 living allocation sufficient to grant this cost-of-living increase,
3 except as provided in subsection (3) of this section.

4 (b) A school district shall distribute its cost-of-living
5 allocation for salaries and salary-related benefits in accordance with
6 the district's salary schedules, collective bargaining agreements, and
7 compensation policies. No later than the end of the school year, each
8 school district shall certify to the superintendent of public
9 instruction that it has spent funds provided for cost-of-living
10 increases on salaries and salary-related benefits.

11 (c) Any funded cost-of-living increase shall be included in the
12 salary base used to determine cost-of-living increases for school
13 employees in subsequent years. For teachers and other certificated
14 instructional staff, the rate of the annual cost-of-living increase
15 funded for certificated instructional staff shall be applied to the
16 base salary used with the statewide salary allocation schedule
17 established under RCW 28A.150.410 and to any other salary models used
18 to recognize school district personnel costs.

19 (2) For the purposes of this section, "cost-of-living index" means,
20 for any school year, the previous calendar year's annual average
21 consumer price index, using the official current base, compiled by the
22 bureau of labor statistics, United States department of labor for the
23 state of Washington. If the bureau of labor statistics develops more
24 than one consumer price index for areas within the state, the index
25 covering the greatest number of people, covering areas exclusively
26 within the boundaries of the state, and including all items shall be
27 used for the cost-of-living index in this section.

28 (3) As the state phases-in a revised statewide salary allocation
29 schedule, beginning in the 2015-16 school year and through the 2019-20
30 school year certificated instructional staff who do not receive a
31 salary increase under the revised statewide salary allocation schedules
32 in accordance with RCW 28A.150.410 shall be the only certificated
33 instructional staff who receive a cost-of-living increase under this
34 section.

35 **Sec. 111.** RCW 84.52.0531 and 2013 c 242 s 8 are each amended to
36 read as follows:

1 The maximum dollar amount which may be levied by or for any school
2 district for maintenance and operation support under the provisions of
3 RCW 84.52.053 shall be determined as follows:

4 (1) For excess levies for collection in calendar year 1997, the
5 maximum dollar amount shall be calculated pursuant to the laws and
6 rules in effect in November 1996.

7 (2) For excess levies for collection in calendar year 1998 and
8 thereafter, the maximum dollar amount shall be the sum of (a) plus or
9 minus (b), (c), and (d) of this subsection minus (e) of this
10 subsection:

11 (a) The district's levy base as defined in subsections (3) and (4)
12 of this section multiplied by the district's maximum levy percentage as
13 defined in subsection (7) of this section;

14 (b) For districts in a high/nonhigh relationship, the high school
15 district's maximum levy amount shall be reduced and the nonhigh school
16 district's maximum levy amount shall be increased by an amount equal to
17 the estimated amount of the nonhigh payment due to the high school
18 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
19 commencing the year of the levy;

20 (c) Except for nonhigh districts under (d) of this subsection, for
21 districts in an interdistrict cooperative agreement, the nonresident
22 school district's maximum levy amount shall be reduced and the resident
23 school district's maximum levy amount shall be increased by an amount
24 equal to the per pupil basic education allocation included in the
25 nonresident district's levy base under subsection (3) of this section
26 multiplied by:

27 (i) The number of full-time equivalent students served from the
28 resident district in the prior school year; multiplied by:

29 (ii) The serving district's maximum levy percentage determined
30 under subsection (7) of this section; increased by:

31 (iii) The percent increase per full-time equivalent student as
32 stated in the state basic education appropriation section of the
33 biennial budget between the prior school year and the current school
34 year divided by fifty-five percent;

35 (d) The levy bases of nonhigh districts participating in an
36 innovation academy cooperative established under RCW 28A.340.080 shall
37 be adjusted by the office of the superintendent of public instruction

1 to reflect each district's proportional share of student enrollment in
2 the cooperative;

3 (e) The district's maximum levy amount shall be reduced by the
4 maximum amount of state matching funds for which the district is
5 eligible under RCW 28A.500.010.

6 (3) For excess levies for collection in calendar year 2005 and
7 thereafter, a district's levy base shall be the sum of allocations in
8 (a) through (c) of this subsection received by the district for the
9 prior school year and the amounts determined under subsection (4) of
10 this section, including allocations for compensation increases, plus
11 the sum of such allocations multiplied by the percent increase per full
12 time equivalent student as stated in the state basic education
13 appropriation section of the biennial budget between the prior school
14 year and the current school year and divided by fifty-five percent. A
15 district's levy base shall not include local school district property
16 tax levies or other local revenues, or state and federal allocations
17 not identified in (a) through (c) of this subsection.

18 (a) The district's basic education allocation as determined
19 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

20 (b) State and federal categorical allocations for the following
21 programs:

22 (i) Pupil transportation;

23 (ii) Special education;

24 (iii) Education of highly capable students;

25 (iv) Compensatory education, including but not limited to learning
26 assistance, migrant education, Indian education, refugee programs, and
27 bilingual education;

28 (v) Food services; and

29 (vi) Statewide block grant programs; and

30 (c) Any other federal allocations for elementary and secondary
31 school programs, including direct grants, other than federal impact aid
32 funds and allocations in lieu of taxes.

33 (4) For levy collections in calendar years 2005 through 2017, in
34 addition to the allocations included under subsection (3)(a) through
35 (c) of this section, a district's levy base shall also include the
36 following:

37 (a)(i) For levy collections in calendar year 2010, the difference
38 between the allocation the district would have received in the current

1 school year had RCW 84.52.068 not been amended by chapter 19, Laws of
2 2003 1st sp. sess. and the allocation the district received in the
3 current school year pursuant to RCW 28A.505.220;

4 (ii) For levy collections in calendar years 2011 through 2017, the
5 allocation rate the district would have received in the prior school
6 year using the Initiative 728 rate multiplied by the full-time
7 equivalent student enrollment used to calculate the Initiative 728
8 allocation for the prior school year; and

9 (b) The difference between the allocations the district would have
10 received the prior school year using the Initiative 732 base and the
11 allocations the district actually received the prior school year
12 pursuant to RCW 28A.400.205.

13 (5) For levy collections in calendar years 2011 through 2017, in
14 addition to the allocations included under subsections (3)(a) through
15 (c) and (4)(a) and (b) of this section, a district's levy base shall
16 also include the difference between an allocation of fifty-three and
17 two-tenths certificated instructional staff units per thousand full-
18 time equivalent students in grades kindergarten through four enrolled
19 in the prior school year and the allocation of certificated
20 instructional staff units per thousand full-time equivalent students in
21 grades kindergarten through four that the district actually received in
22 the prior school year, except that the levy base for a school district
23 whose allocation in the 2009-10 school year was less than fifty-three
24 and two-tenths certificated instructional staff units per thousand
25 full-time equivalent students in grades kindergarten through four shall
26 include the difference between the allocation the district actually
27 received in the 2009-10 school year and the allocation the district
28 actually received in the prior school year.

29 (6) For levy collections beginning in calendar year 2014 and
30 thereafter, in addition to the allocations included under subsections
31 (3)(a) through (c), (4)(a) and (b), and (5) of this section, a
32 district's levy base shall also include the funds allocated by the
33 superintendent of public instruction under RCW 28A.715.040 to a school
34 that is the subject of a state-tribal education compact and that
35 formerly contracted with the school district to provide educational
36 services through an interlocal agreement and received funding from the
37 district.

1 (7)(a) A district's maximum levy percentage shall be twenty-four
2 percent in 2010 and twenty-eight percent in 2011 through 2017 and
3 twenty-four percent every year thereafter;

4 (b) For qualifying districts, in addition to the percentage in (a)
5 of this subsection the grandfathered percentage determined as follows:

6 (i) For 1997, the difference between the district's 1993 maximum
7 levy percentage and twenty percent; and

8 (ii) For 2011 through 2017, the percentage calculated as follows:

9 (A) Multiply the grandfathered percentage for the prior year times
10 the district's levy base determined under subsection (3) of this
11 section;

12 (B) Reduce the result of (b)(ii)(A) of this subsection by any levy
13 reduction funds as defined in subsection (8) of this section that are
14 to be allocated to the district for the current school year;

15 (C) Divide the result of (b)(ii)(B) of this subsection by the
16 district's levy base; and

17 (D) Take the greater of zero or the percentage calculated in
18 (b)(ii)(C) of this subsection.

19 (8)(a) "Levy reduction funds" shall mean increases in state funds
20 from the prior school year for programs included under subsections (3)
21 and (4) of this section: ~~((a))~~ (i) That are not attributable to
22 enrollment changes, compensation increases, or inflationary
23 adjustments; and ~~((b))~~ (ii) that are or were specifically identified
24 as levy reduction funds in the appropriations act. If levy reduction
25 funds are dependent on formula factors which would not be finalized
26 until after the start of the current school year, the superintendent of
27 public instruction shall estimate the total amount of levy reduction
28 funds by using prior school year data in place of current school year
29 data. Levy reduction funds shall not include moneys received by school
30 districts from cities or counties.

31 (b) Beginning with the 2015-16 school year through the 2019-20
32 school year, the increased salary allocations under the revised salary
33 allocation schedules in section 107 of this act shall be deemed levy
34 reduction funds for those school districts that have been grandfathered
35 at a greater levy authority than the maximum levy percentage provided
36 in subsection (7)(a) of this section.

37 (9) The definitions in this subsection apply throughout this
38 section unless the context clearly requires otherwise.

1 (a) "Prior school year" means the most recent school year completed
2 prior to the year in which the levies are to be collected.

3 (b) "Current school year" means the year immediately following the
4 prior school year.

5 (c) "Initiative 728 rate" means the allocation rate at which the
6 student achievement program would have been funded under chapter 3,
7 Laws of 2001, if all annual adjustments to the initial 2001 allocation
8 rate had been made in previous years and in each subsequent year as
9 provided for under chapter 3, Laws of 2001.

10 (d) "Initiative 732 base" means the prior year's state allocation
11 for annual salary cost-of-living increases for district employees in
12 the state-funded salary base as it would have been calculated under
13 chapter 4, Laws of 2001, if each annual cost-of-living increase
14 allocation had been provided in previous years and in each subsequent
15 year.

16 (10) Funds collected from transportation vehicle fund tax levies
17 shall not be subject to the levy limitations in this section.

18 (11) The superintendent of public instruction shall develop rules
19 and inform school districts of the pertinent data necessary to carry
20 out the provisions of this section.

21 (12) For calendar year 2009, the office of the superintendent of
22 public instruction shall recalculate school district levy authority to
23 reflect levy rates certified by school districts for calendar year
24 2009.

25 **Sec. 112.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are
26 each reenacted and amended to read as follows:

27 The maximum dollar amount which may be levied by or for any school
28 district for maintenance and operation support under the provisions of
29 RCW 84.52.053 shall be determined as follows:

30 (1) For excess levies for collection in calendar year 1997, the
31 maximum dollar amount shall be calculated pursuant to the laws and
32 rules in effect in November 1996.

33 (2) For excess levies for collection in calendar year 1998 and
34 thereafter, the maximum dollar amount shall be the sum of (a) plus or
35 minus (b), (c), and (d) of this subsection minus (e) of this
36 subsection:

1 (a) The district's levy base as defined in subsection (3) of this
2 section multiplied by the district's maximum levy percentage as defined
3 in subsection (4) of this section;

4 (b) For districts in a high/nonhigh relationship, the high school
5 district's maximum levy amount shall be reduced and the nonhigh school
6 district's maximum levy amount shall be increased by an amount equal to
7 the estimated amount of the nonhigh payment due to the high school
8 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
9 commencing the year of the levy;

10 (c) Except for nonhigh districts under (d) of this subsection, for
11 districts in an interdistrict cooperative agreement, the nonresident
12 school district's maximum levy amount shall be reduced and the resident
13 school district's maximum levy amount shall be increased by an amount
14 equal to the per pupil basic education allocation included in the
15 nonresident district's levy base under subsection (3) of this section
16 multiplied by:

17 (i) The number of full-time equivalent students served from the
18 resident district in the prior school year; multiplied by:

19 (ii) The serving district's maximum levy percentage determined
20 under subsection (4) of this section; increased by:

21 (iii) The percent increase per full-time equivalent student as
22 stated in the state basic education appropriation section of the
23 biennial budget between the prior school year and the current school
24 year divided by fifty-five percent;

25 (d) The levy bases of nonhigh districts participating in an
26 innovation academy cooperative established under RCW 28A.340.080 shall
27 be adjusted by the office of the superintendent of public instruction
28 to reflect each district's proportional share of student enrollment in
29 the cooperative;

30 (e) The district's maximum levy amount shall be reduced by the
31 maximum amount of state matching funds for which the district is
32 eligible under RCW 28A.500.010.

33 (3) For excess levies for collection in calendar year 1998 and
34 thereafter, a district's levy base shall be the sum of allocations in
35 (a) through (c) of this subsection received by the district for the
36 prior school year, including allocations for compensation increases,
37 plus the sum of such allocations multiplied by the percent increase per
38 full time equivalent student as stated in the state basic education

1 appropriation section of the biennial budget between the prior school
2 year and the current school year and divided by fifty-five percent. A
3 district's levy base shall not include local school district property
4 tax levies or other local revenues, or state and federal allocations
5 not identified in (a) through (c) of this subsection.

6 (a) The district's basic education allocation as determined
7 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

8 (b) State and federal categorical allocations for the following
9 programs:

10 (i) Pupil transportation;

11 (ii) Special education;

12 (iii) Education of highly capable students;

13 (iv) Compensatory education, including but not limited to learning
14 assistance, migrant education, Indian education, refugee programs, and
15 bilingual education;

16 (v) Food services; and

17 (vi) Statewide block grant programs; and

18 (c) Any other federal allocations for elementary and secondary
19 school programs, including direct grants, other than federal impact aid
20 funds and allocations in lieu of taxes.

21 (4)(a) A district's maximum levy percentage shall be twenty-four
22 percent in 2010 and twenty-eight percent in 2011 through 2017 and
23 twenty-four percent every year thereafter;

24 (b) For qualifying districts, in addition to the percentage in (a)
25 of this subsection the grandfathered percentage determined as follows:

26 (i) For 1997, the difference between the district's 1993 maximum
27 levy percentage and twenty percent; (~~and~~)

28 (ii) For 2011 through 2017, the percentage calculated as follows:

29 (A) Multiply the grandfathered percentage for the prior year times
30 the district's levy base determined under subsection (3) of this
31 section;

32 (B) Reduce the result of (b)(ii)(A) of this subsection by any levy
33 reduction funds as defined in subsection (5) of this section that are
34 to be allocated to the district for the current school year;

35 (C) Divide the result of (b)(ii)(B) of this subsection by the
36 district's levy base; and

37 (D) Take the greater of zero or the percentage calculated in
38 (b)(ii)(C) of this subsection;

1 (iii) For 2018 and thereafter, the percentage shall be calculated
2 as follows:

3 (A) Multiply the grandfathered percentage for the prior year times
4 the district's levy base determined under subsection (3) of this
5 section;

6 (B) Reduce the result of (b)(iii)(A) of this subsection by any levy
7 reduction funds as defined in subsection (5) of this section that are
8 to be allocated to the district for the current school year;

9 (C) Divide the result of (b)(iii)(B) of this subsection by the
10 district's levy base; and

11 (D) Take the greater of zero or the percentage calculated in
12 (b)(iii)(C) of this subsection.

13 (5)(a) "Levy reduction funds" shall mean increases in state funds
14 from the prior school year for programs included under subsection (3)
15 of this section: ~~((a))~~ (i) That are not attributable to enrollment
16 changes, compensation increases, or inflationary adjustments; and
17 ~~((b))~~ (ii) that are or were specifically identified as levy reduction
18 funds in the appropriations act. If levy reduction funds are dependent
19 on formula factors which would not be finalized until after the start
20 of the current school year, the superintendent of public instruction
21 shall estimate the total amount of levy reduction funds by using prior
22 school year data in place of current school year data. Levy reduction
23 funds shall not include moneys received by school districts from cities
24 or counties.

25 (b) The increased salary allocations under the revised salary
26 allocation schedule in section 107 of this act through the 2019-20
27 school year shall be deemed levy reduction funds for those school
28 districts that have been grandfathered at a greater levy authority than
29 the maximum levy percentage provided in subsection (4)(a) of this
30 section.

31 (6) For the purposes of this section, "prior school year" means the
32 most recent school year completed prior to the year in which the levies
33 are to be collected.

34 (7) For the purposes of this section, "current school year" means
35 the year immediately following the prior school year.

36 (8) Funds collected from transportation vehicle fund tax levies
37 shall not be subject to the levy limitations in this section.

1 (9) The superintendent of public instruction shall develop rules
2 and regulations and inform school districts of the pertinent data
3 necessary to carry out the provisions of this section.

4 **PART II**
5 **IMMEDIATE AND CONCRETE ACTION TOWARDS**
6 **FULFILLING THE STATE'S ARTICLE IX CONSTITUTIONAL DUTY**

7 NEW SECTION. **Sec. 201.** It is the intent of the legislature to
8 take "immediate, concrete action" this legislative session in order to
9 show the state's good faith commitment to continuing to make progress
10 towards the 2018 full funding goals as required by the Washington state
11 supreme court's order dated January 9, 2014.

12 The legislature intends to provide additional funding for the
13 initial priorities established in Substitute House Bill No. 2776,
14 chapter 236, Laws of 2010, of all-day kindergarten, reduced class
15 sizes, and fully fund materials, supplies, and operating costs. The
16 legislature further intends to provide funding for second grade class-
17 size reductions so as to build upon the all-day kindergarten and first
18 grade class-size investments that have already been made in order to
19 ensure that the academic gains made due to those investments are not
20 lost by that same cohort of students as they progress through the
21 educational system.

22 Additionally, the legislature intends to make investments in
23 educator compensation in recognition of the court's statement that
24 state funding of educator compensation remains "constitutionally
25 inadequate."

26 **Sec. 202.** 2013 2nd sp.s. c 4 s 502 (uncodified) is amended to read
27 as follows:

28	General Fund--State Appropriation (FY 2014)	\$5,395,289,000
29	General Fund--State Appropriation (FY 2015)	\$5,581,336,000
30	Education Legacy Trust Account--State Appropriation	\$328,563,000
31	TOTAL APPROPRIATION	\$11,305,188,000

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1)(a) Each general fund fiscal year appropriation includes such

1 funds as are necessary to complete the school year ending in the fiscal
2 year and for prior fiscal year adjustments.

3 (b) For the 2013-14 and 2014-15 school years, the superintendent
4 shall allocate general apportionment funding to school districts as
5 provided in the funding formulas and salary schedules in sections 502
6 and 503 of this act, excluding (c) of this subsection.

7 (c) From July 1, 2013, to August 31, 2013, the superintendent shall
8 allocate general apportionment funding to school districts programs as
9 provided in sections 502 and 503, chapter 50, Laws of 2011 1st sp.
10 sess., as amended.

11 (d) The enrollment of any district shall be the annual average
12 number of full-time equivalent students and part-time students as
13 provided in RCW 28A.150.350, enrolled on the fourth day of school in
14 September and on the first school day of each month October through
15 June, including students who are in attendance pursuant to RCW
16 28A.335.160 and 28A.225.250 who do not reside within the servicing
17 school district. Any school district concluding its basic education
18 program in May must report the enrollment of the last school day held
19 in May in lieu of a June enrollment.

20 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

21 Allocations for certificated instructional staff salaries for the
22 2013-14 and 2014-15 school years are determined using formula-generated
23 staff units calculated pursuant to this subsection.

24 (a) Certificated instructional staff units, as defined in RCW
25 28A.150.410, shall be allocated to reflect the minimum class size
26 allocations, requirements, and school prototypes assumptions as
27 provided in RCW 28A.150.260, except that the allocation for guidance
28 counselors in a middle school shall be 1.216 and the allocation for
29 guidance counselors in a high school shall be 2.009 in the 2013-14
30 school year and the allocation for guidance counselors in high school
31 shall be 2.539 in the 2014-15 school year in order to begin to assist
32 school districts in providing students the opportunity to complete
33 twenty-four credit hours, which enhancements are within the program of
34 basic education. The superintendent shall make allocations to school
35 districts based on the district's annual average full-time equivalent
36 student enrollment in each grade.

37 (b) Additional certificated instructional staff units provided in

1 this subsection (2) that exceed the minimum requirements in RCW
 2 28A.150.260 are enhancements outside the program of basic education,
 3 except as otherwise provided in this section.

4 (c)(i) The superintendent shall base allocations for each level of
 5 prototypical school on the following regular education average class
 6 size of full-time equivalent students per teacher, except as provided
 7 in (c)(ii) of this subsection:

8 General education class size:

9 Grade	RCW 28A.150.260	2013-14 School Year	2014-15 School Year
11 Grades K-3	25.23	25.23
12 Grade 4	27.00	27.00
13 Grades 5-6	27.00	27.00
14 Grades 7-8	28.53	28.53
15 Grades 9-12	28.74	28.74

16 The superintendent shall base allocations for laboratory science,
 17 career and technical education (CTE), and skill center programs average
 18 class size as provided in RCW 28A.150.260.

19 (ii) For each level of prototypical school at which more than fifty
 20 percent of the students were eligible for free and reduced-price meals
 21 in the prior school year, the superintendent shall allocate funding
 22 based on the following average class size of full-time equivalent
 23 students per teacher:

24 (A) General education class size in high poverty schools:

25 Grade	RCW 28A.150.260
26 Grade 2	..... 24.10
27 Grade 3	..... 24.10
28 Grade 4	..... 27.00
29 Grades 5-6	..... 27.00
30 Grades 7-8	..... 28.53
31 Grades 9-12	..... 28.74

1 (B) For grades K-1, class size of 20.85 is provided for high
2 poverty schools for the 2013-14 school year and for grade 2, class size
3 of 20.85 is provided for high poverty schools for the 2014-15 school
4 year;

5 (C) For grades K through 1, the superintendent shall, at a minimum,
6 allocate funding to high-poverty schools for the 2014-15 school year
7 based on an average class size of 24.10 full-time equivalent students
8 per teacher. The superintendent shall provide enhanced funding for
9 class size reduction in grades K through 1 to the extent of, and
10 proportionate to, the school's demonstrated actual average class size
11 up to a class size of 20.30 full-time equivalent students per teacher.
12 The office of the superintendent of public instruction shall develop
13 rules to implement the enhanced funding authorized under (ii)(C) of
14 this subsection and shall distribute draft rules for review no later
15 than December 1, 2013. The office of the superintendent of public
16 instruction shall report the draft rules and proposed methodology to
17 the governor and the appropriate policy and fiscal committees of the
18 legislature by December 1, 2013.

19 (D) The enhancement in this subsection (2)(c)(ii) is within the
20 program of basic education.

21 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
22 planning period, expressed as a percentage of a teacher work day, is
23 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

24 (iv) (~~Laboratory science~~) Advanced placement and
25 international baccalaureate courses are funded at the same class size
26 assumptions as general education schools in the same grade; and

27 (d)(i) Funding for teacher librarians, school nurses, social
28 workers, school psychologists, and guidance counselors is allocated
29 based on the school prototypes as provided in RCW 28A.150.260 and (a)
30 of this subsection and is considered certificated instructional staff,
31 except as provided in (d)(ii) of this subsection.

32 (ii) Students in approved career and technical education and skill
33 center programs generate certificated instructional staff units to
34 provide for the services of teacher librarians, school nurses, social
35 workers, school psychologists, and guidance counselors at the following
36 combined rate per 1000 students full-time equivalent enrollment:

37 (~~Career and Technical Education~~
38 ~~students 2.02 per 1000 student FTE's~~

1 ~~Skill Center students 2.36 per 1000 student FTE's)~~

2		<u>2013-14</u>	<u>2014-15</u>
3		<u>School Year</u>	<u>School Year</u>
4	<u>Career and Technical Education</u>	<u>2.02</u>	<u>2.72</u>
5	<u>Skill Center</u>	<u>2.36</u>	<u>3.06</u>

6 (3) ADMINISTRATIVE STAFF ALLOCATIONS

7 (a) Allocations for school building-level certificated
8 administrative staff salaries for the 2013-14 and 2014-15 school years
9 for general education students are determined using the formula
10 generated staff units calculated pursuant to this subsection. The
11 superintendent shall make allocations to school districts based on the
12 district's annual average full-time equivalent enrollment in each
13 grade. The following prototypical school values shall determine the
14 allocation for principals, assistance principals, and other
15 certificated building level administrators:

16 Prototypical School Building:

17	Elementary School	.....	1.253
18	Middle School	.....	1.353
19	High School	.....	1.880

20 (b) Students in approved career and technical education and skill
21 center programs generate certificated school building-level
22 administrator staff units at per student rates that are a multiple of
23 the general education rate in (a) of this subsection by the following
24 factors: Career and Technical Education students1.025
25 Skill Center students1.198

26 (4) CLASSIFIED STAFF ALLOCATIONS

27 Allocations for classified staff units providing school building-
28 level and district-wide support services for the 2013-14 and 2014-15
29 school years are determined using the formula-generated staff units
30 provided in RCW 28A.150.260, and adjusted based on each district's
31 annual average full-time equivalent student enrollment in each grade,

1 except that the allocation for parent involvement coordinators in an
2 elementary school shall be 0.0825, which enhancement is within the
3 program of basic education.

4 (5) CENTRAL OFFICE ALLOCATIONS

5 In addition to classified and administrative staff units allocated
6 in subsections (3) and (4) of this section, classified and
7 administrative staff units are provided for the 2013-14 and 2014-15
8 school year for the central office administrative costs of operating a
9 school district, at the following rates:

10 (a) The total central office staff units provided in this
11 subsection (5) are calculated by first multiplying the total number of
12 eligible certificated instructional, certificated administrative, and
13 classified staff units providing school-based or district-wide support
14 services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

15 (b) Of the central office staff units calculated in (a) of this
16 subsection, 74.53 percent are allocated as classified staff units, as
17 generated in subsection (4) of this section, and 25.47 percent shall be
18 allocated as administrative staff units, as generated in subsection (3)
19 of this section.

20 (c) Staff units generated as enhancements outside the program of
21 basic education to the minimum requirements of RCW 28A.150.260, and
22 staff units generated by skill center and career-technical students,
23 are excluded from the total central office staff units calculation in
24 (a) of this subsection.

25 (d) For students in approved career-technical and skill center
26 programs, central office classified units are allocated at the same
27 staff unit per student rate as those generated for general education
28 students of the same grade in this subsection (5), and central office
29 administrative staff units are allocated at staff unit per student
30 rates that exceed the general education rate established for students
31 in the same grade in this subsection (5) by 1.71 percent in the 2013-14
32 school year and 2.00 percent in the 2014-15 school year for career and
33 technical education students, and 21.60 percent in the 2013-14 school
34 year and 15.98 percent in the 2014-15 school year for skill center
35 students.

36 (6) FRINGE BENEFIT ALLOCATIONS

37 Fringe benefit allocations shall be calculated at a rate of 18.68
38 percent in the 2013-14 school year and 18.68 percent in the 2014-15

1 school year for certificated salary allocations provided under
 2 subsections (2), (3), and (5) of this section, and a rate of 20.95
 3 percent in the 2013-14 school year and 20.95 percent in the 2014-15
 4 school year for classified salary allocations provided under
 5 subsections (4) and (5) of this section.

6 (7) INSURANCE BENEFIT ALLOCATIONS

7 Insurance benefit allocations shall be calculated at the
 8 maintenance rate specified in section 504 of this act, based on the
 9 number of benefit units determined as follows:

10 (a) The number of certificated staff units determined in
 11 subsections (2), (3), and (5) of this section; and

12 (b) The number of classified staff units determined in subsections
 13 (4) and (5) of this section multiplied by 1.152. This factor is
 14 intended to adjust allocations so that, for the purposes of
 15 distributing insurance benefits, full-time equivalent classified
 16 employees may be calculated on the basis of 1440 hours of work per
 17 year, with no individual employee counted as more than one full-time
 18 equivalent.

19 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

20 Funding is allocated per annual average full-time equivalent
 21 student for the materials, supplies, and operating costs (MSOC)
 22 incurred by school districts, consistent with the requirements of RCW
 23 28A.150.260.

24 (a) MSOC funding for general education students are allocated at
 25 the following per student rates:

26 MSOC RATES/STUDENT FTE			
27			
28 MSOC Component	2013-14	2014-15	
	SCHOOL YEAR	SCHOOL YEAR	
31 Technology	\$77.46	\$(82.16) <u>86.76</u>	
32 Utilities and Insurance	\$210.46	\$(223.23) <u>235.73</u>	
33 Curriculum and Textbooks	\$83.17	\$(88.21) <u>93.15</u>	
34 Other Supplies and Library Materials	\$176.56	\$(187.27) <u>197.75</u>	

1	Instructional Professional Development for Certificated		
2	and Classified Staff	\$12.86	\$((13.64)) <u>14.41</u>
3	Facilities Maintenance	\$104.27	\$((110.59)) <u>116.78</u>
4	Security and Central Office	\$72.24	\$((76.62)) <u>80.91</u>
5	TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$737.02	\$((781.72)) <u>825.48</u>

6 (b) Students in approved skill center programs generate per student
7 FTE MSOC allocations of \$1,244.25 for the 2013-14 school year and
8 \$1,262.92 for the 2014-15 school year.

9 (c) Students in approved exploratory and preparatory career and
10 technical education programs generate a per student MSOC allocation of
11 \$1,399.30 for the 2013-14 school year and \$1,420.29 for the 2014-15
12 school year.

13 ~~(d) ((Students in laboratory science courses generate per student~~
14 ~~FTE MSOC allocations which equal the per student FTE rate for general~~
15 ~~education students established in (a) of this subsection.))~~ In addition
16 to the amounts provided in (a) of this subsection, beginning in the
17 2014-15 school year in order to begin to assist school districts in
18 providing students the opportunity to complete twenty-four credit
19 hours, the following minimum allocations shall be provided for each
20 annual average full-time equivalent student in grades nine through
21 twelve for the following materials, supplies, and operating costs, to
22 be adjusted annually for inflation:

23		<u>Per annual average</u>
24		<u>full-time equivalent student</u>
25		<u>in grades 9-12</u>
26	<u>Technology</u>	<u>\$36.35</u>
27	<u>Curriculum and textbooks</u>	<u>\$39.02</u>
28	<u>Other supplies and library materials</u>	<u>\$82.84</u>
29	<u>Instructional professional development for</u>	
30	<u>certificated and classified staff</u>	<u>\$6.04</u>

31 (9) SUBSTITUTE TEACHER ALLOCATIONS

32 For the 2013-14 and 2014-15 school years, funding for substitute
33 costs for classroom teachers is based on four (4) funded substitute
34 days per classroom teacher unit generated under subsection (2) of this
35 section, at a daily substitute rate of \$151.86.

36 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

1 (a) Amounts provided in this section from July 1, 2013, to August
2 31, 2013, are adjusted to reflect provisions of chapter 34, Laws of
3 2011 1st sp. sess. (allocation of funding for funding for students
4 enrolled in alternative learning experiences).

5 (b) Amounts provided in this section beginning September 1, 2013,
6 are adjusted to reflect modifications to alternative learning
7 experience courses in Engrossed Substitute Senate Bill No. 5946
8 (student educational outcomes).

9 (c) The superintendent of public instruction shall require all
10 districts receiving general apportionment funding for alternative
11 learning experience (ALE) programs as defined in WAC 392-121-182 to
12 provide separate financial accounting of expenditures for the ALE
13 programs offered in district or with a provider, including but not
14 limited to private companies and multidistrict cooperatives, as well as
15 accurate, monthly headcount and FTE enrollment claimed for basic
16 education, including separate counts of resident and nonresident
17 students.

18 (11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

19 Funding in this section is sufficient to fund voluntary full day
20 kindergarten programs in qualifying high poverty schools, pursuant to
21 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls
22 for the voluntary full-day program in a qualifying school shall count
23 as one-half of one full-time equivalent student for purpose of making
24 allocations under this section. Funding in this section provides full-
25 day kindergarten programs for 43.75 percent of kindergarten enrollment
26 in the 2013-14 school year and ~~((43.75))~~ 57.5 percent in the 2014-15
27 school year, which enhancement is within the program of basic
28 education.

29 ~~((INCREASED INSTRUCTIONAL HOURS FOR GRADES SEVEN THROUGH
30 TWELVE~~

31 ~~(a) School districts shall implement the increased instructional
32 hours for the instructional program of basic education required under
33 the provisions of RCW 28A.150.220(2)(a) beginning with the 2014-15
34 school year, which enhancement is within the program of basic
35 education.~~

36 ~~(b) Amounts provided in this section are sufficient to fund
37 increased instructional hours in grades seven through twelve. For the
38 2014-15 school year, the superintendent shall allocate funding to~~

1 ~~school districts for increased instructional hours. In calculating the~~
2 ~~allocations, the superintendent shall assume the following averages:~~
3 ~~(a) Additional instruction of 2.2222 hours per week per full-time~~
4 ~~equivalent student in grades seven through twelve in school year 2014-~~
5 ~~15; (b) the general education average class sizes specified in section~~
6 ~~502(2)(c); (c) 36 instructional weeks per year; (d) 900 instructional~~
7 ~~hours per teacher; and (e) the district's average staff mix and~~
8 ~~compensation rates as provided in sections 503 and 504 of this act.~~

9 ~~(13))~~ ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
10 NECESSARY PLANTS

11 For small school districts and remote and necessary school plants
12 within any district which have been judged to be remote and necessary
13 by the superintendent of public instruction, additional staff units are
14 provided to ensure a minimum level of staffing support. Additional
15 administrative and certificated instructional staff units provided to
16 districts in this subsection shall be reduced by the general education
17 staff units, excluding career and technical education and skills center
18 enhancement units, otherwise provided in subsections (2) through (5) of
19 this section on a per district basis.

20 (a) For districts enrolling not more than twenty-five average
21 annual full-time equivalent students in grades K-8, and for small
22 school plants within any school district which have been judged to be
23 remote and necessary by the superintendent of public instruction and
24 enroll not more than twenty-five average annual full-time equivalent
25 students in grades K-8:

26 (i) For those enrolling no students in grades 7 and 8, 1.76
27 certificated instructional staff units and 0.24 certificated
28 administrative staff units for enrollment of not more than five
29 students, plus one-twentieth of a certificated instructional staff unit
30 for each additional student enrolled; and

31 (ii) For those enrolling students in grades 7 or 8, 1.68
32 certificated instructional staff units and 0.32 certificated
33 administrative staff units for enrollment of not more than five
34 students, plus one-tenth of a certificated instructional staff unit for
35 each additional student enrolled;

36 (b) For specified enrollments in districts enrolling more than
37 twenty-five but not more than one hundred average annual full-time
38 equivalent students in grades K-8, and for small school plants within

1 any school district which enroll more than twenty-five average annual
2 full-time equivalent students in grades K-8 and have been judged to be
3 remote and necessary by the superintendent of public instruction:

4 (i) For enrollment of up to sixty annual average full-time
5 equivalent students in grades K-6, 2.76 certificated instructional
6 staff units and 0.24 certificated administrative staff units; and

7 (ii) For enrollment of up to twenty annual average full-time
8 equivalent students in grades 7 and 8, 0.92 certificated instructional
9 staff units and 0.08 certificated administrative staff units;

10 (c) For districts operating no more than two high schools with
11 enrollments of less than three hundred average annual full-time
12 equivalent students, for enrollment in grades 9-12 in each such school,
13 other than alternative schools, except as noted in this subsection:

14 (i) For remote and necessary schools enrolling students in any
15 grades 9-12 but no more than twenty-five average annual full-time
16 equivalent students in grades K-12, four and one-half certificated
17 instructional staff units and one-quarter of a certificated
18 administrative staff unit;

19 (ii) For all other small high schools under this subsection, nine
20 certificated instructional staff units and one-half of a certificated
21 administrative staff unit for the first sixty average annual full-time
22 equivalent students, and additional staff units based on a ratio of
23 0.8732 certificated instructional staff units and 0.1268 certificated
24 administrative staff units per each additional forty-three and one-half
25 average annual full-time equivalent students;

26 (iii) Districts receiving staff units under this subsection shall
27 add students enrolled in a district alternative high school and any
28 grades nine through twelve alternative learning experience programs
29 with the small high school enrollment for calculations under this
30 subsection;

31 (d) For each nonhigh school district having an enrollment of more
32 than seventy annual average full-time equivalent students and less than
33 one hundred eighty students, operating a grades K-8 program or a grades
34 1-8 program, an additional one-half of a certificated instructional
35 staff unit;

36 (e) For each nonhigh school district having an enrollment of more
37 than fifty annual average full-time equivalent students and less than

1 one hundred eighty students, operating a grades K-6 program or a grades
2 1-6 program, an additional one-half of a certificated instructional
3 staff unit;

4 (f)(i) For enrollments generating certificated staff unit
5 allocations under (a) through (e) of this subsection, one classified
6 staff unit for each 2.94 certificated staff units allocated under such
7 subsections;

8 (ii) For each nonhigh school district with an enrollment of more
9 than fifty annual average full-time equivalent students and less than
10 one hundred eighty students, an additional one-half of a classified
11 staff unit; and

12 (g) School districts receiving additional staff units to support
13 small student enrollments and remote and necessary plants under this
14 subsection (12) shall generate additional MSOC allocations consistent
15 with the nonemployee related costs (NERC) allocation formula in place
16 for the 2010-11 school year as provided section 502, chapter 37, Laws
17 of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for
18 inflation.

19 (~~(14)~~) (13) Any school district board of directors may petition
20 the superintendent of public instruction by submission of a resolution
21 adopted in a public meeting to reduce or delay any portion of its basic
22 education allocation for any school year. The superintendent of public
23 instruction shall approve such reduction or delay if it does not impair
24 the district's financial condition. Any delay shall not be for more
25 than two school years. Any reduction or delay shall have no impact on
26 levy authority pursuant to RCW 84.52.0531 and local effort assistance
27 pursuant to chapter 28A.500 RCW.

28 (~~(15)~~) (14) The superintendent may distribute funding for the
29 following programs outside the basic education formula during fiscal
30 years 2014 and 2015 as follows:

31 (a) \$605,000 of the general fund--state appropriation for fiscal
32 year 2014 and \$614,000 of the general fund--state appropriation for
33 fiscal year 2015 are provided solely for fire protection for school
34 districts located in a fire protection district as now or hereafter
35 established pursuant to chapter 52.04 RCW.

36 (b) \$436,000 of the general fund--state appropriation for fiscal
37 year 2014 and \$436,000 of the general fund--state appropriation for
38 fiscal year 2015 are provided solely for programs providing skills

1 training for secondary students who are enrolled in extended day
2 school-to-work programs, as approved by the superintendent of public
3 instruction. The funds shall be allocated at a rate not to exceed \$500
4 per full-time equivalent student enrolled in those programs.

5 ~~((+16))~~ (15) \$214,000 of the general fund--state appropriation for
6 fiscal year 2014 and \$217,000 of the general fund--state appropriation
7 for fiscal year 2015 are provided solely for school district
8 emergencies as certified by the superintendent of public instruction.
9 At the close of the fiscal year the superintendent of public
10 instruction shall report to the office of financial management and the
11 appropriate fiscal committees of the legislature on the allocations
12 provided to districts and the nature of the emergency.

13 ~~((+17))~~ (16) Funding in this section is sufficient to fund a
14 maximum of 1.6 FTE enrollment for skills center students pursuant to
15 chapter 463, Laws of 2007.

16 ~~((+18))~~ (17) Students participating in running start programs may
17 be funded up to a combined maximum enrollment of 1.2 FTE including
18 school district and institution of higher education enrollment. In
19 calculating the combined 1.2 FTE, the office of the superintendent of
20 public instruction may average the participating student's September
21 through June enrollment to account for differences in the start and end
22 dates for courses provided by the high school and higher education
23 institution. Additionally, the office of the superintendent of public
24 instruction, in consultation with the state board for community and
25 technical colleges, the student achievement council, and the education
26 data center, shall annually track and report to the fiscal committees
27 of the legislature on the combined FTE experience of students
28 participating in the running start program, including course load
29 analyses at both the high school and community and technical college
30 system.

31 ~~((+19))~~ (18) If two or more school districts consolidate and each
32 district was receiving additional basic education formula staff units
33 pursuant to subsection (12) of this section, the following apply:

34 (a) For three school years following consolidation, the number of
35 basic education formula staff units shall not be less than the number
36 of basic education formula staff units received by the districts in the
37 school year prior to the consolidation; and

1 (b) For the fourth through eighth school years following
2 consolidation, the difference between the basic education formula staff
3 units received by the districts for the school year prior to
4 consolidation and the basic education formula staff units after
5 consolidation pursuant to subsection (12) of this section shall be
6 reduced in increments of twenty percent per year.

7 ~~((+20))~~ (19)(a) Indirect cost charges by a school district to
8 approved career and technical education middle and secondary programs
9 shall not exceed 15 percent of the combined basic education and career
10 and technical education program enhancement allocations of state funds.
11 Middle and secondary career and technical education programs are
12 considered separate programs for funding and financial reporting
13 purposes under this section.

14 (b) Career and technical education program full-time equivalent
15 enrollment shall be reported on the same monthly basis as the
16 enrollment for students eligible for basic support, and payments shall
17 be adjusted for reported career and technical education program
18 enrollments on the same monthly basis as those adjustments for
19 enrollment for students eligible for basic support.

20 **Sec. 203.** RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each
21 amended to read as follows:

22 (1) School district employees shall be provided an annual salary
23 cost-of-living increase in accordance with this section.

24 (a) The cost-of-living increase shall be calculated by applying the
25 rate of the yearly increase in the cost-of-living index to any state-
26 funded salary base used in state funding formulas for teachers and
27 other school district employees. Beginning with the 2001-02 school
28 year, and for each subsequent school year, except for the 2013-14 (~~and~~
29 ~~2014-15~~) school year(~~s~~), each school district shall be provided a
30 cost-of-living allocation sufficient to grant this cost-of-living
31 increase.

32 (b) A school district shall distribute its cost-of-living
33 allocation for salaries and salary-related benefits in accordance with
34 the district's salary schedules, collective bargaining agreements, and
35 compensation policies. No later than the end of the school year, each
36 school district shall certify to the superintendent of public

1 instruction that it has spent funds provided for cost-of-living
2 increases on salaries and salary-related benefits.

3 (c) Any funded cost-of-living increase shall be included in the
4 salary base used to determine cost-of-living increases for school
5 employees in subsequent years. For teachers and other certificated
6 instructional staff, the rate of the annual cost-of-living increase
7 funded for certificated instructional staff shall be applied to the
8 base salary used with the statewide salary allocation schedule
9 established under RCW 28A.150.410 and to any other salary models used
10 to recognize school district personnel costs.

11 (2) For the purposes of this section, "cost-of-living index" means,
12 for any school year, the previous calendar year's annual average
13 consumer price index, using the official current base, compiled by the
14 bureau of labor statistics, United States department of labor for the
15 state of Washington. If the bureau of labor statistics develops more
16 than one consumer price index for areas within the state, the index
17 covering the greatest number of people, covering areas exclusively
18 within the boundaries of the state, and including all items shall be
19 used for the cost-of-living index in this section.

20 **Sec. 204.** RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each
21 amended to read as follows:

22 (1) Academic employees of community and technical college districts
23 shall be provided an annual salary cost-of-living increase in
24 accordance with this section. For purposes of this section, "academic
25 employee" has the same meaning as defined in RCW 28B.52.020.

26 (a) Beginning with the 2001-2002 fiscal year, and for each
27 subsequent fiscal year, except as provided in (d) of this subsection,
28 each college district shall receive a cost-of-living allocation
29 sufficient to increase academic employee salaries, including mandatory
30 salary-related benefits, by the rate of the yearly increase in the
31 cost-of-living index.

32 (b) A college district shall distribute its cost-of-living
33 allocation for salaries and salary-related benefits in accordance with
34 the district's salary schedules, collective bargaining agreements, and
35 other compensation policies. No later than the end of the fiscal year,
36 each college district shall certify to the college board that it has

1 spent funds provided for cost-of-living increases on salaries and
2 salary-related benefits.

3 (c) The college board shall include any funded cost-of-living
4 increase in the salary base used to determine cost-of-living increases
5 for academic employees in subsequent years.

6 (d) Beginning with the 2001-2002 fiscal year, and for each
7 subsequent fiscal year, except for the 2013-2014 (~~and 2014-2015~~)
8 fiscal year(~~s~~), the state shall fully fund the cost-of-living
9 increase set forth in this section.

10 (2) For the purposes of this section, "cost-of-living index" means,
11 for any fiscal year, the previous calendar year's annual average
12 consumer price index, using the official current base, compiled by the
13 bureau of labor statistics, United States department of labor for the
14 state of Washington. If the bureau of labor statistics develops more
15 than one consumer price index for areas within the state, the index
16 covering the greatest number of people, covering areas exclusively
17 within the boundaries of the state, and including all items shall be
18 used for the cost-of-living index in this section.

19 **Sec. 205.** RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each
20 amended to read as follows:

21 (1) Classified employees of technical colleges shall be provided an
22 annual salary cost-of-living increase in accordance with this section.
23 For purposes of this section, "technical college" has the same meaning
24 as defined in RCW 28B.50.030. This section applies to only those
25 classified employees under the jurisdiction of chapter 41.56 RCW.

26 (a) Beginning with the 2001-2002 fiscal year, and for each
27 subsequent fiscal year, except as provided in (d) of this subsection,
28 each technical college board of trustees shall receive a cost-of-living
29 allocation sufficient to increase classified employee salaries,
30 including mandatory salary-related benefits, by the rate of the yearly
31 increase in the cost-of-living index.

32 (b) A technical college board of trustees shall distribute its
33 cost-of-living allocation for salaries and salary-related benefits in
34 accordance with the technical college's salary schedules, collective
35 bargaining agreements, and other compensation policies. No later than
36 the end of the fiscal year, each technical college shall certify to the

1 college board that it has spent funds provided for cost-of-living
2 increases on salaries and salary-related benefits.

3 (c) The college board shall include any funded cost-of-living
4 increase in the salary base used to determine cost-of-living increases
5 for technical college classified employees in subsequent years.

6 (d) Beginning with the 2001-2002 fiscal year, and for each
7 subsequent fiscal year, except for the 2013-2014 (~~and 2014-2015~~)
8 fiscal year(~~s~~), the state shall fully fund the cost-of-living
9 increase set forth in this section.

10 (2) For the purposes of this section, "cost-of-living index" means,
11 for any fiscal year, the previous calendar year's annual average
12 consumer price index, using the official current base, compiled by the
13 bureau of labor statistics, United States department of labor for the
14 state of Washington. If the bureau of labor statistics develops more
15 than one consumer price index for areas within the state, the index
16 covering the greatest number of people, covering areas exclusively
17 within the boundaries of the state, and including all items shall be
18 used for the cost-of-living index in this section.

19 **Sec. 206.** RCW 28A.405.415 and 2013 2nd sp.s. c 5 s 4 are each
20 amended to read as follows:

21 (1) Certificated instructional staff who have attained
22 certification from the national board for professional teaching
23 standards shall receive a bonus each year in which they maintain the
24 certification. The bonus shall be calculated as follows: The annual
25 bonus shall be five thousand dollars in the 2007-08 school year.
26 Thereafter, the annual bonus shall increase by inflation, except that
27 the bonus shall not be increased during the 2013-14 (~~and 2014-15~~)
28 school year(~~s~~).

29 (2) Certificated instructional staff who have attained
30 certification from the national board for professional teaching
31 standards shall be eligible for bonuses in addition to that provided by
32 subsection (1) of this section if the individual is in an instructional
33 assignment in a school in which at least seventy percent of the
34 students qualify for the free and reduced-price lunch program.

35 (3) The amount of the additional bonus under subsection (2) of this
36 section for those meeting the qualifications of subsection (2) of this
37 section is five thousand dollars.

1 (4) The bonuses provided under this section are in addition to
2 compensation received under a district's salary schedule adopted in
3 accordance with RCW 28A.405.200 and shall not be included in
4 calculations of a district's average salary and associated salary
5 limitations under RCW 28A.400.200.

6 (5) The bonuses provided under this section shall be paid in a lump
7 sum amount.

8 **PART III**

9 **PROVIDING NEW REVENUE TO SUPPORT MEETING THE STATE'S ARTICLE IX**
10 **CONSTITUTIONAL DUTY**

11 NEW SECTION. **Sec. 301.** The legislature intends to provide initial
12 options for additional revenue to support meeting the state's Article
13 IX state constitutional duty in a reliable and dependable manner.

14 The legislature recognizes that simply reducing funding in other
15 areas of the omnibus appropriations act is neither a long-term nor
16 sustainable solution to fulfilling the state's basic education
17 obligations. The legislature further recognizes that budget cuts that
18 impact state funding for programs that provide holistic services for
19 children and their families will only undermine students' ability to
20 arrive at the classroom ready to learn. Therefore, the legislature
21 acknowledges that additional revenue options are necessary if
22 Washington is to be on track to meet its constitutional promises by
23 2018.

24 **Sec. 302.** RCW 82.08.0293 and 2011 c 2 s 301 are each amended to
25 read as follows:

26 (1) The tax levied by RCW 82.08.020 does not apply to sales of food
27 and food ingredients. "Food and food ingredients" means substances,
28 whether in liquid, concentrated, solid, frozen, dried, or dehydrated
29 form, that are sold for ingestion or chewing by humans and are consumed
30 for their taste or nutritional value. "Food and food ingredients" does
31 not include:

32 (a) "Alcoholic beverages," which means beverages that are suitable
33 for human consumption and contain one-half of one percent or more of
34 alcohol by volume; and

1 (b) "Tobacco," which means cigarettes, cigars, chewing or pipe
2 tobacco, or any other item that contains tobacco.

3 (2) The exemption of "food and food ingredients" provided for in
4 subsection (1) of this section does not apply to prepared food, soft
5 drinks, bottled water, or dietary supplements. ~~((For purposes of this~~
6 ~~subsection, the following definitions apply:~~

7 ~~(a))~~ The definitions in this subsection apply throughout this
8 section unless the context clearly requires otherwise.

9 (a) "Bottled water" means water that is placed in a safety-sealed
10 container or package for human consumption. Bottled water is calorie
11 free and does not contain sweeteners or other additives except that it
12 may contain: (i) Antimicrobial agents; (ii) fluoride; (iii)
13 carbonation; (iv) vitamins, minerals, and electrolytes; (v) oxygen;
14 (vi) preservatives; and (vii) only those flavors, extracts, or essences
15 derived from a spice or fruit. "Bottled water" includes water that is
16 delivered to the buyer in a reusable container that is not sold with
17 the water.

18 (b) "Dietary supplement" means any product, other than tobacco,
19 intended to supplement the diet that:

20 (i) Contains one or more of the following dietary ingredients:

21 (A) A vitamin;

22 (B) A mineral;

23 (C) An herb or other botanical;

24 (D) An amino acid;

25 (E) A dietary substance for use by humans to supplement the diet by
26 increasing the total dietary intake; or

27 (F) A concentrate, metabolite, constituent, extract, or combination
28 of any ingredient described in this subsection;

29 (ii) Is intended for ingestion in tablet, capsule, powder, softgel,
30 gelcap, or liquid form, or if not intended for ingestion in such form,
31 is not represented as conventional food and is not represented for use
32 as a sole item of a meal or of the diet; and

33 (iii) Is required to be labeled as a dietary supplement,
34 identifiable by the "supplement facts" box found on the label as
35 required pursuant to 21 C.F.R. Sec. 101.36, as amended or renumbered as
36 of January 1, 2003.

37 ~~((b))~~ (c)(i) "Prepared food" means:

38 (A) Food sold in a heated state or heated by the seller;

1 (B) Food sold with eating utensils provided by the seller,
2 including plates, knives, forks, spoons, glasses, cups, napkins, or
3 straws. A plate does not include a container or packaging used to
4 transport the food; or

5 (C) Two or more food ingredients mixed or combined by the seller
6 for sale as a single item, except:

7 (I) Food that is only cut, repackaged, or pasteurized by the
8 seller; or

9 (II) Raw eggs, fish, meat, poultry, and foods containing these raw
10 animal foods requiring cooking by the consumer as recommended by the
11 federal food and drug administration in chapter 3, part 401.11 of The
12 Food Code, published by the food and drug administration, as amended or
13 renumbered as of January 1, 2003, so as to prevent foodborne illness.

14 (ii) "Prepared food" does not include the following food or food
15 ingredients, if the food or food ingredients are sold without eating
16 utensils provided by the seller:

17 (A) Food sold by a seller whose proper primary North American
18 industry classification system (NAICS) classification is manufacturing
19 in sector 311, except subsector 3118 (bakeries), as provided in the
20 "North American industry classification system--United States, 2002";

21 (B) Food sold in an unheated state by weight or volume as a single
22 item; or

23 (C) Bakery items. The term "bakery items" includes bread, rolls,
24 buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes,
25 tortes, pies, tarts, muffins, bars, cookies, or tortillas.

26 ((+e+)) (d) "Soft drinks" means nonalcoholic beverages that contain
27 natural or artificial sweeteners. Soft drinks do not include beverages
28 that contain: Milk or milk products; soy, rice, or similar milk
29 substitutes; or greater than fifty percent of vegetable or fruit juice
30 by volume.

31 (3) Notwithstanding anything in this section to the contrary, the
32 exemption of "food and food ingredients" provided in this section
33 applies to food and food ingredients that are furnished, prepared, or
34 served as meals:

35 (a) Under a state administered nutrition program for the aged as
36 provided for in the older Americans act (P.L. 95-478 Title III) and RCW
37 74.38.040(6);

1 (b) That are provided to senior citizens, individuals with
2 disabilities, or low-income persons by a not-for-profit organization
3 organized under chapter 24.03 or 24.12 RCW; or

4 (c) That are provided to residents, sixty-two years of age or
5 older, of a qualified low-income senior housing facility by the lessor
6 or operator of the facility. The sale of a meal that is billed to both
7 spouses of a marital community or both domestic partners of a domestic
8 partnership meets the age requirement in this subsection (3)(c) if at
9 least one of the spouses or domestic partners is at least sixty-two
10 years of age. For purposes of this subsection, "qualified low-income
11 senior housing facility" means a facility:

12 (i) That meets the definition of a qualified low-income housing
13 project under 26 U.S.C. Sec. 42 of the federal internal revenue code,
14 as existing on August 1, 2009;

15 (ii) That has been partially funded under 42 U.S.C. Sec. 1485; and

16 (iii) For which the lessor or operator has at any time been
17 entitled to claim a federal income tax credit under 26 U.S.C. Sec. 42
18 of the federal internal revenue code.

19 (4)(a) Subsection (1) of this section notwithstanding, the retail
20 sale of food and food ingredients is subject to sales tax under RCW
21 82.08.020 if the food and food ingredients are sold through a vending
22 machine. Except as provided in (b) of this subsection, the selling
23 price of food and food ingredients sold through a vending machine for
24 purposes of RCW 82.08.020 is fifty-seven percent of the gross receipts.

25 (b) For soft drinks, bottled water, and hot prepared food and food
26 ingredients, other than food and food ingredients which are heated
27 after they have been dispensed from the vending machine, the selling
28 price is the total gross receipts of such sales divided by the sum of
29 one plus the sales tax rate expressed as a decimal.

30 (c) For tax collected under this subsection (4), the requirements
31 that the tax be collected from the buyer and that the amount of tax be
32 stated as a separate item are waived.

33 **Sec. 303.** RCW 82.12.0293 and 2011 c 2 s 303 are each amended to
34 read as follows:

35 (1) The provisions of this chapter do not apply in respect to the
36 use of food and food ingredients for human consumption. "Food and food
37 ingredients" has the same meaning as in RCW 82.08.0293.

1 (2) The exemption of "food and food ingredients" provided for in
2 subsection (1) of this section does not apply to prepared food, soft
3 drinks, bottled water, or dietary supplements. "Prepared food," "soft
4 drinks," "bottled water," and "dietary supplements" have the same
5 meanings as in RCW 82.08.0293.

6 (3) Notwithstanding anything in this section to the contrary, the
7 exemption of "food and food ingredients" provided in this section
8 applies to food and food ingredients which are furnished, prepared, or
9 served as meals:

10 (a) Under a state administered nutrition program for the aged as
11 provided for in the older Americans act (P.L. 95-478 Title III) and RCW
12 74.38.040(6);

13 (b) Which are provided to senior citizens, individuals with
14 disabilities, or low-income persons by a not-for-profit organization
15 organized under chapter 24.03 or 24.12 RCW; or

16 (c) That are provided to residents, sixty-two years of age or
17 older, of a qualified low-income senior housing facility by the lessor
18 or operator of the facility. The sale of a meal that is billed to both
19 spouses of a marital community or both domestic partners of a domestic
20 partnership meets the age requirement in this subsection (3)(c) if at
21 least one of the spouses or domestic partners is at least sixty-two
22 years of age. For purposes of this subsection, "qualified low-income
23 senior housing facility" has the same meaning as in RCW 82.08.0293.

24 NEW SECTION. **Sec. 304.** A new section is added to chapter 82.08
25 RCW to read as follows:

26 (1) Subject to the conditions in this section, the tax levied by
27 RCW 82.08.020 does not apply to sales of bottled water dispensed or to
28 be dispensed to patients, pursuant to a prescription for use in the
29 cure, mitigation, treatment, or prevention of a disease or other
30 medical condition.

31 (2) For purposes of this section, "prescription" means an order,
32 formula, or recipe issued in any form of oral, written, electronic, or
33 other means of transmission by a duly licensed practitioner authorized
34 by the laws of this state to prescribe.

35 (3) Except for sales of bottled water delivered to the buyer in a
36 reusable container that is not sold with the water, sellers must
37 collect tax on sales subject to this exemption. Any buyer that has

1 paid at least twenty-five dollars in state and local sales taxes on
2 purchases of bottled water subject to this exemption may apply for a
3 refund of the state and local sales taxes directly from the department
4 in a form and manner prescribed by the department. The department must
5 deny any refund application if the amount of the refund requested is
6 less than twenty-five dollars. No refund may be made for taxes paid
7 more than four years after the end of the calendar year in which the
8 tax was paid to the seller.

9 (4) The provisions of RCW 82.32.060 apply to refunds authorized
10 under this section.

11 (5) With respect to sales of bottled water delivered to the buyer
12 in a reusable container that is not sold with the water, buyers
13 claiming the exemption provided in this section must provide the seller
14 with an exemption certificate in a form and manner prescribed by the
15 department. The seller must retain a copy of the certificate for the
16 seller's files. In lieu of an exemption certificate, a seller may
17 capture the relevant data elements as allowed under the streamlined
18 sales and use tax agreement.

19 NEW SECTION. **Sec. 305.** A new section is added to chapter 82.12
20 RCW to read as follows:

21 (1) The provisions of this chapter do not apply in respect to the
22 use of bottled water dispensed or to be dispensed to patients, pursuant
23 to a prescription for use in the cure, mitigation, treatment, or
24 prevention of a disease or medical condition.

25 (2) For the purposes of this section, "prescription" has the same
26 meaning as provided in section 304 of this act.

27 NEW SECTION. **Sec. 306.** A new section is added to chapter 82.08
28 RCW to read as follows:

29 (1)(a) Subject to the conditions in this section, the tax levied by
30 RCW 82.08.020 does not apply to sales of bottled water to persons whose
31 primary source of drinking water is unsafe.

32 (b) For purposes of this subsection and section 307 of this act, a
33 person's primary source of drinking water is unsafe if:

34 (i) The public water system providing the drinking water has issued
35 a public notification that the drinking water may pose a health risk,

1 and the notification is still in effect on the date that the bottled
2 water was purchased;

3 (ii) Test results on the person's drinking water, which are no more
4 than twelve months old, from a laboratory certified to perform drinking
5 water testing show that the person's drinking water does not meet safe
6 drinking water standards applicable to public water systems; or

7 (iii) The person otherwise establishes, to the department's
8 satisfaction, that the person's drinking water does not meet safe
9 drinking water standards applicable to public water systems.

10 (2) Except for sales of bottled water delivered to the buyer in a
11 reusable container that is not sold with the water, sellers must
12 collect tax on sales subject to this exemption. Any buyer that has
13 paid at least twenty-five dollars in state and local sales taxes on
14 purchases of bottled water subject to this exemption may apply for a
15 refund of the state and local sales taxes directly from the department
16 in a form and manner prescribed by the department. The department must
17 deny any refund application if the amount of the refund requested is
18 less than twenty-five dollars. No refund may be made for taxes paid
19 more than four years after the end of the calendar year in which the
20 tax was paid to the seller.

21 (3) The provisions of RCW 82.32.060 apply to refunds authorized
22 under this section.

23 (4)(a) With respect to sales of bottled water delivered to the
24 buyer in a reusable container that is not sold with the water, buyers
25 claiming the exemption provided in this section must provide the seller
26 with an exemption certificate in a form and manner prescribed by the
27 department. The seller must retain a copy of the certificate for the
28 seller's files. In lieu of an exemption certificate, a seller may
29 capture the relevant data elements as allowed under the streamlined
30 sales and use tax agreement.

31 (b) The department may waive the requirement for an exemption
32 certificate in the event of disaster or similar circumstance.

33 NEW SECTION. **Sec. 307.** A new section is added to chapter 82.12
34 RCW to read as follows:

35 The provisions of this chapter do not apply in respect to the use
36 of bottled water by persons whose primary source of drinking water is
37 unsafe as provided in section 306 of this act.

1 **Sec. 308.** RCW 82.12.0263 and 1980 c 37 s 62 are each amended to
2 read as follows:

3 The provisions of this chapter (~~((shall))~~) do not apply in respect to
4 the use of biomass fuel by the extractor or manufacturer thereof when
5 used directly in the operation of the particular extractive operation
6 or manufacturing plant which produced or manufactured the same. For
7 purposes of this section, "biomass fuel" means wood waste and other
8 wood residuals, including forest derived biomass, but does not include
9 firewood or wood pellets. "Biomass fuel" also includes partially
10 organic by-products of pulp, paper, and wood manufacturing processes.

11 NEW SECTION. **Sec. 309.** A new section is added to chapter 82.12
12 RCW to read as follows:

13 (1) The value of the article used with respect to refinery fuel gas
14 under this chapter is the most recent monthly United States natural gas
15 wellhead price, as published by the federal energy information
16 administration.

17 (2) Taxes collected under this chapter on the use of refinery fuel
18 gas must be deposited in the education legacy trust account. The
19 department must establish a separate reporting code for taxes collected
20 under this chapter on the use of refinery fuel gas.

21 (3) This section applies to the use of refinery fuel gas occurring
22 on or after June 1, 2014.

23 **Sec. 310.** RCW 82.08.0273 and 2011 c 7 s 1 are each amended to read
24 as follows:

25 (1) (~~((The tax levied by RCW 82.08.020 does not apply to sales to~~
26 ~~nonresidents of this state of tangible personal property, digital~~
27 ~~goods, and digital codes, when))~~) Subject to the conditions and
28 limitations in this section, an exemption from the tax levied by RCW
29 82.08.020 in the form of a remittance from the department is provided
30 for sales to nonresidents of this state of tangible personal property,
31 digital goods, and digital codes. The exemption only applies if:

32 (a) The property is for use outside this state;

33 (b) The purchaser is a bona fide resident of a province or
34 territory of Canada or a state, territory, or possession of the United
35 States, other than the state of Washington; and

1 (i) Such state, possession, territory, or province does not impose,
2 or have imposed on its behalf, a generally applicable retail sales tax,
3 use tax, value added tax, gross receipts tax on retailing activities,
4 or similar generally applicable tax, of three percent or more; or

5 (ii) If imposing a tax described in (b)(i) of this subsection,
6 provides an exemption for sales to Washington residents by reason of
7 their residence; and

8 (c) The purchaser agrees, when requested, to grant the department
9 of revenue access to such records and other forms of verification at
10 (~~his or her~~) the purchaser's place of residence to assure that such
11 purchases are not first used substantially in the state of Washington.

12 (2) Notwithstanding anything to the contrary in this chapter, if
13 parts or other tangible personal property are installed by the seller
14 during the course of repairing, cleaning, altering, or improving motor
15 vehicles, trailers, or campers and the seller makes a separate charge
16 for the tangible personal property, the tax levied by RCW 82.08.020
17 does not apply to the separately stated charge to a nonresident
18 purchaser for the tangible personal property but only if the separately
19 stated charge does not exceed either the seller's current publicly
20 stated retail price for the tangible personal property or, if no
21 publicly stated retail price is available, the seller's cost for the
22 tangible personal property. However, the exemption provided by this
23 section does not apply if tangible personal property is installed by
24 the seller during the course of repairing, cleaning, altering, or
25 improving motor vehicles, trailers, or campers and the seller makes a
26 single nonitemized charge for providing the tangible personal property
27 and service. All of the (~~requirements~~) provisions in subsections (1)
28 and (3) through (~~(+6)~~) (7) of this section apply to this subsection.

29 (3)(a) Any person claiming exemption from retail sales tax under
30 the provisions of this section must (~~display proof of his or her~~
31 ~~current nonresident status as provided in this section~~) pay the state
32 and local sales tax to the seller at the time of purchase and then
33 request a remittance of the state portion of the sales tax from the
34 department in accordance with this subsection and subsection (4) of
35 this section. A request for remittance must include proof of the
36 person's status as a nonresident at the time of the purchase for which
37 a remittance is requested. The request for a remittance must also
38 include any additional information and documentation as required by the

1 department, which may include a description of the item purchased for
2 which a remittance is requested, the sales price of the item, the
3 amount of state and local sales tax paid on the item, the date of the
4 purchase, the name of the seller and the physical address where the
5 sale took place, and copies of sales receipts showing the qualified
6 purchases.

7 (b) Acceptable proof of a nonresident person's status includes one
8 piece of identification such as a valid driver's license from the
9 jurisdiction in which the out-of-state residency is claimed or a valid
10 identification card which has a photograph of the holder and is issued
11 by the out-of-state jurisdiction. Identification under this subsection
12 (3)(b) must show the holder's residential address and have as one of
13 its legal purposes the establishment of residency in that out-of-state
14 jurisdiction.

15 ~~((c) In lieu of furnishing proof of a person's nonresident status~~
16 ~~under (b) of this subsection (3), a person claiming exemption from~~
17 ~~retail sales tax under the provisions of this section may provide the~~
18 ~~seller with an exemption certificate in compliance with subsection~~
19 ~~(4)(b) of this section.))~~

20 ~~(4)(a) ((Nothing in this section requires the vendor to make tax~~
21 ~~exempt retail sales to nonresidents. A vendor may choose to make sales~~
22 ~~to nonresidents, collect the sales tax, and remit the amount of sales~~
23 ~~tax collected to the state as otherwise provided by law. If the vendor~~
24 ~~chooses to make a sale to a nonresident without collecting the sales~~
25 ~~tax, the vendor must examine the purchaser's proof of nonresidence,~~
26 ~~determine whether the proof is acceptable under subsection (3)(b) of~~
27 ~~this section, and maintain records for each nontaxable sale which shall~~
28 ~~show the type of proof accepted, including any identification numbers~~
29 ~~where appropriate, and the expiration date, if any.~~

30 ~~(b) In lieu of using the method provided in (a) of this subsection~~
31 ~~to document an exempt sale to a nonresident, a seller may accept from~~
32 ~~the purchaser a properly completed uniform exemption certificate~~
33 ~~approved by the streamlined sales and use tax agreement governing board~~
34 ~~or any other exemption certificate as may be authorized by the~~
35 ~~department and properly completed by the purchaser. A nonresident~~
36 ~~purchaser who uses an exemption certificate authorized in this~~
37 ~~subsection (4)(b) must include the purchaser's driver's license number~~
38 ~~or other state issued identification number and the state of issuance.~~

1 ~~(c) In lieu of using the methods provided in (a) and (b) of this~~
2 ~~subsection to document an exempt sale to a nonresident, a seller may~~
3 ~~capture the relevant data elements as allowed under the streamlined~~
4 ~~sales and use tax agreement.~~

5 ~~(5)(a) Any person making fraudulent statements, which includes the~~
6 ~~offer of fraudulent identification or fraudulently procured~~
7 ~~identification to a vendor, in order to purchase goods without paying~~
8 ~~retail sales tax is guilty of perjury under chapter 9A.72 RCW.~~

9 ~~(b) Any person making tax exempt purchases under this section by~~
10 ~~displaying proof of identification not his or her own, or counterfeit~~
11 ~~identification, with intent to violate the provisions of this section,~~
12 ~~is guilty of a misdemeanor and, in addition, is liable for the tax and~~
13 ~~subject to a penalty equal to the greater of one hundred dollars or the~~
14 ~~tax due on such purchases.~~

15 ~~(6)(a) Any vendor who makes sales without collecting the tax and~~
16 ~~who fails to maintain records of sales to nonresidents as provided in~~
17 ~~this section is personally liable for the amount of tax due.~~

18 ~~(b) Any vendor who makes sales without collecting the retail sales~~
19 ~~tax under this section and who has actual knowledge that the~~
20 ~~purchaser's proof of identification establishing out-of-state residency~~
21 ~~is fraudulent is guilty of a misdemeanor and, in addition, is liable~~
22 ~~for the tax and subject to a penalty equal to the greater of one~~
23 ~~thousand dollars or the tax due on such sales. In addition, both the~~
24 ~~purchaser and the vendor are liable for any penalties and interest~~
25 ~~assessable under chapter 82.32 RCW))~~

26 (i) Beginning January 1, 2015, through December 31, 2015, a person
27 may request a remittance from the department for state and local sales
28 taxes paid by the person on qualified retail purchases made in
29 Washington between June 1, 2014, and December 31, 2014.

30 (ii) Beginning January 1, 2016, a person may request a remittance
31 from the department during any calendar year for state sales taxes paid
32 by the person on qualified retail purchases made in Washington during
33 the immediately preceding calendar year only. No application may be
34 made with respect to purchases made before the immediately preceding
35 calendar year.

36 (b) The remittance request, including proof of nonresident status
37 and any other documentation and information required by the department,
38 must be made using an application process as prescribed by the

1 department, which may be a paper process, electronic process, or a
2 combination of a paper and electronic process. Only one remittance
3 request may be made by a person per calendar year.

4 (c) The total amount of a remittance request must be at least
5 twenty-five dollars. The department must deny any request for a
6 remittance that is less than twenty-five dollars.

7 (d) The department will examine the applicant's proof of
8 nonresident status and any other documentation and information as
9 required in the application to determine whether the applicant is
10 entitled to a remittance under this section.

11 (5)(a) Any person making fraudulent statements to the department,
12 which includes the offer of fraudulent or fraudulently procured
13 identification or fraudulent sales receipts, in order to receive a
14 remittance of retail sales tax is guilty of perjury under chapter 9A.72
15 RCW and is ineligible to receive any further remittances from the
16 department under this section.

17 (b) Any person requesting a remittance of sales tax from the
18 department by providing proof of identification or sales receipts not
19 the person's own, or counterfeit identification or sales receipts, with
20 intent to violate the provisions of this section, is (i) guilty of a
21 misdemeanor, (ii) liable for the tax, (iii) subject to a penalty equal
22 to the greater of one hundred dollars or the tax due on such purchases,
23 and (iv) ineligible to receive any further remittances from the
24 department under this section.

25 (6) The exemption provided by this section is for the state sales
26 tax only.

27 (7) A nonresident who receives a refund of sales tax from the
28 seller for any reason with respect to a purchase made in this state is
29 not entitled to a remittance for the state sales tax paid on the
30 purchase. A person who receives both a remittance under this section
31 and a refund from the seller with respect to the same purchase must
32 immediately repay the remittance to the department. Interest as
33 provided in chapter 82.32 RCW applies to amounts due under this section
34 from the date that the department made the remittance until the amount
35 due under this subsection is paid to the department. A person who
36 receives a remittance with respect to a purchase for which the person
37 had, at the time the person submitted the application for a remittance,

1 already received a refund of sales tax from the seller is also liable
2 for the evasion penalty in RCW 82.32.090(7) and is ineligible to
3 receive any further remittances from the department under this section.

4 NEW SECTION. **Sec. 311.** RCW 82.04.272 (Tax on warehousing and
5 reselling prescription drugs) and 2013 c 19 s 127, 2003 c 168 s 401, &
6 1998 c 343 s 1 are each repealed.

7 **Sec. 312.** RCW 82.04.280 and 2010 c 106 s 205 are each amended to
8 read as follows:

9 (1) Upon every person engaging within this state in the business
10 of: (a) Printing materials other than newspapers, and of publishing
11 periodicals or magazines; (b) building, repairing or improving any
12 street, place, road, highway, easement, right-of-way, mass public
13 transportation terminal or parking facility, bridge, tunnel, or trestle
14 which is owned by a municipal corporation or political subdivision of
15 the state or by the United States and which is used or to be used,
16 primarily for foot or vehicular traffic including mass transportation
17 vehicles of any kind and including any readjustment, reconstruction or
18 relocation of the facilities of any public, private or cooperatively
19 owned utility or railroad in the course of such building, repairing or
20 improving, the cost of which readjustment, reconstruction, or
21 relocation, is the responsibility of the public authority whose street,
22 place, road, highway, easement, right-of-way, mass public
23 transportation terminal or parking facility, bridge, tunnel, or trestle
24 is being built, repaired or improved; (c) extracting for hire or
25 processing for hire, except persons taxable as extractors for hire or
26 processors for hire under another section of this chapter; (d)
27 operating a cold storage warehouse or storage warehouse, but not
28 including the rental of cold storage lockers; (e) representing and
29 performing services for fire or casualty insurance companies as an
30 independent resident managing general agent licensed under the
31 provisions of chapter 48.17 RCW; (f) radio and television broadcasting,
32 excluding network, national and regional advertising computed as a
33 standard deduction based on the national average thereof as annually
34 reported by the federal communications commission, or in lieu thereof
35 by itemization by the individual broadcasting station, and excluding
36 that portion of revenue represented by the out-of-state audience

1 computed as a ratio to the station's total audience as measured by the
2 100 micro-volt signal strength and delivery by wire, if any; (g)
3 engaging in activities which bring a person within the definition of
4 consumer contained in RCW 82.04.190(6); as to such persons, the amount
5 of tax on such business is equal to the gross income of the business
6 multiplied by the rate of 0.484 percent.

7 (2) For the purposes of this section, the following definitions
8 apply unless the context clearly requires otherwise.

9 (a) "Cold storage warehouse" means a storage warehouse used to
10 store fresh and/or frozen perishable fruits or vegetables, meat,
11 seafood, dairy products, or fowl, or any combination thereof, at a
12 desired temperature to maintain the quality of the product for orderly
13 marketing.

14 (b) "Storage warehouse" means a building or structure, or any part
15 thereof, in which goods, wares, or merchandise are received for storage
16 for compensation, except field warehouses, fruit warehouses, fruit
17 packing plants, warehouses licensed under chapter 22.09 RCW, public
18 garages storing automobiles, railroad freight sheds, docks and wharves,
19 and "self-storage" or "mini storage" facilities whereby customers have
20 direct access to individual storage areas by separate entrance.
21 (~~"Storage warehouse" does not include a building or structure, or that~~
22 ~~part of such building or structure, in which an activity taxable under~~
23 ~~RCW 82.04.272 is conducted.~~)

24 (c) "Periodical or magazine" means a printed publication, other
25 than a newspaper, issued regularly at stated intervals at least once
26 every three months, including any supplement or special edition of the
27 publication.

28 **Sec. 313.** RCW 82.04.280 and 2010 c 106 s 206 are each amended to
29 read as follows:

30 (1) Upon every person engaging within this state in the business
31 of: (a) Printing materials other than newspapers, and of publishing
32 periodicals or magazines; (b) building, repairing or improving any
33 street, place, road, highway, easement, right-of-way, mass public
34 transportation terminal or parking facility, bridge, tunnel, or trestle
35 which is owned by a municipal corporation or political subdivision of
36 the state or by the United States and which is used or to be used,
37 primarily for foot or vehicular traffic including mass transportation

1 vehicles of any kind and including any readjustment, reconstruction or
2 relocation of the facilities of any public, private or cooperatively
3 owned utility or railroad in the course of such building, repairing or
4 improving, the cost of which readjustment, reconstruction, or
5 relocation, is the responsibility of the public authority whose street,
6 place, road, highway, easement, right-of-way, mass public
7 transportation terminal or parking facility, bridge, tunnel, or trestle
8 is being built, repaired or improved; (c) extracting for hire or
9 processing for hire, except persons taxable as extractors for hire or
10 processors for hire under another section of this chapter; (d)
11 operating a cold storage warehouse or storage warehouse, but not
12 including the rental of cold storage lockers; (e) representing and
13 performing services for fire or casualty insurance companies as an
14 independent resident managing general agent licensed under the
15 provisions of chapter 48.17 RCW; (f) radio and television broadcasting,
16 excluding network, national and regional advertising computed as a
17 standard deduction based on the national average thereof as annually
18 reported by the federal communications commission, or in lieu thereof
19 by itemization by the individual broadcasting station, and excluding
20 that portion of revenue represented by the out-of-state audience
21 computed as a ratio to the station's total audience as measured by the
22 100 micro-volt signal strength and delivery by wire, if any; (g)
23 engaging in activities which bring a person within the definition of
24 consumer contained in RCW 82.04.190(6); as to such persons, the amount
25 of tax on such business is equal to the gross income of the business
26 multiplied by the rate of 0.484 percent.

27 (2) For the purposes of this section, the following definitions
28 apply unless the context clearly requires otherwise.

29 (a) "Cold storage warehouse" means a storage warehouse used to
30 store fresh and/or frozen perishable fruits or vegetables, meat,
31 seafood, dairy products, or fowl, or any combination thereof, at a
32 desired temperature to maintain the quality of the product for orderly
33 marketing.

34 (b) "Storage warehouse" means a building or structure, or any part
35 thereof, in which goods, wares, or merchandise are received for storage
36 for compensation, except field warehouses, fruit warehouses, fruit
37 packing plants, warehouses licensed under chapter 22.09 RCW, public
38 garages storing automobiles, railroad freight sheds, docks and wharves,

1 and "self-storage" or "mini storage" facilities whereby customers have
2 direct access to individual storage areas by separate entrance.
3 (~~"Storage warehouse" does not include a building or structure, or that~~
4 ~~part of such building or structure, in which an activity taxable under~~
5 ~~RCW 82.04.272 is conducted.~~)

6 (c) "Periodical or magazine" means a printed publication, other
7 than a newspaper, issued regularly at stated intervals at least once
8 every three months, including any supplement or special edition of the
9 publication.

10 **Sec. 314.** RCW 82.32.790 and 2010 c 114 s 201 and 2010 c 106 s 401
11 are each reenacted and amended to read as follows:

12 (1)(a) Section 313, chapter . . . , Laws of 2014 (section 313 of
13 this act), section 206, chapter 106, Laws of 2010, sections 104, 110,
14 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,
15 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and
16 (~~section 47~~) chapter 149, Laws of 2003 are contingent upon the siting
17 and commercial operation of a significant semiconductor microchip
18 fabrication facility in the state of Washington.

19 (b) For the purposes of this section:

20 (i) "Commercial operation" means the same as "commencement of
21 commercial production" as used in RCW 82.08.965.

22 (ii) "Semiconductor microchip fabrication" means "manufacturing
23 semiconductor microchips" as defined in RCW 82.04.426.

24 (iii) "Significant" means the combined investment of new buildings
25 and new machinery and equipment in the buildings, at the commencement
26 of commercial production, will be at least one billion dollars.

27 (2) Section 313, chapter . . . , Laws of 2014 (section 313 of this
28 act), section 206, chapter 106, Laws of 2010, sections 104, 110, 117,
29 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,
30 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and
31 chapter 149, Laws of 2003 take(~~s~~) effect the first day of the month
32 in which a contract for the construction of a significant semiconductor
33 fabrication facility is signed, as determined by the director of the
34 department of revenue.

35 (3)(a) The department of revenue must provide notice of the
36 effective date of section 313, chapter . . . , Laws of 2014 (section 313
37 of this act), section 206, chapter 106, Laws of 2010, sections 104,

1 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws of
2 2010(~~(+,+)~~), section 3, chapter 461, Laws of 2009, section 7, chapter
3 300, Laws of 2006, and (~~(section 4,)~~) chapter 149, Laws of 2003 to
4 affected taxpayers, the legislature, and others as deemed appropriate
5 by the department.

6 (b) If, after making a determination that a contract has been
7 signed and section 313, chapter . . ., Laws of 2014 (section 313 of
8 this act), section 206, chapter 106, Laws of 2010, sections 104, 110,
9 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,
10 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and
11 chapter 149, Laws of 2003 (~~(is)~~) are effective, the department
12 discovers that commencement of commercial production did not take place
13 within three years of the date the contract was signed, the department
14 must make a determination that section 313, chapter . . ., Laws of 2014
15 (section 313 of this act), section 206, chapter 106, Laws of 2010,
16 sections 104, 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws
17 of 2010, section 3, chapter 461, Laws of 2009, section 7, chapter 300,
18 Laws of 2006, and chapter 149, Laws of 2003 (~~(is)~~) are no longer
19 effective, and all taxes that would have been otherwise due are deemed
20 deferred taxes and are immediately assessed and payable from any person
21 reporting tax under RCW 82.04.240(2) or claiming an exemption or credit
22 under section 2 or 5 through 10, chapter 149, Laws of 2003. The
23 department is not authorized to make a second determination regarding
24 the effective date of section 313, chapter . . ., Laws of 2014 (section
25 313 of this act), section 206, chapter 106, Laws of 2010, sections 104,
26 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010,
27 section 3, chapter 461, Laws of 2009, section 7, chapter 300, Laws of
28 2006, and chapter 149, Laws of 2003.

29 NEW SECTION. Sec. 315. A new section is added to chapter 82.32
30 RCW to read as follows:

31 (1) By the last workday of the second and fourth calendar quarters,
32 the state treasurer must transfer the amount specified in subsection
33 (2) of this section from the general fund to the education legacy trust
34 account. The first transfer under this subsection (1) must occur by
35 December 31, 2014.

36 (2) By December 15th and June 15th of each year, the department
37 must estimate the increase in state general fund revenues from the

1 changes made under sections 302 through 314 of this act for the current
2 and prior calendar quarters and notify the state treasurer of the
3 increase.

4 NEW SECTION. **Sec. 316.** A new section is added to chapter 43.135
5 RCW to read as follows:

6 RCW 43.135.034(4) does not apply to:

- 7 (1) The transfers under section 315 of this act; and
8 (2) The appropriations in sections 202 through 206 of this act
9 necessary to fund cost of living increases; materials, supplies, and
10 operating costs; class size reduction; and all-day kindergarten.

11 **PART IV**

12 **MISCELLANEOUS PROVISIONS**

13 NEW SECTION. **Sec. 401.** Section 101 of this act takes effect
14 September 1, 2014.

15 NEW SECTION. **Sec. 402.** Section 111 of this act expires January 1,
16 2018.

17 NEW SECTION. **Sec. 403.** Section 112 of this act takes effect
18 January 1, 2018.

19 NEW SECTION. **Sec. 403.** Sections 301 through 312 and 314 through
20 316 of this act are necessary for the immediate preservation of the
21 public peace, health, or safety, or support of the state government and
22 its existing public institutions, and take effect June 1, 2014.

23 NEW SECTION. **Sec. 404.** Section 312 of this act expires on the
24 date that section 313 of this act takes effect.

25 NEW SECTION. **Sec. 405.** Sections 201 through 206 of this act take
26 effect July 1, 2014.

--- END ---