S-3316.2

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**SUBSTITUTE SENATE BILL 6059**

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**State of Washington 64th Legislature 2015 2nd Special Session**

**By** Senate Ways & Means (originally sponsored by Senator Hill)

AN ACT Relating to education; amending RCW 43.215.100, 43.215.135, 43.215.1352, 43.215.425, 43.215.415, 43.215.430, 43.215.455, 43.215.090, 28A.150.261, 28B.15.031, 28B.15.066, 28B.15.067, 28B.15.069, 28B.95.020, 28B.95.030, and 28B.118.010; reenacting and amending RCW 43.215.200, 43.215.010, and 28A.150.260; adding new sections to chapter 43.215 RCW; adding a new section to chapter 28B.92 RCW; creating new sections; repealing RCW 28B.15.068 and 28B.15.102; repealing 2013 2nd sp.s. c 16 s 2 (uncodified); providing effective dates; providing an expiration date; and declaring an emergency.

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

**PART I**

**EARLY START ACT**

NEW SECTION. **Sec.**  INTENT. (1) The legislature finds that quality early care and education builds the foundation for a child's success in school and in life. The legislature acknowledges that a quality framework is necessary for the early care and education system in Washington. The legislature recognizes that empirical evidence supports the conclusion that high quality programs consistently yield more positive outcomes for children, with the strongest positive impacts on the most vulnerable children. The legislature acknowledges that critical developmental windows exist in early childhood, and low quality child care has damaging effects for children. The legislature further understands that the proper dosage, duration of programming, and stability of care are critical to enhancing program quality and improving child outcomes. The legislature acknowledges that the early care and education system should strive to address the needs of Washington's culturally and linguistically diverse populations. The legislature understands that parental choice and provider diversity are guiding principles for early learning programs.

(2) The legislature intends to prioritize the integration of child care and preschool in an effort to promote full day programming. The legislature further intends to reward quality and create incentives for providers to participate in a quality rating and improvement system that will also provide valuable information to parents regarding the quality of care available in their communities.

**Sec.**  RCW 43.215.100 and 2013 c 323 s 6 are each amended to read as follows:

EARLY ACHIEVERS, QUALITY RATING, AND IMPROVEMENT SYSTEM.

(1) ((~~Subject to the availability of amounts appropriated for this specific purpose,~~)) The department, in collaboration with tribal governments and community and statewide partners, shall implement a ((~~voluntary~~)) quality rating and improvement system, called the early achievers program((~~, that~~)). The early achievers program provides a foundation of quality for the early care and education system. The early achievers program is applicable to licensed or certified child care centers and homes and early ((~~education~~)) learning programs such as working connections child care and early childhood education and assistance programs.

(2) The ((~~purpose~~)) objectives of the early achievers program ((~~is~~)) are to:

(a) ((~~To~~)) Improve short-term and long-term educational outcomes for children as measured by assessments including, but not limited to, the Washington kindergarten inventory of developing skills in RCW 28A.655.080;

(b) Give parents clear and easily accessible information about the quality of child care and early education programs((~~,~~));

(c) Support improvement in early learning and child care programs throughout the state((~~,~~));

(d) Increase the readiness of children for school((~~, and~~));

(e) Close the ((~~disparity~~)) disparities in access to quality care;

(f) Provide professional development and coaching opportunities to early child care and education providers; and ((~~(b) to~~))

(g) Establish a common set of expectations and standards that define, measure, and improve the quality of early learning and child care settings.

(3)(a) Licensed or certified child care centers and homes serving nonschool age children and receiving state subsidy payments must participate in the early achievers program by the required deadlines established in RCW 43.215.135.

(b) Approved early childhood education and assistance program providers receiving state-funded support must participate in the early achievers program by the required deadlines established in RCW 43.215.415.

(c) Participation in the early achievers program is voluntary for:

(i) Licensed or certified child care centers and homes not receiving state subsidy payments; and

(ii) Early learning programs not receiving state funds.

(d) School age child care providers are exempt from participating in the early achievers program. By July 1, 2017, the department and the office of the superintendent of public instruction shall jointly design a plan to incorporate school age child care providers into the early achievers program or other appropriate quality improvement system. To test implementation of the early achievers system for school age child care providers the department and the office of the superintendent of public instruction shall implement a pilot program.

(4) ((~~By fiscal year 2015, Washington state preschool programs receiving state funds must enroll in the early achievers program and maintain a minimum score level.~~

~~(5) Before final implementation of the early achievers program, the department shall report on program progress, as defined within the race to the top federal grant award, and expenditures to the appropriate policy and fiscal committees of the legislature.~~)) There are five levels in the early achievers program. Participants are expected to actively engage and continually advance within the program.

(5) The department has the authority to determine the rating cycle for the early achievers program. The department shall streamline and eliminate duplication between early achievers standards and state child care rules in order to reduce costs associated with the early achievers rating cycle and child care licensing.

(a) Early achievers program participants may request to be rated at any time after the completion of all level 2 activities.

(b) The department shall provide an early achievers program participant an update on the participant's progress toward completing level 2 activities after the participant has been enrolled in the early achievers program for fifteen months.

(c) The first rating is free for early achievers program participants.

(d) Each subsequent rating within the established rating cycle is free for early achievers program participants.

(6)(a) Early achievers program participants may request to be rerated outside the established rating cycle.

(b) The department may charge a fee for optional rerating requests made by program participants that are outside the established rating cycle.

(c) Fees charged are based on, but may not exceed, the cost to the department for activities associated with the early achievers program.

(7)(a) The department must create a single source of information for parents and caregivers to access details on a provider's early achievers program rating level, licensing history, and other indicators of quality and safety that will help parents and caregivers make informed choices.

(b) The department shall publish to the department's web site, or offer a link on its web site to, the following information:

(i) By November 1, 2015, early achievers program rating levels 1 through 5 for all child care programs that receive state subsidy, early childhood education and assistance programs, and federal head start programs in Washington; and

(ii) New early achievers program ratings within thirty days after a program becomes licensed or certified, or receives a rating.

(c) The early achievers program rating levels shall be published in a manner that is easily accessible to parents and caregivers and takes into account the linguistic needs of parents and caregivers.

(d) The department must publish early achievers program rating levels for child care programs that do not receive state subsidy but have voluntarily joined the early achievers program.

(e) Early achievers program participants who have published rating levels on the department's web site or on a link on the department's web site may include a brief description of their program, contingent upon the review and approval by the department, as determined by established marketing standards.

(8)(a) The department shall create a professional development pathway for early achievers program participants to obtain a high school diploma or equivalency or higher education credential in early childhood education, early childhood studies, child development, or an academic field related to early care and education.

(b) The professional development pathway must include opportunities for scholarships and grants to assist early achievers program participants with the costs associated with obtaining an educational degree.

(c) The department shall address cultural and linguistic diversity when developing the professional development pathway.

(9) The early achievers quality improvement awards shall be reserved for participants offering programs to an enrollment population consisting of at least five percent of children receiving a state subsidy.

(10) In collaboration with tribal governments, community and statewide partners, and the early achievers review subcommittee created in RCW 43.215.090, the department shall develop a protocol for granting early achievers program participants an extension in meeting rating level requirement timelines outlined for the working connections child care program and the early childhood education and assistance program.

(a) The department may grant extensions only under exceptional circumstances, such as when early achievers program participants experience an unexpected life circumstance.

(b) Extensions shall not exceed six months, and early achievers program participants are only eligible for one extension in meeting rating level requirement timelines.

(c) Extensions may only be granted to early achievers program participants who have demonstrated engagement in the early achievers program.

(11)(a) The department shall accept national accreditation that meets the requirements of this subsection (11) as a qualification for the early achievers program ratings.

(b) Each national accreditation agency will be allowed to submit its most current standards of accreditation to establish potential credit earned in the early achievers program. The department shall grant credit to accreditation bodies that can demonstrate that their standards meet or exceed the current early achievers program standards.

(c) Licensed child care centers and child care home providers must meet national accreditation standards approved by the department for the early achievers program in order to be granted credit for the early achievers program standards. Eligibility for the early achievers program is not subject to bargaining, mediation, or interest arbitration under RCW 41.56.028, consistent with the legislative reservation of rights under RCW 41.56.028(4)(d).

(12) The department shall explore the use of alternative quality assessment tools that meet the culturally specific needs of the federally recognized tribes in the state of Washington.

(13) A child care or early learning program that is operated by a federally recognized tribe and receives state funds shall participate in the early achievers program. The tribe may choose to participate through an interlocal agreement between the tribe and the department. The interlocal agreement must reflect the government-to-government relationship between the state and the tribe, including recognition of tribal sovereignty. The interlocal agreement must provide that:

(a) Tribal child care facilities and early learning programs may volunteer, but are not required, to be licensed by the department;

(b) Tribal child care facilities and early learning programs are not required to have their early achievers program rating level published to the department's web site or through a link on the department's web site; and

(c) Tribal child care facilities and early learning programs must provide notification to parents or guardians who apply for or have been admitted into their program that early achievers program rating level information is available and provide the parents or guardians with the program's early achievers program rating level upon request.

(14) The department shall consult with the early achievers review subcommittee on all substantial policy changes to the early achievers program.

(15) Nothing in this section changes the department's responsibility to collectively bargain over mandatory subjects or limits the legislature's authority to make programmatic modifications to licensed child care and early learning programs under RCW 41.56.028(4)(d).

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

SINGLE SET OF LICENSING STANDARDS.

(1) No later than November 1, 2016, the department shall implement a single set of licensing standards for child care and the early childhood education and assistance program. The department shall produce the single set of licensing standards within the department's available appropriations. The new licensing standards must:

(a) Provide minimum health and safety standards for child care and preschool programs;

(b) Rely on the standards established in the early achievers program to address quality issues in participating early childhood programs;

(c) Take into account the separate needs of family care providers and child care centers; and

(d) Promote the continued safety of child care settings.

(2) Private schools that operate early learning programs and do not receive state subsidy payments shall be subject only to the minimum health and safety standards in subsection (1)(a) of this section and the requirements necessary to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. The state, and any agency thereof, shall not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.

**Sec.**  RCW 43.215.200 and 2011 c 359 s 2 and 2011 c 253 s 3 are each reenacted and amended to read as follows:

DIRECTOR'S LICENSING DUTIES.

It shall be the director's duty with regard to licensing:

(1) In consultation and with the advice and assistance of persons representative of the various type agencies to be licensed, to designate categories of child care facilities for which separate or different requirements shall be developed as may be appropriate whether because of variations in the ages and other characteristics of the children served, variations in the purposes and services offered or size or structure of the agencies to be licensed, or because of any other factor relevant thereto;

(2)(a) In consultation with the state fire marshal's office, the director shall use an interagency process to address health and safety requirements for child care programs that serve school age children and are operated in buildings that contain public or private schools that safely serve children during times in which school is in session;

(b) Any requirements in (a) of this subsection as they relate to the physical facility, including outdoor playgrounds, do not apply to before-school and after-school programs that serve only school age children and operate in the same facilities used by public or private schools;

(3) In consultation and with the advice and assistance of parents or guardians, and persons representative of the various type agencies to be licensed, to adopt and publish minimum requirements for licensing applicable to each of the various categories of agencies to be licensed under this chapter;

(4) In consultation with law enforcement personnel, the director shall investigate the conviction record or pending charges of each agency and its staff seeking licensure or relicensure, and other persons having unsupervised access to children in care;

(5) To satisfy the shared background check requirements provided for in RCW 43.215.215 and 43.20A.710, the department of early learning and the department of social and health services shall share federal fingerprint-based background check results as permitted under the law. The purpose of this provision is to allow both departments to fulfill their joint background check responsibility of checking any individual who may have unsupervised access to vulnerable adults, children, or juveniles. Neither department may share the federal background check results with any other state agency or person;

(6) To issue, revoke, or deny licenses to agencies pursuant to this chapter. Licenses shall specify the category of care that an agency is authorized to render and the ages and number of children to be served;

(7) To prescribe the procedures and the form and contents of reports necessary for the administration of this chapter and to require regular reports from each licensee;

(8) To inspect agencies periodically to determine whether or not there is compliance with this chapter and the requirements adopted under this chapter;

(9) To review requirements adopted under this chapter at least every two years and to adopt appropriate changes after consultation with affected groups for child day care requirements; and

(10) To consult with public and private agencies in order to help them improve their methods and facilities for the care and early learning of children.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

REDUCTION OF BARRIERS—LOW-INCOME PROVIDERS AND PROGRAMS—EARLY ACHIEVERS.

(1)(a) The department shall, in collaboration with tribal governments and community and statewide partners, implement a protocol to maximize and encourage participation in the early achievers program for culturally diverse and low-income center and family home child care providers. Amounts appropriated for the encouragement of culturally diverse and low-income center and family home child care provider participation shall be appropriated separately from the other funds appropriated for the department, are the only funds that may be used for the protocol, and may not be used for any other purposes. Funds appropriated for the protocol shall be considered an ongoing program for purposes of future departmental budget requests.

(b) During the first thirty months of implementation of the early achievers program the department shall prioritize the resources authorized in this section to assist providers rating at a level 2 in the early achievers program to help them reach a level 3 rating wherever access to subsidized care is at risk.

(2) The protocol should address barriers to early achievers program participation and include at a minimum the following:

(a) The creation of a substitute pool;

(b) The development of needs-based grants for providers at level 2 in the early achievers program to assist with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality. Priority for the needs-based grants shall be given to culturally diverse and low-income providers;

(c) The development of materials and assessments in a timely manner, and to the extent feasible, in the provider and family home languages; and

(d) The development of flexibility in technical assistance and coaching structures to provide differentiated types and amounts of support to providers based on individual need and cultural context.

**Sec.**  RCW 43.215.135 and 2013 c 323 s 9 are each amended to read as follows:

WORKING CONNECTIONS CHILD CARE.

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures defined in RCW 74.08A.410 and the standards established in this section intended to promote ((~~continuity of care for children~~)) stability, quality, and continuity of early care and education programming.

(2) ((~~Beginning in fiscal year 2013,~~)) As recommended by Public Law 113-186, authorizations for the working connections child care subsidy shall be effective for twelve months ((~~unless a change in circumstances necessitates reauthorization sooner than twelve months. The twelve-month certification applies only if the enrollments in the child care subsidy or working connections child care program are capped.~~

~~(3) Subject to the availability of amounts appropriated for this specific purpose, beginning September 1, 2013, working connections child care providers shall receive a five percent increase in the subsidy rate for enrolling in level 2 in the early achievers programs. Providers must complete level 2 and advance to level 3 within thirty months in order to maintain this increase~~)) beginning June 30, 2016, unless an earlier date is provided in the omnibus appropriations act.

(3) Existing child care providers serving nonschool age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:

(a) Enroll in the early achievers program by August 1, 2016;

(b) Complete level 2 activities in the early achievers program by August 1, 2017; and

(c) Rate at a level 3 or higher in the early achievers program by December 31, 2019. If a child care provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with the department, and rate at a level 3 or higher no later than June 30, 2020.

(4) Effective July 1, 2016, a new child care provider serving nonschool age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:

(a) Enroll in the early achievers program within thirty days of receiving the initial state subsidy payment;

(b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and

(c) Rate at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider rates below a level 3 within thirty months from enrollment into the early achievers program, the provider must complete remedial activities with the department, and rate at a level 3 or higher within six months of beginning remedial activities.

(5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.

(6) If a child care provider serving nonschool age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

(7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

(8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

**Sec.**  RCW 43.215.1352 and 2012 c 251 s 2 are each amended to read as follows:

WORKING CONNECTIONS CHILD CARE.

Beginning June 30, 2016, or earlier if a different date is provided in the omnibus appropriations act, when an applicant or recipient applies for or receives working connections child care benefits, ((~~he or she~~)) the applicant or recipient is required to((~~:~~

~~(1)~~)) notify the department of social and health services, within five days, of any change in providers((~~; and~~

~~(2) Notify the department of social and health services, within ten days, about any significant change related to the number of child care hours the applicant or recipient needs, cost sharing, or eligibility~~)).

**Sec.**  RCW 43.215.425 and 1994 c 166 s 6 are each amended to read as follows:

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

(1) The department shall adopt rules under chapter 34.05 RCW for the administration of the early childhood education and assistance program. Approved early childhood education and assistance programs shall conduct needs assessments of their service area((~~,~~)) and identify any targeted groups of children, to include but not be limited to children of seasonal and migrant farmworkers and native American populations living either on or off reservation((~~, and~~)). Approved early childhood education and assistance programs shall provide to the department a service delivery plan, to the extent practicable, that addresses these targeted populations.

(2) The department, in developing rules for the early childhood education and assistance program, shall consult with the early learning advisory ((~~committee~~)) council, and shall consider such factors as coordination with existing head start and other early childhood programs, the preparation necessary for instructors, qualifications of instructors, adequate space and equipment, and special transportation needs. The rules shall specifically require the early childhood programs to provide for parental involvement in participation with their child's program, in local program policy decisions, in development and revision of service delivery systems, and in parent education and training.

(3) By January 1, 2016, the department shall adopt rules requiring early childhood education and assistance program employees who have access to children to submit to a fingerprint background check. Fingerprint background check procedures for the early childhood education and assistance program shall be the same as the background check procedures in RCW 43.215.215.

**Sec.**  RCW 43.215.415 and 1994 c 166 s 5 are each amended to read as follows:

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

(1) Approved early childhood education and assistance programs shall receive state-funded support through the department. Public or private ((~~nonsectarian~~)) organizations, including, but not limited to school districts, educational service districts, community and technical colleges, local governments, or nonprofit organizations, are eligible to participate as providers of the state early childhood education and assistance program. ((~~Funds appropriated for the state program shall be used to continue to operate existing programs or to establish new or expanded early childhood programs, and shall not be used to supplant federally supported head start programs.~~))

(2) Funds obtained by providers through voluntary grants or contributions from individuals, agencies, corporations, or organizations may be used to expand or enhance preschool programs so long as program standards established by the department are maintained((~~, but shall not be used to supplant federally supported head start programs or state-supported early childhood programs~~)).

(3) Persons applying to conduct the early childhood education and assistance program shall identify targeted groups and the number of children to be served, program components, the qualifications of instructional and special staff, the source and amount of grants or contributions from sources other than state funds, facilities and equipment support, and transportation and personal care arrangements.

(4) Existing early childhood education and assistance program providers must complete the following requirements to be eligible to receive state-funded support under the early childhood education and assistance program:

(a) Enroll in the early achievers program by October 1, 2015;

(b) Rate at a level 4 or 5 in the early achievers program by March 1, 2016. If an early childhood education and assistance program provider rates below a level 4 by March 1, 2016, the provider must complete remedial activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.

(5) Effective October 1, 2015, a new early childhood education and assistance program provider must complete the requirements in this subsection (5) to be eligible to receive state-funded support under the early childhood education and assistance program:

(a) Enroll in the early achievers program within thirty days of the start date of the early childhood education and assistance program contract;

(b)(i) Except as provided in (b)(ii) of this subsection, rate at a level 4 or 5 in the early achievers program within twelve months of enrollment. If an early childhood education and assistance program provider rates below a level 4 within twelve months of enrollment, the provider must complete remedial activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.

(ii) Licensed or certified child care centers and homes that administer an early childhood education and assistance program shall rate at a level 4 or 5 in the early achievers program within eighteen months of the start date of the early childhood education and assistance program contract. If an early childhood education and assistance program provider rates below a level 4 within eighteen months, the provider must complete remedial activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.

(6)(a) If an early childhood education and assistance program provider has successfully completed all of the required early achievers program activities and is waiting to be rated by the deadline provided in this section, the provider may continue to participate in the early achievers program as an approved early childhood education and assistance program provider and receive state subsidy pending the successful completion of a level 4 or 5 rating.

(b) To avoid disruption, the department may allow for early childhood education and assistance program providers who have rated below a level 4 after completion of the six-month remedial period to continue to provide services until the current school year is finished.

(7) The department shall collect data periodically to determine the demand for full-day programming for early childhood education and assistance program providers. The department shall analyze this demand by geographic region and shall include the findings in the annual report required under section 117 of this act.

(8) By December 1, 2015, the department shall develop a pathway for licensed or certified child care centers and homes to administer an early childhood education and assistance program. The pathway shall include an accommodation for these providers to rate at a level 4 or 5 in the early achievers program according to the timelines and standards established in subsection (5)(b)(ii) of this section.

**Sec.**  RCW 43.215.430 and 2013 c 323 s 7 are each amended to read as follows:

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

The department shall review applications from public or private ((~~nonsectarian~~)) organizations for state funding of early childhood education and assistance programs. The department shall consider local community needs, demonstrated capacity, and the need to support a mixed delivery system of early learning that includes alternative models for delivery including licensed centers and licensed family child care providers when reviewing applications.

**Sec.**  RCW 43.215.455 and 2010 c 231 s 3 are each amended to read as follows:

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

(1) Beginning September 1, 2011, an early learning program to provide voluntary preschool opportunities for children three and four years of age shall be implemented according to the funding and implementation plan in RCW ((~~43.215.142~~)) 43.215.456. The program must ((~~be~~)) offer a comprehensive program ((~~providing~~)) of early childhood education and family support, ((~~options for~~)) including parental involvement((~~,~~)) and health information, screening, and referral services, ((~~as~~)) based on family need ((~~is determined~~)). Participation in the program is voluntary. On a space available basis, the program may allow enrollment of children who are not otherwise eligible by assessing a fee.

(2) The ((~~first phase of the~~)) program shall be implemented by utilizing the program standards and eligibility criteria in the early childhood education and assistance program in RCW 43.215.400 through 43.215.450.

(3)(a) Beginning in the 2015-16 school year, the program implementation in this section shall prioritize early childhood education and assistance programs located in low-income neighborhoods within high-need geographical areas.

(b) Following the priority in (a) of this subsection, preference shall be given to programs meeting at least one of the following characteristics:

(i) Programs offering an extended day program for early care and education;

(ii) Programs offering services to children diagnosed with a special need; or

(iii) Programs offering services to children involved in the child welfare system.

(4) The director shall adopt rules for the following program components, as appropriate and necessary during the phased implementation of the program, consistent with early achievers program standards established in RCW 43.215.100:

(a) Minimum program standards((~~, including lead teacher, assistant teacher, and staff qualifications~~));

(b) Approval of program providers; and

(c) Accountability and adherence to performance standards.

((~~(4)~~)) (5) The department has administrative responsibility for:

(a) Approving and contracting with providers according to rules developed by the director under this section;

(b) In partnership with school districts, monitoring program quality and assuring the program is responsive to the needs of eligible children;

(c) Assuring that program providers work cooperatively with school districts to coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported; and

(d) Providing technical assistance to contracted providers.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

PROGRAM DATA COLLECTION AND EVALUATION.

(1) The education data center established in RCW 43.41.400 must collect longitudinal, student-level data on all children attending an early childhood education and assistance program. Upon completion of an electronic time and attendance record system, the education data center must collect longitudinal, student-level data on all children attending a working connections child care program. Data collected should capture at a minimum the following characteristics:

(a) Daily program attendance;

(b) Identification of classroom and teacher;

(c) Early achievers program quality level rating;

(d) Program hours;

(e) Program duration;

(f) Developmental results from the Washington kindergarten inventory of developing skills in RCW 28A.655.080; and

(g) To the extent data is available, the distinct ethnic categories within racial subgroups of children and providers that align with categories recognized by the education data center.

(2) The department shall provide early learning providers student-level data collected pursuant to this section that are specific to the early learning provider's program. Upon completion of an electronic time and attendance record system identified in subsection (1) of this section, the department shall provide child care providers student-level data that are specific to the child care provider's program.

(3)(a) The department shall review available research and best practices literature on cultural competency in early learning settings. The department shall review the K-12 components for cultural competency developed by the professional educator standards board and identify components appropriate for early learning professional development.

(b) By July 31, 2016, the department shall provide recommendations to the appropriate committees of the legislature and the early learning advisory council on research-based cultural competency standards for early learning professional training.

(4)(a) The Washington state institute for public policy shall conduct a longitudinal analysis examining relationships between the early achievers program quality ratings levels and outcomes for children participating in subsidized early care and education programs.

(b) The institute shall submit the first report to the appropriate committees of the legislature and the early learning advisory council by December 31, 2019. The institute shall submit subsequent reports annually to the appropriate committees of the legislature and the early learning advisory council by December 31st, with the final report due December 31, 2022. The final report shall include a cost-benefit analysis.

(5)(a) By December 1, 2015, the department shall provide recommendations to the appropriate committees of the legislature on child attendance policies pertaining to the working connections child care program and the early childhood education and assistance program. The recommendations shall include the following:

(i) Allowable periods of child absences;

(ii) Required contact with parents or caregivers to discuss child absences and encourage regular program attendance; and

(iii) A de-enrollment procedure when allowable child absences are exceeded.

(b) The department shall develop recommendations on child absences and attendance within the department's appropriations.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

CONTRACTED CHILD CARE SLOTS AND VOUCHERS.

(1) The department may employ a combination of vouchers and contracted slots for the subsidized child care programs in RCW 43.215.135. Child care vouchers preserve parental choice. Child care contracted slots promote access to continuous quality care for children, provide parents and caregivers stable child care that supports employment, and allow providers to have predictable funding. Any contracted slots the department may create under this section must meet the requirements in subsections (2) through (6) of this section.

(2) Only child care providers who participate in the early achievers program and rate at a level 3, 4, or 5 are eligible to be awarded a contracted slot.

(3)(a) The department is required to use data to calculate a set number of targeted contracted slots. In calculating the number, the department must take into account a balance of family home and center child care programs and the overall geographic distribution of child care programs in the state and the distribution of slots between ages zero and five.

(b) The targeted contracted slots are reserved for programs meeting both of the following conditions:

(i) Programs in low-income neighborhoods; and

(ii) Programs that consist of at least fifty percent of children receiving subsidy pursuant to RCW 43.215.135.

(c) Until August 1, 2017, the department shall assure an even distribution of contracted slots for children birth to age five.

(4) The department shall award the remaining contracted slots via a competitive process and prioritize child care programs with at least one of the following characteristics:

(a) Programs located in a high-need geographic area;

(b) Programs partnering with elementary schools to offer transitional planning and support to children as they advance to kindergarten;

(c) Programs serving children involved in the child welfare system; or

(d) Programs serving children diagnosed with a special need.

(5) The department shall pay a provider for each contracted slot, unless a contracted slot is not used for thirty days.

(6) The department shall include the number of contracted slots that use both early childhood education and assistance program funding and working connections child care program funding in the annual report to the legislature required under section 117 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

INTEGRATION WITH LOCAL GOVERNMENT EFFORTS.

(1) The foundation of quality in the early care and education system in Washington is the quality rating and improvement system entitled the early achievers program. In an effort to build on the existing quality framework, enhance access to quality care for children, and strengthen the entire early care and education systems in the state, it is important to integrate the efforts of state and local governments.

(2) Local governments are encouraged to collaborate with the department when establishing early learning programs for residents.

(3) Local governments may contribute funds to the department for the following purposes:

(a) Initial investments to build capacity and quality in local early care and education programming; and

(b) Reductions in copayments charged to parents or caregivers.

(4) Funds contributed to the department by local governments must be deposited in the early start account established in section 116 of this act.

**Sec.**  RCW 43.215.090 and 2012 c 229 s 589 are each amended to read as follows:

EARLY LEARNING ADVISORY COUNCIL.

(1) The early learning advisory council is established to advise the department on statewide early learning issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures.

(2) The council shall work in conjunction with the department to develop a statewide early learning plan that guides the department in promoting alignment of private and public sector actions, objectives, and resources, and ensuring school readiness.

(3) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.

(4) Councilmembers shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

(5) The council shall consist of not more than twenty-three members, as follows:

(a) The governor shall appoint at least one representative from each of the following: The department, the office of financial management, the department of social and health services, the department of health, the student achievement council, and the state board for community and technical colleges;

(b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

(c) The governor shall appoint seven leaders in early childhood education, with at least one representative with experience or expertise in one or more of the areas such as the following: The K-12 system, family day care providers, and child care centers with four of the seven governor's appointees made as follows:

(i) The head start state collaboration office director or the director's designee;

(ii) A representative of a head start, early head start, migrant/seasonal head start, or tribal head start program;

(iii) A representative of a local education agency; and

(iv) A representative of the state agency responsible for programs under section 619 or part C of the federal individuals with disabilities education act;

(d) Two members of the house of representatives, one from each caucus, and two members of the senate, one from each caucus, to be appointed by the speaker of the house of representatives and the president of the senate, respectively;

(e) Two parents, one of whom serves on the department's parent advisory group, to be appointed by the governor;

(f) One representative of the private-public partnership created in RCW 43.215.070, to be appointed by the partnership board;

(g) One representative designated by sovereign tribal governments; and

(h) One representative from the Washington federation of independent schools.

(6) The council shall be cochaired by one representative of a state agency and one nongovernmental member, to be elected by the council for two-year terms.

(7) The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.

(8) Each member of the board shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(9)(a) The council shall convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve the quality of instruction and environment for early learning and provide input and recommendations on the implementation and refinement of the early achievers program. The review conducted by the subcommittee shall be a part of the annual progress report required in section 117 of this act. At a minimum the review shall address the following:

(i) Adequacy of data collection procedures;

(ii) Coaching and technical assistance standards;

(iii) Progress in reducing barriers to participation for low-income providers and providers from diverse cultural backgrounds, including a review of the early achievers program's rating tools, quality standard areas, and components, and how they are applied;

(iv) Strategies in response to data on the effectiveness of early achievers program standards in relation to providers and children from diverse cultural backgrounds;

(v) Status of the life circumstance exemption protocols; and

(vi) Analysis of early achievers program data trends.

(b) The subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review required by (a) of this subsection.

(c) The subcommittee shall include representatives from child care centers, family child care, the early childhood education and assistance program, contractors for early achievers program technical assistance and coaching, tribal governments, the organization responsible for conducting early achiever program ratings, and parents of children participating in early learning programs, including working connections child care and early childhood education and assistance programs. The subcommittee shall include representatives from diverse cultural and linguistic backgrounds.

(10) The department shall provide staff support to the council.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

EARLY START ACCOUNT.

The early start account is created in the state treasury. Revenues in the account shall consist of appropriations by the legislature and all other sources deposited into the account. Moneys in the account may only be used after appropriation. Expenditures from the account may be used only to improve the quality of early care and education programming. The department oversees the account.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

ANNUAL PROGRESS REPORT.

(1) Beginning December 15, 2015, and each December 15th thereafter, the department, in collaboration with the statewide child care resource and referral organization, and the early achievers review subcommittee of the early learning advisory council, shall submit, in compliance with RCW 43.01.036, a progress report to the governor and the legislature regarding providers' progress in the early achievers program. Each progress report must include the following elements:

(a) The number, and relative percentage, of family child care and center providers who have enrolled in the early achievers program and who have:

(i) Completed the level 2 activities;

(ii) Completed rating readiness consultation and are waiting to be rated;

(iii) Achieved the required rating level to remain eligible for state-funded support under the early childhood education and assistance program or a subsidy under the working connections child care program;

(iv) Not achieved the required rating level initially but qualified for and are working through intensive targeted support in preparation for a partial rerate outside the standard rating cycle;

(v) Not achieved the required rating level initially and engaged in remedial activities before successfully achieving the required rating level;

(vi) Not achieved the required rating level after completing remedial activities; or

(vii) Received an extension from the department based on exceptional circumstances pursuant to RCW 43.215.100;

(b) A review of the services available to providers and children from diverse cultural backgrounds;

(c) An examination of the effectiveness of efforts to increase successful participation by providers serving children and families from diverse cultural and linguistic backgrounds and providers who serve children from low-income households;

(d) A description of the primary obstacles and challenges faced by providers who have not achieved the required rating level to remain eligible to receive:

(i) A subsidy under the working connections child care program; or

(ii) State-funded support under the early childhood education and assistance program;

(e) A summary of the types of exceptional circumstances for which the department has granted an extension pursuant to RCW 43.215.100;

(f) The average amount of time required for providers to achieve local level milestones within each level of the early achievers program;

(g) To the extent data is available, an analysis of the distribution of early achievers program-rated facilities in relation to child and provider demographics, including but not limited to race and ethnicity, home language, and geographical location;

(h) Recommendations for improving access for children from diverse cultural backgrounds to providers rated at a level 3 or higher in the early achievers program;

(i) Recommendations for improving the early achievers program standards;

(j) An analysis of any impact from quality strengthening efforts on the availability and quality of infant and toddler care;

(k) The number of contracted slots that use both early childhood education and assistance program funding and working connections child care program funding; and

(l) A description of the early childhood education and assistance program implementation to include the following:

(i) Progress on early childhood education and assistance program implementation as required pursuant to RCW 43.215.415, 43.215.425, and 43.215.455;

(ii) An examination of the regional distribution of new preschool programming by zip code;

(iii) An analysis of the impact of preschool expansion on low-income neighborhoods and communities;

(iv) Recommendations to address any identified barriers to access to quality preschool for children living in low-income neighborhoods;

(v) An analysis of any impact of extended day early care and education opportunities directives;

(vi) An examination of any identified barriers for providers to offer extended day early care and education opportunities;

(vii) An analysis of the demand for full-day programming for early childhood education and assistance program providers required under RCW 43.215.415; and

(viii) To the extent data is available, an analysis of the cultural diversity of early childhood education and assistance program providers and participants.

(2) The first annual report due under subsection (1) of this section also shall include a description of the early achievers program extension protocol required under RCW 43.215.100.

(3) The elements required to be reported under subsection (1)(a) of this section must be reported at the county level, and for those counties with a population of five hundred thousand and higher, the data must be reported at the zip code level.

(4) If, based on information in an annual report submitted in 2018 or later under this section, fifteen percent or more of the licensed or contracted providers who are participating in the early achievers program in a county or in a single zip code have not achieved the rating levels under RCW 43.215.135 and 43.215.415, the department must:

(a) Analyze the reasons providers in the affected counties or zip codes have not attained the required rating levels; and

(b) Develop a plan to mitigate the effect on the children and families served by these providers. The plan must be submitted to the legislature as part of the annual progress report along with any recommendations for legislative action to address the needs of the providers and the children and families they serve.

**Sec.**  RCW 43.215.010 and 2013 c 323 s 3 and 2013 c 130 s 1 are each reenacted and amended to read as follows:

DEFINITIONS.

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agency" means any person, firm, partnership, association, corporation, or facility that provides child care and early learning services outside a child's own home and includes the following irrespective of whether there is compensation to the agency:

(a) "Child day care center" means an agency that regularly provides early childhood education and early learning services for a group of children for periods of less than twenty-four hours;

(b) "Early learning" includes but is not limited to programs and services for child care; state, federal, private, and nonprofit preschool; child care subsidies; child care resource and referral; parental education and support; and training and professional development for early learning professionals;

(c) "Family day care provider" means a child care provider who regularly provides early childhood education and early learning services for not more than twelve children in the provider's home in the family living quarters;

(d) "Nongovernmental private-public partnership" means an entity registered as a nonprofit corporation in Washington state with a primary focus on early learning, school readiness, and parental support, and an ability to raise a minimum of five million dollars in contributions;

(e) "Service provider" means the entity that operates a community facility.

(2) "Agency" does not include the following:

(a) Persons related to the child in the following ways:

(i) Any blood relative, including those of half-blood, and including first cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;

(ii) Stepfather, stepmother, stepbrother, and stepsister;

(iii) A person who legally adopts a child or the child's parent as well as the natural and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with state law; or

(iv) Spouses of any persons named in (a)(i), (ii), or (iii) of this subsection, even after the marriage is terminated;

(b) Persons who are legal guardians of the child;

(c) Persons who care for a neighbor's or friend's child or children, with or without compensation, where the person providing care for periods of less than twenty-four hours does not conduct such activity on an ongoing, regularly scheduled basis for the purpose of engaging in business, which includes, but is not limited to, advertising such care;

(d) Parents on a mutually cooperative basis exchange care of one another's children;

(e) Nursery schools that are engaged primarily in early childhood education with preschool children and in which no child is enrolled on a regular basis for more than four hours per day;

(f) Schools, including boarding schools, that are engaged primarily in education, operate on a definite school year schedule, follow a stated academic curriculum, accept only school((~~-~~))age children, and do not accept custody of children;

(g) Seasonal camps of three months' or less duration engaged primarily in recreational or educational activities;

(h) Facilities providing child care for periods of less than twenty-four hours when a parent or legal guardian of the child remains on the premises of the facility for the purpose of participating in:

(i) Activities other than employment; or

(ii) Employment of up to two hours per day when the facility is operated by a nonprofit entity that also operates a licensed child care program at the same facility in another location or at another facility;

(i) Any entity that provides recreational or educational programming for school((~~-~~))age((~~d~~)) children only and the entity meets all of the following requirements:

(i) The entity utilizes a drop-in model for programming, where children are able to attend during any or all program hours without a formal reservation;

(ii) The entity does not assume responsibility in lieu of the parent, unless for coordinated transportation;

(iii) The entity is a local affiliate of a national nonprofit; and

(iv) The entity is in compliance with all safety and quality standards set by the associated national agency;

(j) A program operated by any unit of local, state, or federal government or an agency, located within the boundaries of a federally recognized Indian reservation, licensed by the Indian tribe;

(k) A program located on a federal military reservation, except where the military authorities request that such agency be subject to the licensing requirements of this chapter;

(l) A program that offers early learning and support services, such as parent education, and does not provide child care services on a regular basis.

(3) "Applicant" means a person who requests or seeks employment in an agency.

(4) "Conviction information" means criminal history record information relating to an incident which has led to a conviction or other disposition adverse to the applicant.

(5) "Department" means the department of early learning.

(6) "Director" means the director of the department.

(7) "Early achievers" means a program that improves the quality of early learning programs and supports and rewards providers for their participation.

(8) "Early childhood education and assistance program contractor" means an organization that provides early childhood education and assistance program services under a signed contract with the department.

(9) "Early childhood education and assistance program provider" means an organization that provides site level, direct, and high quality early childhood education and assistance program services under the direction of an early childhood education and assistance program contractor.

(10) "Early start" means an integrated high quality continuum of early learning programs for children birth-to-five years of age. Components of early start include, but are not limited to, the following:

(a) Home visiting and parent education and support programs;

(b) The early achievers program described in RCW 43.215.100;

(c) Integrated full-day and part-day high quality early learning programs; and

(d) High quality preschool for children whose family income is at or below one hundred ten percent of the federal poverty level.

((~~(9)~~)) (11) "Education data center" means the education data center established in RCW 43.41.400, commonly referred to as the education research and data center.

(12) "Employer" means a person or business that engages the services of one or more people, especially for wages or salary to work in an agency.

((~~(10)~~)) (13) "Enforcement action" means denial, suspension, revocation, modification, or nonrenewal of a license pursuant to RCW 43.215.300(1) or assessment of civil monetary penalties pursuant to RCW 43.215.300(3).

((~~(11)~~)) (14) "Extended day program" means an early childhood education and assistance program that offers early learning education for at least ten hours per day, a minimum of two thousand hours per year, at least four days per week, and operates year round.

(15) "Full day program" means an early childhood education and assistance program that offers early learning education for a minimum of one thousand hours per year.

(16) "Low-income child care provider" means a person who administers a child care program that consists of at least eighty percent of children receiving working connections child care subsidy.

(17) "Low-income neighborhood" means a district or community where more than twenty percent of households are below the federal poverty level.

(18) "Negative action" means a court order, court judgment, or an adverse action taken by an agency, in any state, federal, tribal, or foreign jurisdiction, which results in a finding against the applicant reasonably related to the individual's character, suitability, and competence to care for or have unsupervised access to children in child care. This may include, but is not limited to:

(a) A decision issued by an administrative law judge;

(b) A final determination, decision, or finding made by an agency following an investigation;

(c) An adverse agency action, including termination, revocation, or denial of a license or certification, or if pending adverse agency action, the voluntary surrender of a license, certification, or contract in lieu of the adverse action;

(d) A revocation, denial, or restriction placed on any professional license; or

(e) A final decision of a disciplinary board.

((~~(12)~~)) (19) "Nonconviction information" means arrest, founded allegations of child abuse, or neglect pursuant to chapter 26.44 RCW, or other negative action adverse to the applicant.

((~~(13)~~)) (20) "Nonschool age child" means a child who is age six years or younger and who is not enrolled in a public or private school.

(21) "Part day program" means an early childhood education and assistance program that offers early learning education for at least two and one-half hours per class session, at least three hundred twenty hours per year, for a minimum of thirty weeks per year.

(22) "Private school" means a private school approved by the state under chapter 28A.195 RCW.

(23) "Probationary license" means a license issued as a disciplinary measure to an agency that has previously been issued a full license but is out of compliance with licensing standards.

((~~(14)~~)) (24) "Requirement" means any rule, regulation, or standard of care to be maintained by an agency.

((~~(15)~~)) (25) "School age child" means a child who is between the ages of five years and twelve years and is attending a public or private school or is receiving home-based instruction under chapter 28A.200 RCW.

(26) "Washington state preschool program" means an education program for children three-to-five years of age who have not yet entered kindergarten, such as the early childhood education and assistance program.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

JOINT SELECT COMMITTEE ON THE EARLY ACHIEVERS PROGRAM.

(1)(a) A joint select committee on the early achievers program is established with members as provided in this subsection.

(i) Chair and ranking minority member of the house of representatives appropriations committee, or his or her designee who must be a member of the house of representatives appropriations committee;

(ii) Chair and ranking minority member of the senate ways and means committee, or his or her designee who must be a member of the senate ways and means committee;

(iii) Chair and ranking minority member of the house of representatives early learning and human services committee, or his or her designee who must be a member of the house of representatives early learning and human services committee; and

(iv) Chair and ranking minority member of the senate early learning and K-12 education committee, or his or her designee who must be a member of the senate early learning and K-12 education committee.

(b) The committee shall choose its chair or cochairs from among its legislative membership. The chair of the house of representatives early learning and human services committee, or his or her designee, and the chair of the senate early learning and K-12 education committee, or his or her designee, shall convene the initial meeting of the committee.

(2) Between July 1, 2018, and December 1, 2018, the early achievers joint select committee shall review the demand and availability of licensed or certified child care family homes and centers, approved early childhood education and assistance programs, head start programs, and family, friend, and neighbor caregivers by geographic region, including rural and low-income neighborhoods. This review shall specifically look at the following:

(a) The geographic distribution of these child care programs by type of program, programs that accept state subsidy, enrollment in the early achievers program, and early achievers rating levels; and

(b) The demand and availability of these child care programs for major ethnic populations.

(3) By December 1, 2018, the early achievers joint select committee shall make recommendations to the legislature on the following:

(a) The sufficiency of funding provided for the early achievers program;

(b) The need for targeted funding for specific geographic regions or major ethnic populations; and

(c) Whether to modify the deadlines established in RCW 43.215.135 for purposes of the early achievers program mandate established in RCW 43.215.100.

(4) Staff support for the committee must be provided by the senate committee services and the house of representatives office of program research.

(5) Legislative members of the committee must be reimbursed for travel expenses in accordance with RCW 44.04.120.

(6) The expenses of the committee must be paid jointly by the senate and the house of representatives. Committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(7) The committee shall report its findings and recommendations to the appropriate committees of the legislature by December 1, 2018.

(8) This section expires December 1, 2019.

NEW SECTION. **Sec.**  REPEALER. 2013 2nd sp.s. c 16 s 2 (uncodified) is repealed.

NEW SECTION. **Sec.**  A new section is added to chapter 43.215 RCW to read as follows:

SHORT TITLE.

Sections 101 through 119 of this act may be known and cited as the early start act.

NEW SECTION. **Sec.**  EFFECTIVE DATE. Section 104 of this act takes effect July 1, 2016.

NEW SECTION. **Sec.**  NULL AND VOID. If specific funding for the purposes of sections 101 through 122 of this act, referencing this act by bill or chapter number, is not provided by June 30, 2015, in the omnibus appropriations act, this act is null and void.

**PART II**

**K-12 EDUCATION**

NEW SECTION. **Sec.**  (1) The purpose of sections 202 and 203 of this act is to continue the legislature's effort to address in good faith the issues identified in *McCleary v. State*, 173 Wn.2d 477 (2012). The legislature recognizes that achieving improved student performance is not simply a function of adding more fiscal resources. Making real improvement in student outcomes is achieved by constantly reviewing, evaluating, and implementing the best and most cost-effective strategies for the delivery of K-12 public school instruction. The legislature intends to fulfill the state's obligation under Article IX of the state Constitution and to partner with school districts in serving students.

(2) The legislature intends to continue to make changes to the program of basic education in those areas where emerging research and evidence demonstrate that better and more efficient strategies are available to help students succeed. Sections 202 and 203 of this act revise certain provisions of chapter 548, Laws of 2009 (Engrossed Substitute House Bill No. 2261), chapter 236, Laws of 2010 (Substitute House Bill No. 2776), and chapter 2, Laws of 2015 (Initiative Measure No. 1351) as a result of the best available and current information indicating the most effective and research-based practices that are also cost-beneficial education investments. It is the intent of the legislature that the additional K-12 investments between 2013 and 2018 to meet the state's funding obligations will be based on the current information of the most cost-effective K-12 investments.

(3) The legislature finds, as a result of evidence-based research, that the greatest improvements in student outcomes in the common schools can be achieved by focusing the investment of state fiscal resources in these areas:

(a) The reduction of class sizes in kindergarten through third grade;

(b) Increased access and support from guidance counselors;

(c) Additional support for parent involvement coordinators to increase family engagement;

(d) The reduction of class sizes in high school laboratory science classes to meet the new requirements for a more rigorous high school diploma;

(e) Additional support for the transitional bilingual instruction program for students learning English as a second language; and

(f) Remediation through the learning assistance program for struggling students to ensure that third grade students are reading at grade level.

**Sec.**  RCW 28A.150.260 and 2015 c 2 s 2 (Initiative Measure No. 1351) and 2014 c 217 s 206 are each reenacted and amended to read as follows:

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

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

(2) The distribution formula under this section shall be for allocation purposes only. Except as required for class size reduction funding provided under subsection (4)((~~(f)~~))(e) of this section and as may be required under chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.

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

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

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

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

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

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

General education

average

class size

Grades K-3 17.0

Grade 4 ((~~25.0~~)) 27.00

Grades 5-6 ((~~25.0~~)) 27.00

Grades 7-8 ((~~25.0~~)) 28.53

Grades 9-12 ((~~25.0~~)) 28.74

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

Laboratory science

average class size

Grades 9-12 19.98

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

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

Career and technical

education average

class size

Approved career and technical education offered at

the middle school and high school level ((~~19.0~~)) 26.57

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction ((~~16.0~~)) 22.76

((~~(d)~~)) (c) In addition, the omnibus appropriations act shall at a minimum specify a specialty average class size for advanced placement and international baccalaureate courses.

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

General education average

class size in

high poverty

Grades K-3 ((~~15.0~~)) 17.00

Grade 4 ((~~22.0~~)) 27.00

Grades 5-6 ((~~23.0~~)) 27.00

Grades 7-8 ((~~23.0~~)) 28.53

Grades 9-12 ((~~23.0~~)) 28.74

((~~(f)~~)) (e)(i) Funding for average kindergarten through third grade class sizes in this subsection (4) shall be provided only to the extent of, and proportionate to, the school district's demonstrated actual kindergarten through third grade average class size, up to the funded class sizes.

(ii) ((~~Districts that demonstrate capital facility needs that prevent them from reducing actual class sizes to funded levels, may use funding in this subsection (4) for school-based personnel who provide direct services to students. Districts that use this funding for purposes other than reducing actual class sizes must annually report the number and dollar value for each type of personnel funded by school and grade level.~~

~~(iii)~~)) The office of the superintendent of public instruction shall develop rules to implement this subsection (4).

(5) The minimum allocation for each level of prototypical school shall include allocations necessary for the safe and effective operation of a school, to meet individual student needs, and to ensure all required school functions can be performed by appropriately trained personnel, for the following types of staff in addition to classroom teachers:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Elementary School | Middle School | High School |
| Principals, assistant principals, and other certificated building-level administrators | ((~~1.3~~))  1.253 | ((~~1.4~~)) 1.353 | ((~~1.9~~)) 1.880 |
| Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs | ((~~1.0~~))  0.663 | ((~~1.0~~)) 0.519 | ((~~1.0~~)) 0.523 |
| Health and social services: |  |  |  |
| School nurses | ((~~0.585~~))  0.076 | ((~~0.888~~)) 0.060 | ((~~0.824~~)) 0.096 |
| Social workers | ((~~0.311~~))  0.042 | ((~~0.088~~)) 0.006 | ((~~0.127~~)) 0.015 |
| Psychologists | ((~~0.104~~))  0.017 | ((~~0.024~~)) 0.002 | ((~~0.049~~)) 0.007 |
| Guidance counselors, a function that includes parent outreach and graduation advising | ((~~0.50~~))  0.493 | ((~~2.0~~)) 1.216 | ((~~3.5~~)) 2.539 |
| Teaching assistance, including any aspect of educational instructional services provided by classified employees | ((~~2.0~~))  0.936 | ((~~1.0~~)) 0.700 | ((~~1.0~~)) 0.652 |
| Office support and other noninstructional aides | ((~~3.0~~))  2.012 | ((~~3.5~~)) 2.325 | ((~~3.5~~)) 3.269 |
| Custodians | ((~~1.7~~))  1.657 | ((~~2.0~~)) 1.942 | ((~~3.0~~)) 2.965 |
| Classified staff providing student and staff safety | ((~~0.0~~))  0.079 | ((~~0.7~~)) 0.092 | ((~~1.3~~)) 0.141 |
| Parent involvement coordinators | ((~~1.0~~))  0.0825 | ((~~1.0~~))  0.00 | ((~~1.0~~))  0.00 |

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

Staff per 1,000

K-12 students

Technology ((~~2.8~~)) 0.628

Facilities, maintenance, and grounds ((~~4.0~~)) 1.813

Warehouse, laborers, and mechanics ((~~1.9~~)) 0.332

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

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

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

Per annual average

full-time equivalent student

in grades K-12

Technology $54.43

Utilities and insurance $147.90

Curriculum and textbooks $58.44

Other supplies and library materials $124.07

Instructional professional development for certified and

classified staff $9.04

Facilities maintenance $73.27

Security and central office $50.76

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

Per annual average

full-time equivalent student

in grades K-12

Technology $113.80

Utilities and insurance $309.21

Curriculum and textbooks $122.17

Other supplies and library materials $259.39

Instructional professional development for certificated and

classified staff $18.89

Facilities maintenance $153.18

Security and central office administration $106.12

(c) In addition to the amounts provided in (a) and (b) of this subsection, beginning in the 2014-15 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average full-time equivalent student in grades nine through twelve for the following materials, supplies, and operating costs, to be adjusted annually for inflation:

Per annual average

full-time equivalent student

in grades 9-12

Technology $36.35

Curriculum and textbooks $39.02

Other supplies and library materials $82.84

Instructional professional development for certificated and

classified staff $6.04

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

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

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

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

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

(a) To provide supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065, allocations shall be based on the district percentage of students in grades K-12 who were eligible for free or reduced-price meals in the prior school year. The minimum allocation for the program shall provide for each level of prototypical school resources to provide, on a statewide average, ((~~1.5156~~)) 2.3975 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(b)(i) To provide supplemental instruction and services for students whose primary language is other than English((~~,~~)):

(A) Allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction with fifteen transitional bilingual instruction program students per teacher.

(B) Allocations shall be provided for exited pupils, as defined in RCW 28A.180.030, for up to two years of instructional support immediately after the pupils exit the program. Instructional support includes assistance reaching grade-level performance in academic subjects even though the pupils have achieved English proficiency for purposes of the transitional bilingual instruction program. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen transitional bilingual instruction program students per teacher based on the head count of students who exited the program within the prior two years based on their performance on the English proficiency assessment.

(ii) Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled to provide a larger allocation for students needing more intensive intervention and a commensurate reduced allocation for students needing less intensive intervention, as detailed in the omnibus appropriations act.

(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on two and ((~~three hundred fourteen one-thousandths~~)) one-half percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to provide, on a statewide average, ((~~2.1590~~)) 2.35 hours per week in extra instruction with fifteen highly capable program students per teacher.

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

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

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

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

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

(c) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the first school day of each month, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.

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

**Sec.**  RCW 28A.150.261 and 2015 c 2 s 3 (Initiative Measure No. 1351) are each amended to read as follows:

In order to make measurable progress toward implementing the provisions of section 2, chapter 2, Laws of 2015, as amended by section 202, chapter . . ., Laws of 2015 2nd sp. sess. (section 202 of this act), by September 1, 2017, the legislature shall increase state funding allocations under RCW 28A.150.260 according to the following schedule:

(1) For the 2015-2017 biennium, funding allocations shall be no less than fifty percent of the difference between the funding necessary to support the numerical values under RCW 28A.150.260 as of September 1, 2013, and the funding necessary to support the numerical values under section 2, chapter 2, Laws of 2015, as amended by section 202, chapter . . ., Laws of 2015 2nd sp. sess. (section 202 of this act), with priority for additional funding provided during this biennium for the highest poverty schools and school districts;

(2) By the end of the 2017-2019 biennium and thereafter, funding allocations shall be no less than the funding necessary to support the numerical values under section 2, chapter 2, Laws of 2015, as amended by section 202, chapter . . ., Laws of 2015 2nd sp. sess. (section 202 of this act).

NEW SECTION. **Sec.**  (1) As provided in the 2015-2017 omnibus appropriations act, school district employees shall be provided a one-time salary bonus of 3.753 percent of annual salary to be paid in one payment on August 31, 2015, in addition to the salary provided to school districts and educational service districts in Part V, chapter 4, Laws of 2013 2nd sp. sess. This bonus is not part of the program of basic education.

(2) The one-time salary bonus shall be calculated by applying the rate in subsection (1) of this section to any state-funded salary base used in state funding formulas for teachers and other school district employees.

(3) A school district shall distribute its bonus allocation for salaries and salary-related benefits in accordance with the district's salary schedules and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent the funds provided for this bonus on salaries and salary-related benefits.

**PART III**

**HIGHER EDUCATION**

**Sec.**  RCW 28B.15.031 and 2012 c 230 s 6 are each amended to read as follows:

(1) The term "operating fees" as used in this chapter shall include the fees, other than building fees, charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, technology and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That ((~~a minimum of five percent of operating fees shall be retained by the four-year institutions of higher education that increase tuition for resident undergraduate students above assumed tuition increases in the omnibus appropriations act,~~)) a minimum of four percent of operating fees shall be retained by four‑year institutions of higher education ((~~that do not increase tuition for resident undergraduates above assumed increases in the omnibus appropriations act,~~)) and a minimum of three and one-half percent of operating fees shall be retained by the community and technical colleges for the purposes of RCW 28B.15.820. At least thirty percent of operating fees required to be retained by the four-year institutions for purposes of RCW 28B.15.820 shall be used only for the purposes of RCW 28B.15.820(10).

(2) In addition to the three and one-half percent of operating fees retained by the institutions under subsection (1) of this section, up to three percent of operating fees charged to students at community and technical colleges shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The percentage to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed three percent of the operating fees collected each year.

(3) Local operating fee accounts shall not be subject to appropriation by the legislature but shall be subject to allotment procedures by budget program and fiscal year under chapter 43.88 RCW.

**Sec.**  RCW 28B.15.066 and 2003 c 232 s 3 are each amended to read as follows:

((~~It is the intent of the legislature that:~~

~~In making appropriations from the state's general fund to institutions of higher education, each appropriation shall conform to the following:~~

~~(1) The appropriation shall not be reduced by the amount of operating fees revenue estimated to be collected from students enrolled at the state-funded enrollment level specified in the omnibus biennial operating appropriations act;~~

~~(2) The appropriation shall not be reduced by the amount of operating fees revenue collected from students enrolled above the state-funded level specified in the omnibus biennial operating appropriations act; and~~

~~(3) The general fund state appropriation shall not be reduced by the amount of operating fees revenue collected as a result of waiving less operating fees revenue than the amounts authorized under RCW 28B.15.910. State general fund appropriations shall not be provided for revenue foregone as a result of or for waivers granted under RCW 28B.15.915.~~)) (1) Beginning with the 2015-2017 omnibus appropriations act, the legislature shall appropriate to the state board for community and technical colleges and to each of the four-year institutions of higher education an amount that is at least equal to the total state funds appropriated in the 2013-2015 biennium and the net revenue loss from resident undergraduate tuition operating fees based on budgeted full-time equivalent enrollment received for the 2015-2017 fiscal biennium under RCW 28B.15.067 (3) and (6). The net revenue loss shall be adjusted for inflation in subsequent biennia.

(2) As used in this section and RCW 28B.15.069, "inflation" shall be based on the consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people and covering areas exclusively within the boundaries of the state shall be used.

**Sec.**  RCW 28B.15.067 and 2015 c 55 s 211 are each amended to read as follows:

(1) Tuition fees shall be established under the provisions of this chapter.

(2) Beginning in the 2011-12 academic year and through the 2014-15 academic year, reductions or increases in full-time tuition fees shall be as provided in the omnibus appropriations act for resident undergraduate students at community and technical colleges.

(3)(a) In the 2015-16 academic year, tuition operating fees for resident undergraduates at community and technical colleges excluding applied baccalaureate degrees as defined in RCW 28B.50.030, shall be two percent less than the 2014-15 academic year tuition operating fee.

(b) Beginning in the 2016-17 academic year, tuition operating fees for resident undergraduates at community and technical colleges excluding applied baccalaureate degrees as defined in RCW 28B.50.030, may increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.

(4) The governing boards of the state universities, regional universities, and The Evergreen State College; and the state board for community and technical colleges may reduce or increase full-time tuition fees for all students other than resident undergraduates, including nonresident students, summer school students, and students in other self-supporting degree programs. Percentage increases in full-time tuition may exceed the fiscal growth factor. Except during the 2013-2015 fiscal biennium, the state board for community and technical colleges may pilot or institute differential tuition models. The board may define scale, scope, and rationale for the models.

((~~(3)~~)) (5)(a) Beginning with the 2011-12 academic year and through the end of the 2014-15 academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College may reduce or increase full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs. Percentage increases in full-time tuition fees may exceed the fiscal growth factor. Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students; however, during the 2013-2015 fiscal biennium, reductions or increases in tuition must be uniform among resident undergraduate students.

(b) Prior to reducing or increasing tuition for each academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College shall consult with existing student associations or organizations with student undergraduate and graduate representatives regarding the impacts of potential tuition increases. Each governing board shall make public its proposal for tuition and fee increases twenty-one days before the governing board of the institution considers adoption and allow opportunity for public comment. However, the requirement to make public a proposal for tuition and fee increases twenty-one days before the governing board considers adoption shall not apply if the omnibus appropriations act has not passed the legislature by May 15th. Governing boards shall be required to provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

(c) Prior to reducing or increasing tuition for each academic year, the state board for community and technical college system shall consult with existing student associations or organizations with undergraduate student representation regarding the impacts of potential tuition increases. The state board for community and technical colleges shall provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

((~~(4) Beginning with~~)) (6)(a) In the 2015-16 academic year ((~~through the 2018-19 academic year, the governing boards of the state universities, regional universities, and The Evergreen State College may set tuition for resident undergraduates as follows:~~

~~(a) If state funding for a college or university falls below the state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection, reduce enrollments, or both;~~

~~(b) If state funding for a college or university is at least at the level of state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection and shall continue to at least maintain the actual enrollment levels for fiscal year 2011 or increase enrollments as required in the omnibus appropriations act;~~

~~(c) If state funding is increased so that combined with resident undergraduate tuition the sixtieth percentile of the total per-student funding at similar public institutions of higher education in the global challenge states under RCW 28B.15.068 is exceeded, the governing board shall decrease tuition by the amount needed for the total per-student funding to be at the sixtieth percentile under RCW 28B.15.068; and~~

~~(d) The amount of tuition set by the governing board for an institution under this subsection (4) may not exceed the sixtieth percentile of the resident undergraduate tuition of similar public institutions of higher education in the global challenge states.~~

~~(5)~~)), full-time tuition operating fees for resident undergraduates for:

(i) State universities shall be twenty-five percent less than 2014-15 academic year tuition operating fee; and

(ii) Regional universities, The Evergreen State College, and applied baccalaureate degrees as defined in RCW 28B.50.030 shall be twenty-five percent less than the 2014-15 academic year tuition operating fee.

(b) Beginning with the 2016-17 academic year, full-time tuition operating fees for resident undergraduates in (a) of this subsection may increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.

(7) The tuition fees established under this chapter shall not apply to high school students enrolling in participating institutions of higher education under RCW 28A.600.300 through 28A.600.400.

((~~(6)~~)) (8) The tuition fees established under this chapter shall not apply to eligible students enrolling in a dropout reengagement program through an interlocal agreement between a school district and a community or technical college under RCW 28A.175.100 through 28A.175.110.

((~~(7) Beginning in the 2019-20 academic year, reductions or increases in full-time tuition fees for resident undergraduates at four-year institutions of higher education shall be as provided in the omnibus appropriations act.~~

~~(8)~~)) (9) The legislative advisory committee to the committee on advanced tuition payment established in RCW 28B.95.170 shall:

(a) Review the impact of ((~~differential~~)) decreasing tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program; ((~~and~~))

(b) Review the feasibility of establishing a college savings program as described in RCW 28B.95.150; and

(c) No later than January ((~~14, 2013~~)) 8, 2016, make a recommendation to the appropriate policy and fiscal committees of the legislature regarding how ((~~differential~~)) tuition rates should be addressed in order to maintain the ongoing solvency of the Washington advanced college tuition payment program and whether a college savings program shall be implemented.

(10) As a result of any changes in tuition under section 303, chapter . . ., Laws of 2015 2nd sp. sess. (this section), the governing boards of the state universities, the regional universities, and The Evergreen State College shall not reduce resident undergraduate enrollment below the 2014-15 academic year levels.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

Beginning with the 2015-2017 omnibus appropriations act and each biennium thereafter, reductions in tuition levels resulting from section 303, chapter . . ., Laws of 2015 2nd sp. sess. (section 303 of this act) will allow the legislature to reduce state need grant appropriations by an equal amount from the 2013-2015 fiscal biennium amounts. The legislature does not intend to reduce award levels for private colleges and universities below the 2014-15 academic year levels.

By reducing the overall cost of tuition, the legislature in future biennia is better able and intends to serve those students currently eligible but unserved in the state need grant.

**Sec.**  RCW 28B.15.069 and 2015 c 55 s 212 are each amended to read as follows:

(1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent. After the effective date of this section, the dollar value of the building fee shall not be reduced below the level in the 2014-15 academic year adjusted for inflation. As used in this subsection, "inflation" has the meaning in RCW 28B.15.066(2).

(2) The governing boards of each institution of higher education((~~,~~)) shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. For the 2013-2015 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community and technical college summer school students unless the college charges fees in accordance with RCW 28B.15.515.

(4) Subject to the limitations of RCW 28B.15.910, each governing board of a community or technical college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.

(5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.

**Sec.**  RCW 28B.95.020 and 2015 c 202 s 5 are each amended to read as follows:

The definitions in this section apply throughout this chapter, unless the context clearly requires otherwise.

(1) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between August 1st and July 31st.

(2) "Account" means the Washington advanced college tuition payment program account established for the deposit of all money received by the office from eligible purchasers and interest earnings on investments of funds in the account, as well as for all expenditures on behalf of eligible beneficiaries for the redemption of tuition units and for the development of any authorized college savings program pursuant to RCW 28B.95.150.

(3) "Committee on advanced tuition payment" or "committee" means a committee of the following members: The state treasurer, the director of the office of financial management, the director of the office, or their designees, and two members to be appointed by the governor, one representing program participants and one private business representative with marketing, public relations, or financial expertise.

(4) "Contractual obligation" means a legally binding contract of the state with the purchaser and the beneficiary establishing that purchases of tuition units will be worth the same number of tuition units at the time of redemption as they were worth at the time of the purchase, except as provided in RCW 28B.95.030(7).

(5) "Dual credit fees" means any fees charged to a student for participation in college in the high school under RCW 28A.600.290 or running start under RCW 28A.600.310.

(6) "Eligible beneficiary" means the person for whom the tuition unit will be redeemed for attendance at an institution of higher education, participation in college in the high school under RCW 28A.600.290, or participation in running start under RCW 28A.600.310. The beneficiary is that person named by the purchaser at the time that a tuition unit contract is accepted by the governing body. Qualified organizations, as allowed under section 529 of the federal internal revenue code, purchasing tuition unit contracts as future scholarships need not designate a beneficiary at the time of purchase.

(7) "Eligible purchaser" means an individual or organization that has entered into a tuition unit contract with the governing body for the purchase of tuition units for an eligible beneficiary. The state of Washington may be an eligible purchaser for purposes of purchasing tuition units to be held for granting Washington college bound scholarships.

(8) "Full-time tuition charges" means resident tuition charges at a state institution of higher education for enrollments between ten credits and eighteen credit hours per academic term.

(9) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program.

(10) "Institution of higher education" means an institution that offers education beyond the secondary level and is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(11) "Investment board" means the state investment board as defined in chapter 43.33A RCW.

(12) "Office" means the office of student financial assistance as defined in chapter 28B.76 RCW.

(13) "State institution of higher education" means institutions of higher education as defined in RCW 28B.10.016.

(14) "Tuition and fees" means undergraduate tuition and services and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. For purposes of this chapter, services and activities fees do not include fees charged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities.

(15) "Tuition unit contract" means a contract between an eligible purchaser and the governing body, or a successor agency appointed for administration of this chapter, for the purchase of tuition units for a specified beneficiary that may be redeemed at a later date for an equal number of tuition units, except as provided in RCW 28B.95.030(7).

(16) "Unit purchase price" means the minimum cost to purchase one tuition unit for an eligible beneficiary. Generally, the minimum purchase price is one percent of the undergraduate tuition and fees for the current year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted to ensure the actuarial soundness of the account. The analysis for price setting shall also include, but not be limited to consideration of past and projected patterns of tuition increases, program liability, past and projected investment returns, and the need for a prudent stabilization reserve.

**Sec.**  RCW 28B.95.030 and 2015 c 202 s 6 are each amended to read as follows:

(1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the director of the office. The committee shall be supported by staff of the office.

(2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval, except as provided in subsection (7) of this section.

(b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body, except as provided in subsection (7) of this section.

(c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract, except as provided in subsection (7) of this section.

(d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.

(e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.

(3)(a) No tuition unit may be redeemed until two years after the purchase of the unit.

(b) Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code. Units may also be redeemed to pay for dual credit fees.

((~~(b)~~)) (c) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

(4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.

(5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.

(6) The governing body shall annually determine current value of a tuition unit.

(7) For the 2015-16 and 2016-17 academic years, the committee and the governing body shall make such one-time adjustments to all unredeemed tuition units purchased before the effective date of this section as may be necessary to ensure that the total payout value of each account at the effective date of this section is not decreased or diluted as a result of the initial application of any changes in tuition under section 303, chapter . . ., Laws of 2015 2nd sp. sess. (section 303 of this act). The first notification to holders of tuition units after the adjustment in this subsection is made must include a statement concerning the adjustment. For accounts that are opened prior to the effective date of this section, the committee and the governing body shall make such adjustments to the number of tuition units that may be redeemed in one year as may be necessary to ensure that any change in tuition policy under section 303, chapter . . ., Laws of 2015 2nd sp. sess. (section 303 of this act) does not result in the decrease of the dollar value of the maximum tuition units that may be used in any one year.

(8) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program.

((~~(8)~~)) (9) In addition to any other powers conferred by this chapter, the governing body may:

(a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;

(b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;

(c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

(d) Appoint and use advisory committees and the state actuary as needed to provide program direction and guidance;

(e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;

(f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;

(g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

(i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;

(j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;

(k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(l) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and

(m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.

**Sec.**  RCW 28B.118.010 and 2015 c 244 s 3 are each amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the state need grant program in chapter 28B.92 RCW unless otherwise provided in this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter; or

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through twelve; or

(ii) Are between the ages of eighteen and twenty-one and have not graduated from high school.

(2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.

(3)(a) To be eligible for a Washington college bound scholarship, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.

(b) A student eligible under subsection (1)(b) of this section shall be automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social and health services to the higher education coordinating board or its successor by mail or electronically, as indicated on the form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b)(i) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).

(ii) For a student who does not meet the "C" average requirement, and who completes fewer than two quarters in the running start program, under chapter 28A.600 RCW, the student's first quarter of running start course grades must be excluded from the student's overall grade point average for purposes of determining their eligibility to receive the scholarship.

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington or the representative average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington or the representative average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

NEW SECTION. **Sec.**  The legislature intends to make college more affordable for students and families through the implementation of sections 301 through 308 of this act. As a result, the legislature expects that resident undergraduate students are able to complete their major course of study in a timely manner. The education data center established in RCW 43.41.400 shall provide a statistical analysis and report of the time to degree completion for each undergraduate major course of study for each four-year institution of higher education as defined in RCW 28B.10.016 and the state board for community and technical colleges. The report shall include as many years as possible to compare the results over time. The report shall be provided to the appropriate committees of the legislature no later than December 1, 2015.

NEW SECTION. **Sec.**  The Washington state institute for public policy shall conduct a study on alternative resident undergraduate tuition growth factors such as median wage, average wage, consumer price index, student affordability metrics, and others. The analysis should indicate how tuition is likely to change under each metric over an extended period of time. The report should also consider the relative ease of calculating or obtaining the metric for budget development purposes. The legislature intends to use this analysis to evaluate the median wage metric used in sections 301 through 308 of this act on an ongoing basis. The institute shall report its findings to the relevant committees of the legislature by December 1, 2015.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1) RCW 28B.15.068 (Tuition fees increase limitations—State funding goals—Reports—"Global challenge states"—Notification of availability of American opportunity tax credit) and 2012 c 229 s 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and

(2) RCW 28B.15.102 (Institutional tuition increases—Financial aid offset—Reports—Resident first-year undergraduate enrollment at the University of Washington, Seattle campus) and 2014 c 162 s 1, 2013 c 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

NEW SECTION. **Sec.**  Sections 301 through 308 of this act may be known and cited as the college affordability program.

**PART IV**

**MISCELLANEOUS PROVISIONS**

NEW SECTION. **Sec.**  Section 202 of this act takes effect September 1, 2018.

NEW SECTION. **Sec.**  Section 204 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**