

---

HOUSE BILL 2272

---

State of Washington                      64th Legislature      2015 2nd Special Session

By Representatives Magendanz, Wilcox, Parker, Pike, Caldier, Hayes,  
and Haler

Read first time 06/25/15. Referred to Committee on Appropriations.

1            AN ACT Relating to the state's constitutional basic education  
2 obligation; amending RCW 28A.300.173, 28A.320.330, 28A.505.140,  
3 28A.505.040, 28A.505.050, 28A.505.060, 28A.505.100, 43.09.265,  
4 28A.175.075, 28A.230.090, 28A.300.136, and 28A.400.201; adding a new  
5 section to chapter 28A.320 RCW; adding a new section to chapter 43.09  
6 RCW; adding a new chapter to Title 28A RCW; creating a new section;  
7 repealing RCW 28A.290.010 and 28A.290.020; providing an effective  
8 date; providing an expiration date; and declaring an emergency.

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

10            NEW SECTION.    **Sec. 1.**    INTENT. (1) In its January 2012 ruling in  
11 *McCleary v. State*, the state supreme court declared that Engrossed  
12 Substitute House Bill No. 2261 (chapter 548, Laws of 2009), "if fully  
13 funded," constituted a "promising reform" that would remedy  
14 deficiencies in the state's compliance with its paramount duty to  
15 make ample provision for the education of its children. In Engrossed  
16 Substitute House Bill No. 2261, the legislature revised its previous  
17 formulas to establish the prototypical school model, and it directed  
18 the quality education council and its technical working groups to  
19 recommend the details of necessary formula enhancements to the  
20 prototypical school model. The following year, the legislature  
21 enacted Substitute House Bill No. 2776 (chapter 236, Laws of 2010),

1 which provided in statute quantification of the formula enhancements  
2 and established statutory deadlines for funding and implementation of  
3 these deadlines. Specifically, Substitute House Bill No. 2776 called  
4 for (a) full funding of the expected cost transportation formula by  
5 the 2013-2015 biennium, which the legislature implemented in the  
6 budget for the 2013-2015 biennium, fully funding the model in the  
7 2014-15 school year; (b) full funding of the enhanced formula for  
8 materials, supplies, and operating costs by the 2015-16 school year,  
9 which both houses of the legislature have funded in the respective  
10 2015-2017 proposed budgets that have passed each chamber; (c) full  
11 funding for all-day kindergarten by the 2017-18 school year, which  
12 both houses of the legislature have funded in the respective  
13 2015-2017 budgets that have passed each chamber, one year ahead of  
14 the statutory deadline; and (d) full funding for K-3 class size  
15 reduction by the 2017-18 school year, which both houses of the  
16 legislature have funded in a phase-in schedule in the respective  
17 2015-2017 proposed budgets that have passed each chamber, with full  
18 implementation planned for the 2017-18 school year.

19 (2) In its September 2014 order in *McCleary*, the court indicated  
20 that it expects the legislature to provide the court with a plan  
21 against which to measure the state's progress toward full  
22 implementation. As described in subsection (1) of this section, in  
23 Substitute House Bill No. 2776 the legislature enacted a  
24 comprehensive plan for funding the enhancements to the prototypical  
25 school formula, and the legislature has not failed to meet a  
26 statutorily prescribed deadline. These enhancements to the funding  
27 formula address transportation and materials, supplies, and operating  
28 costs, two of the areas identified by the court in which state  
29 funding allocations were insufficient to support the state's program  
30 of basic education, thereby causing school districts to rely on local  
31 levies for implementation of the state's basic education program.

32 (3) The 2012 *McCleary* ruling also identified a constitutional  
33 flaw in the funding formula that predated Engrossed Substitute House  
34 Bill No. 2261 and Substitute House Bill No. 2776: State allocations  
35 for state-funded staff salaries were insufficient to provide  
36 districts with adequate funding to hire and retain teachers for the  
37 state's program of basic education. To correct the identified  
38 inadequacies of the state salary allocation formulas, the legislature  
39 intends to review and quantify the need for additional state  
40 allocations so that the state may implement its new salary funding

1 formula in the 2018-19 school year. As a starting point for this  
2 task, the legislature finds that the review process should begin with  
3 the assumption that the minimum salary cost for the state's program  
4 of basic education is the sum of total statewide salary allocations  
5 for state-funded employees in the 2014-15 school year plus eighty-  
6 five percent of the difference between that amount and total  
7 statewide school district actual salary expenditures for state-funded  
8 employees in the 2014-15 school year.

9 (4) The legislature further finds that increased state salary  
10 allocations, while a necessary part of the solution, are not a  
11 complete solution. The legislature intends to correct the inadequate  
12 state salary allocations identified by the court, but it cannot do so  
13 without simultaneously addressing the use of and accountability for  
14 local levies for enrichments to the state-funded program of basic  
15 education, as well as state-funded levy equalization to mitigate the  
16 effect of above-average property tax rates for local levies.  
17 Revisions to local levy laws must consider sensitivity to tax rates  
18 for districts that have relatively low property values. The  
19 intricacies of these entwined topics mean that a piecemeal or interim  
20 solution is not feasible. Further, due to the complexity of any plan  
21 that requires changes to property taxes, a solution requires  
22 sufficient lead time to align local levy and state property tax  
23 revisions with school year allocations in the state budget.

24 (5) To fund the constitutionally required revisions to state  
25 salary allocations for state-funded employees, and to prevent local  
26 levies from being used for the state's program of basic education,  
27 the legislature must revise the state property tax while decreasing  
28 the amount that school districts may collect in local levies. The  
29 changes to total property tax collections must be revenue-neutral on  
30 a statewide basis.

31 (6) For these reasons, the legislature intends to enact a  
32 schedule for researching and enacting policies for fully funding all  
33 elements of Engrossed Substitute House Bill No. 2261 on September 1,  
34 2018. As set forth in this act, the legislature intends to review and  
35 enact legislation on:

36 (a)(i) State salary allocations. The state must quantify the  
37 portion of salaries for state-funded employees that is part of the  
38 state's program of basic education. To ensure that each district  
39 receives sufficient state allocations to hire and retain state-funded  
40 staff without obligating the state to fund all districts at the

1 highest district cost level, new state funding formulas must contain  
2 a localization mechanism. Further, new state funding formulas must  
3 eliminate the practice of "grandfathering" salary allocations based  
4 on outdated historical funding practices, and they must contain  
5 mechanisms for inflationary adjustment; and

6 (ii) State allocations and purchasing methods for health  
7 insurance benefits.

8 (b) Enrichment and TRI. The state must enact definitions of  
9 "enrichment" and authorized TRI that provide school districts with  
10 sufficient flexibility to implement local education priorities beyond  
11 the state's program of basic education while protecting the state's  
12 ability to demonstrate that its allocations fund the state's program  
13 of basic education.

14 (c) State property taxes and local levies. The state must enact  
15 new laws governing local levy collections, including local levy  
16 bases, rates, or lids, with reductions to local levies offset by  
17 changes to the state property tax that are revenue-neutral on a  
18 statewide basis. The new local levy system must eliminate the  
19 practice of "grandfathering" levy formulas based on outdated  
20 historical funding formulas.

21 (d) State levy equalization. The state must make corresponding  
22 changes to its system of levy equalization to mitigate the effect  
23 that above-average property tax rates for local levies have on  
24 districts' ability to fund enrichments beyond the state's program of  
25 basic education.

26 (e) Transparency and accountability. The state must establish  
27 accountability procedures to provide greater clarity and transparency  
28 for expenditures of state, federal, and local revenues, including  
29 expenditures for the state program of basic education and for local  
30 enrichment beyond this program.

31 **PART I**

32 **WASHINGTON EDUCATION FUNDING COUNCIL**

33 NEW SECTION. **Sec. 101.** DEFINITIONS. The definitions in this  
34 section apply throughout this chapter unless the context clearly  
35 requires otherwise. These definitions apply only for purposes of  
36 establishing the duties of the council and the legislature under this  
37 chapter. As provided elsewhere in this chapter, the legislature  
38 recognizes that some of the terms defined in this section are

1 expressly intended to be redefined by the legislature in future  
2 legislation.

3 (1) "Council" means the Washington education funding council  
4 created in section 102 of this act.

5 (2) "Enrichment" means additional services, instruction,  
6 supplies, or similar expenditures that supplement and are not within  
7 the state's program of basic education, and that may be funded by  
8 local levies consistent with *Seattle School District v. State* (1978)  
9 and *McCleary v. State* (2012).

10 (3) "Levy equalization" means a state-funded program of aid that  
11 assists school districts in funding enrichment that supplements the  
12 state's program of basic education, and that is intended to mitigate  
13 the effect that variations in local property values might have on the  
14 ability to fund these supplements locally. The program of local  
15 effort assistance established in chapter 28A.500 RCW is an example of  
16 "levy equalization."

17 (4) "Local levies" means maintenance and operation levies  
18 collected by school districts under RCW 84.52.053 and 84.52.0531.

19 (5) "Localization" means a methodology for adjusting state salary  
20 allocations to reflect local or regional differences in the cost of  
21 salaries necessary to allow school districts to hire and retain  
22 state-funded employees for the state's program of basic education.

23 (6) "State-funded employees" means school district employees for  
24 which the state allocates funding pursuant to the prototypical school  
25 formula in RCW 28A.150.260 and the omnibus operating appropriations  
26 act.

27 (7) "State's program of basic education" means the instructional  
28 program of basic education defined in RCW 28A.150.220.

29 (8) "TRI" means separate contracts for additional time,  
30 responsibility, or incentive, which pursuant to RCW 28A.400.200, may  
31 not be used for the provision of services that are part of the  
32 state's program of basic education.

33 NEW SECTION. **Sec. 102.** WASHINGTON EDUCATION FUNDING COUNCIL  
34 CREATED. (1) The legislature intends to fulfill its obligations under  
35 Article IX of the state Constitution by completing its implementation  
36 of all aspects of chapter 548, Laws of 2009 by September 1, 2018. The  
37 funding formulas under chapter 28A.150 RCW to support the state's  
38 instructional program must be revised and fully implemented by that

1 date under the schedule of annual benchmarks prescribed in this  
2 chapter.

3 (2) The Washington education funding council is created to advise  
4 the legislature as the state moves toward full implementation of the  
5 state's program of basic education established pursuant to chapter  
6 548, Laws of 2009 and the financing and revenues necessary to support  
7 such program. The council must make recommendations on how the  
8 legislature should meet the requirements outlined in chapter 548,  
9 Laws of 2009 by September 1, 2018, thereby fulfilling the  
10 requirements of the state supreme court in *McCleary v. State*. As  
11 provided in this chapter, the council must submit to the legislature  
12 recommended changes to state salary allocation formulas and state tax  
13 laws to support the state's program of basic education as established  
14 under chapter 548, Laws of 2009, along with corresponding  
15 recommendations on the state property tax, local levy laws, levy  
16 equalization, and other state laws.

17 (3) As provided in sections 201 and 203 of this act, the council  
18 shall submit reports to the governor and the legislature detailing  
19 its recommendations, including recommendations for resolving issues  
20 or decisions requiring legislative action during the 2016 and 2017  
21 legislative sessions, and recommendations for any funding necessary  
22 to complete development and implementation of chapter 548, Laws of  
23 2009. The recommendations must also include the technical details for  
24 implementing the recommendations.

25 (4)(a) The council consists of the following members:

26 (i) Eight legislators, with two members from each of the two  
27 largest caucuses of the senate appointed by the president of the  
28 senate and two members from each of the two largest caucuses of the  
29 house of representatives appointed by the speaker of the house of  
30 representatives;

31 (ii) The governor, or the governor's designee; and

32 (iii) The state superintendent of public instruction, or the  
33 superintendent's designee.

34 (b) The council shall select cochairs from among its legislative  
35 members.

36 (c) The council is staffed by the house of representatives office  
37 of program research, senate committee services, and the office of  
38 financial management, with additional staff support provided by the  
39 state entities with representatives on the council.

1 (5) Recommendations of the council require the affirmative vote  
2 of seven of its members.

3 (6) Legislative members of the council must be reimbursed for  
4 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
5 members, except those representing an employer or organization, are  
6 entitled to be reimbursed for travel expenses in accordance with RCW  
7 43.03.050 and 43.03.060.

8 (7) The expenses of the council must be paid jointly by the  
9 senate and the house of representatives. Council expenditures are  
10 subject to approval by the senate facilities and operations committee  
11 and the house of representatives executive rules committee, or their  
12 successor committees.

13 NEW SECTION. **Sec. 103.** WASHINGTON EDUCATION FUNDING COUNCIL MAY  
14 ESTABLISH TECHNICAL WORKING GROUPS. (1) The council may also  
15 establish technical working groups to advise the task force on  
16 technical and practical aspects of proposed policies and formulas.

17 (2) The technical working group or groups may include  
18 representatives of the legislative evaluation and accountability  
19 program committee, school district and educational service district  
20 financial managers, the Washington association of school business  
21 officers, the Washington education association, the Washington  
22 association of school administrators, the association of Washington  
23 school principals, the Washington state school directors'  
24 association, the public school employees of Washington, and other  
25 interested stakeholders with expertise in education finance or state  
26 revenue.

27 **PART II**

28 **SCHEDULE FOR COUNCIL RECOMMENDATIONS AND LEGISLATIVE ENACTMENTS**

29 NEW SECTION. **Sec. 201.** WASHINGTON EDUCATION FUNDING COUNCIL  
30 RECOMMENDATIONS TO THE 2016 LEGISLATURE. By December 1, 2015, the  
31 council shall provide the legislature and governor with a report that  
32 contains:

33 (1) Preliminary recommendations for statewide minimum and average  
34 salary allocations for certificated instructional staff, certificated  
35 administrative staff, and classified staff, including recommendations  
36 on localization, to take effect with the 2018-19 school year;

1 (2) Preliminary recommendations for amount of and mechanisms for  
2 state allocations for state-funded school district employee health  
3 insurance benefits. In making the recommendations, the council must  
4 consider data and analysis submitted by the health care authority to  
5 the legislature in June 2015 pursuant to chapter 3, Laws of 2012 2nd  
6 sp. sess. to consider the adequacy of and mechanisms for these  
7 allocations;

8 (3)(a) Research describing the current use of TRI and  
9 supplemental contracts, broken down by use and estimated dollar  
10 amount per use. This research must distinguish among (i) additional  
11 services, such as coaching, or similar services rendered outside the  
12 school day; (ii) additional services performed during the school day,  
13 such as service as a department head; (iii) salary supplements for  
14 work "deemed done" or work such as grading papers that would  
15 ordinarily be considered part of the teacher's job; (iv) supplemental  
16 contracts that are part of the state's program of basic education,  
17 such as preparation of individualized education plans; (v) other  
18 types of supplemental contracts; and (vi) extra time for professional  
19 development;

20 (b) Research describing, and quantifying if possible, other  
21 factors that affect TRI and other supplemental contracts including,  
22 but not limited to: Difficulty of attracting staff to particular  
23 schools or programs, collective bargaining laws and practices, local  
24 compensation philosophy, local cost-of-living differences, and  
25 community expectations;

26 (c) Research describing local levy expenditures on items other  
27 than salaries, broken down into specific categories, such as  
28 technology, the transitional bilingual instruction program, special  
29 education, the highly capable program, athletics, extracurricular  
30 activities, other intermural activities, or equipment;

31 (4) In light of the research in subsection (3) of this section,  
32 recommendations for a statutory definition of enrichment and  
33 authorized TRI. The recommendations must be sufficiently specific to  
34 provide guidance to school districts and auditors while being  
35 sufficiently flexible to allow local innovation. The recommended  
36 definition of enrichment may not prohibit use of local levies to hire  
37 additional staff for class size reduction beyond that specified in  
38 the omnibus appropriations act;

39 (5) Recommendations on protections for the state to ensure that  
40 local levy funding is used only for enrichment, in addition to the



1 provisions of sections 301 through 310 of this act. These may include  
2 additional auditing requirements, additional requirements for school  
3 district accounting, additional reporting by school districts, and  
4 changes to collective bargaining laws or practices; and

5 (6) Recommendations on policies for levy equalization.

6 NEW SECTION. **Sec. 202.** LEGISLATION TO BE ENACTED DURING THE  
7 2016 LEGISLATIVE SESSION. By June 30, 2016, the legislature shall  
8 enact legislation that:

9 (1) Quantifies the portion of locally funded salaries that is the  
10 responsibility of the state's program of basic education and  
11 establishes preliminary policy guidance for the council to develop a  
12 new state salary model for implementation in the 2018-19 school year,  
13 which (a) must include localization, (b) may include simplification  
14 or elimination of the state certificated instructional staff salary  
15 grid, or both, and (c) may include a mechanism for inflationary  
16 adjustment;

17 (2) Establishes preliminary policy guidance for the amount of and  
18 mechanisms for state allocations for health insurance benefits for  
19 state-funded school district employees. The legislation must consider  
20 the work of the joint legislative audit and review committee under  
21 chapter 3, Laws of 2012 2nd sp. sess.;

22 (3) Effective September 1, 2018:

23 (a) Defines "enrichment";

24 (b) Defines appropriate use of local levy funding to supplement  
25 salaries for state-funded employees; and

26 (c) Establishes protections that allow the state to demonstrate  
27 its funding of the state's program of basic education and that  
28 ensures local levy expenditures are outside the state's program of  
29 basic education;

30 (4) Establishes preliminary policy guidance for state property  
31 taxes for collection beginning in calendar year 2018. Taken together  
32 with the guidance on local levies, the policies must be revenue-  
33 neutral on a statewide basis;

34 (5) Establishes preliminary policy guidance for local levies for  
35 collection beginning in calendar year 2018, including a combination  
36 of rates, bases, or lids, or any of these. The local levy policy must  
37 reflect the newly enacted definition of "enrichment" and the new  
38 policies regarding use of local levies to supplement state salary  
39 allocations for the state's program of basic education. Taken

1 together with the guidance on state property taxes, the policies must  
2 be revenue-neutral on a statewide basis; and

3 (6) Establishes preliminary policy guidance for any use of state  
4 funding as levy equalization beginning in calendar year 2018.

5 NEW SECTION. **Sec. 203.** WASHINGTON EDUCATION FUNDING COUNCIL  
6 RECOMMENDATIONS TO THE 2017 LEGISLATURE. By December 1, 2016, the  
7 council and its technical working groups must make recommendations in  
8 a report to the legislature on the following:

9 (1) Quantification, including methods for future adjustment, of a  
10 new salary model for implementation in the 2018-19 school year,  
11 including quantification and methods for localization and  
12 simplification or elimination of the existing grid;

13 (2) Quantification of state property tax rates and local levy  
14 bases, rates, or lids, with recommended legislation for collection in  
15 calendar year 2019, and any necessary state property tax rates or  
16 local levy policies to address any need for transition in calendar  
17 year 2018; and

18 (3) Quantification of formulas for levy equalization, beginning  
19 by calendar year 2019.

20 NEW SECTION. **Sec. 204.** LEGISLATION TO BE ENACTED IN THE 2017  
21 LEGISLATIVE SESSION. By June 30, 2017, the legislature must enact  
22 legislation that accomplishes the following:

23 (1) Enacts a new salary allocation model for the 2018-19 school  
24 year, which must include localization, and makes appropriations in  
25 the 2017-2019 operating budget for distribution to districts under  
26 this model;

27 (2) Beginning with the 2017-18 school year, establishes a  
28 statutory mechanism and appropriates funding for state allocations  
29 for health insurance benefits for state-funded employees, which may  
30 include a state-operated school employees' benefits board;

31 (3) Establishes state property tax rates and new bases, rates, or  
32 lids for local levies for collection beginning in calendar year 2018  
33 or calendar year 2019, depending on any need for a transitional year  
34 in calendar year 2018. These changes to property tax rates must be  
35 revenue-neutral on a statewide basis; and

36 (4) Enacts formulas and makes appropriations for the program of  
37 levy equalization, beginning by calendar year 2019.

1 **PART III**

2 **TRANSPARENCY AND ACCOUNTABILITY**

3 **Sec. 301.** RCW 28A.300.173 and 2010 c 236 s 12 are each amended  
4 to read as follows:

5 (1) The office of the superintendent of public instruction shall  
6 implement and maintain an internet-based portal that provides ready  
7 public access to the state's prototypical school funding model for  
8 basic education under RCW 28A.150.260.

9 (2) The portal must provide (~~(citizens)~~) the opportunity to view,  
10 for each local school building, the following:

11 (a) Staffing levels and other prototypical school funding  
12 elements that are assumed under the state funding formula(~~(.—The~~  
13 ~~portal must also provide))~~);

14 (b) A matrix displaying how individual school districts are  
15 deploying those same state resources through their allocation of  
16 staff and other resources to school buildings, so that citizens are  
17 able to compare the state assumptions to district allocation  
18 decisions for each local school building; and

19 (c) Beginning with the 2018-19 school year financial data, how  
20 local levy and other funds are expended to enhance the state-provided  
21 staffing levels and other prototypical school funding elements in RCW  
22 28A.150.260.

23 **Sec. 302.** RCW 28A.320.330 and 2009 c 460 s 1 are each amended to  
24 read as follows:

25 School districts shall establish the following funds in addition  
26 to those provided elsewhere by law:

27 (1) A general fund for maintenance and operation of the school  
28 district to account for all financial operations of the school  
29 district except those required to be accounted for in another fund.

30 (2) A capital projects fund shall be established for major  
31 capital purposes. All statutory references to a "building fund" shall  
32 mean the capital projects fund so established. Money to be deposited  
33 into the capital projects fund shall include, but not be limited to,  
34 bond proceeds, proceeds from excess levies authorized by RCW  
35 84.52.053, state apportionment proceeds as authorized by RCW  
36 28A.150.270, earnings from capital projects fund investments as  
37 authorized by RCW 28A.320.310 and 28A.320.320, and state forest  
38 revenues transferred pursuant to subsection (3) of this section.

1 Money derived from the sale of bonds, including interest earnings  
2 thereof, may only be used for those purposes described in RCW  
3 28A.530.010, except that accrued interest paid for bonds shall be  
4 deposited in the debt service fund.

5 Money to be deposited into the capital projects fund shall  
6 include but not be limited to rental and lease proceeds as authorized  
7 by RCW 28A.335.060, and proceeds from the sale of real property as  
8 authorized by RCW 28A.335.130.

9 Money legally deposited into the capital projects fund from other  
10 sources may be used for the purposes described in RCW 28A.530.010,  
11 and for the purposes of:

12 (a) Major renovation and replacement of facilities and systems  
13 where periodical repairs are no longer economical or extend the  
14 useful life of the facility or system beyond its original planned  
15 useful life. Such renovation and replacement shall include, but shall  
16 not be limited to, major repairs, exterior painting of facilities,  
17 replacement and refurbishment of roofing, exterior walls, windows,  
18 heating and ventilating systems, floor covering in classrooms and  
19 public or common areas, and electrical and plumbing systems.

20 (b) Renovation and rehabilitation of playfields, athletic fields,  
21 and other district real property.

22 (c) The conduct of preliminary energy audits and energy audits of  
23 school district buildings. For the purpose of this section:

24 (i) "Preliminary energy audits" means a determination of the  
25 energy consumption characteristics of a building, including the size,  
26 type, rate of energy consumption, and major energy using systems of  
27 the building.

28 (ii) "Energy audit" means a survey of a building or complex which  
29 identifies the type, size, energy use level, and major energy using  
30 systems; which determines appropriate energy conservation maintenance  
31 or operating procedures and assesses any need for the acquisition and  
32 installation of energy conservation measures, including solar energy  
33 and renewable resource measures.

34 (iii) "Energy capital improvement" means the installation, or  
35 modification of the installation, of energy conservation measures in  
36 a building which measures are primarily intended to reduce energy  
37 consumption or allow the use of an alternative energy source.

38 (d) Those energy capital improvements which are identified as  
39 being cost-effective in the audits authorized by this section.

1 (e) Purchase or installation of additional major items of  
2 equipment and furniture: PROVIDED, That vehicles shall not be  
3 purchased with capital projects fund money.

4 (f)(i) Costs associated with implementing technology systems,  
5 facilities, and projects, including acquiring hardware, licensing  
6 software, and online applications and training related to the  
7 installation of the foregoing. However, the software or applications  
8 must be an integral part of the district's technology systems,  
9 facilities, or projects.

10 (ii) Costs associated with the application and modernization of  
11 technology systems for operations and instruction including, but not  
12 limited to, the ongoing fees for online applications, subscriptions,  
13 or software licenses, including upgrades and incidental services, and  
14 ongoing training related to the installation and integration of these  
15 products and services. However, to the extent the funds are used for  
16 the purpose under this subsection (2)(f)(ii), the school district  
17 shall transfer to the district's general fund the portion of the  
18 capital projects fund used for this purpose. The office of the  
19 superintendent of public instruction shall develop accounting  
20 guidelines for these transfers in accordance with internal revenue  
21 service regulations.

22 (g) Major equipment repair, painting of facilities, and other  
23 major preventative maintenance purposes. However, to the extent the  
24 funds are used for the purpose under this subsection (2)(g), the  
25 school district shall transfer to the district's general fund the  
26 portion of the capital projects fund used for this purpose. The  
27 office of the superintendent of public instruction shall develop  
28 accounting guidelines for these transfers in accordance with internal  
29 revenue service regulations. Based on the district's most recent two-  
30 year history of general fund maintenance expenditures, funds used for  
31 this purpose may not replace routine annual preventive maintenance  
32 expenditures made from the district's general fund.

33 (3) A debt service fund to provide for tax proceeds, other  
34 revenues, and disbursements as authorized in chapter 39.44 RCW. State  
35 forest land revenues that are deposited in a school district's debt  
36 service fund pursuant to RCW 79.64.110 and to the extent not  
37 necessary for payment of debt service on school district bonds may be  
38 transferred by the school district into the district's capital  
39 projects fund.

1 (4) An associated student body fund as authorized by RCW  
2 28A.325.030.

3 (5) Advance refunding bond funds and refunded bond funds to  
4 provide for the proceeds and disbursements as authorized in chapter  
5 39.53 RCW.

6 (6) By the 2018-19 school year, each school district must  
7 establish a local revenue fund for the purpose of accounting for the  
8 financial operations of a school district that are paid for from  
9 local revenue. Money deposited into the local revenue fund must  
10 include, but is not limited to, proceeds from maintenance and  
11 operations levies as authorized by RCW 84.52.053, and local effort  
12 assistance payments from the state as authorized by RCW 84.52.0531.  
13 Districts must track expenditures from this fund separately to  
14 account for the usage of local funds within a school district.

15 **Sec. 303.** RCW 28A.505.140 and 2006 c 263 s 202 are each amended  
16 to read as follows:

17 (1) Notwithstanding any other provision of law, the  
18 superintendent of public instruction shall adopt such rules as will  
19 ensure proper budgetary procedures and practices, including monthly  
20 financial statements consistent with the provisions of RCW 43.09.200,  
21 and this chapter. By the 2018-19 school year, the rules shall require  
22 school districts to provide separate accounting of state, federal,  
23 and local revenues and expenditures, and also separate accounting of  
24 basic education and nonbasic education expenditures.

25 (2) If the superintendent of public instruction determines upon a  
26 review of the budget of any district that said budget does not comply  
27 with the budget procedures established by this chapter or by rules  
28 adopted by the superintendent of public instruction, or the  
29 provisions of RCW 43.09.200, the superintendent shall give written  
30 notice of this determination to the board of directors of the local  
31 school district.

32 (3) The local school district, notwithstanding any other  
33 provision of law, shall, within thirty days from the date the  
34 superintendent of public instruction issues a notice pursuant to  
35 subsection (2) of this section, submit a revised budget which meets  
36 the requirements of RCW 43.09.200, this chapter, and the rules of the  
37 superintendent of public instruction.

1       **Sec. 304.** RCW 28A.505.040 and 1995 c 121 s 1 are each amended to  
2 read as follows:

3       (1) On or before the tenth day of July in each year, all school  
4 districts shall prepare their budget for the ensuing fiscal year.  
5 Beginning with the 2018-19 school year, the annual budget development  
6 process shall include the development or update of a four-year budget  
7 projection that includes a four-year enrollment projection.

8       (2) The completed budget must include a summary of the four-year  
9 budget projection and four-year enrollment projection and set forth  
10 the complete financial plan of the district for the ensuing fiscal  
11 year.

12       (3)(a) Upon completion of their budgets, every school district  
13 shall electronically publish a notice stating that the district has  
14 completed the budget, posted it electronically, placed it on file in  
15 the school district administration office, and that a copy  
16 ((thereof)) of the budget and a summary of the four-year budget  
17 projection and enrollment projection will be furnished to any person  
18 who calls upon the district for it. ((The district shall provide a  
19 sufficient number of copies of the budget to meet the reasonable  
20 demands of the public.))

21       (b) School districts shall submit one copy of their budget and,  
22 beginning with the 2018-19 school year, the four-year budget  
23 projection summary and the four-year enrollment projection, to their  
24 educational service districts and the office of the superintendent of  
25 public instruction for review and comment by July 10th. The  
26 superintendent of public instruction may delay the date in this  
27 section if the state's operating budget is not finally approved by  
28 the legislature until after June 1st.

29       **Sec. 305.** RCW 28A.505.050 and 1995 c 121 s 2 are each amended to  
30 read as follows:

31       (1) Upon completion of their budgets as provided in RCW  
32 28A.505.040, every school district shall publish a notice stating  
33 that the board of directors will meet for the purpose of fixing and  
34 adopting the budget of the district for the ensuing fiscal year.

35       (2) Such notice shall designate the date, time, and place of said  
36 meeting which shall occur no later than the thirty-first day of  
37 August for first-class school districts, and the first day of August  
38 for second-class school districts.

1       (3) The notice shall also state that any person may appear  
2       (~~thereat~~) at the meeting and be heard for or against any part of  
3       such budget or, beginning with the 2018-19 school year, the four-year  
4       budget projection summary and the four-year enrollment projection.  
5       (~~Said~~) The notice shall be electronically published and published  
6       at least once each week for two consecutive weeks in a newspaper of  
7       general circulation in the district, or, if there be none, in a  
8       newspaper of general circulation in the county or counties in which  
9       such district is a part. The last notice shall be published no later  
10      than seven days immediately prior to the hearing.

11       **Sec. 306.** RCW 28A.505.060 and 1990 c 33 s 418 are each amended  
12      to read as follows:

13       (1) On the date given in said notice as provided in RCW  
14      28A.505.050 the school district board of directors shall meet at the  
15      time and place designated. Any person may appear (~~thereat~~) at the  
16      meeting and be heard for or against any part of such budget or,  
17      beginning with the 2018-19 school year, the four-year budget  
18      projection summary and the four-year enrollment projection.

19       (2) Such hearing may be continued not to exceed a total of two  
20      days: PROVIDED, That the budget must be adopted no later than August  
21      31st in first-class school districts, and not later than August 1st  
22      in second-class school districts.

23       (3) Upon conclusion of the hearing, the board of directors shall  
24      fix and determine the appropriation from each fund contained in the  
25      budget separately, and shall by resolution adopt the budget and the  
26      appropriations as so finally determined, and, beginning with the  
27      2018-19 school year, enter the same in the official minutes of the  
28      board: PROVIDED, That first-class school districts shall file copies  
29      of their adopted budget with their educational service district no  
30      later than September 3rd, and second-class school districts shall  
31      forward copies of their adopted budget to their educational service  
32      district no later than August 3rd for review, alteration, and  
33      approval as provided for in RCW 28A.505.070 by the budget review  
34      committee.

35       **Sec. 307.** RCW 28A.505.100 and 1990 c 33 s 420 are each amended  
36      to read as follows:

37       (1) The budget shall set forth the estimated revenues for the  
38      ensuing fiscal year, the estimated revenues from all sources for the



1 fiscal year current at the time of budget preparation, the actual  
2 revenues for the last completed fiscal year, and the reserved and  
3 unreserved fund balances for each year. The estimated revenues from  
4 all sources for the ensuing fiscal year shall not include any revenue  
5 not anticipated to be available during that fiscal year: PROVIDED,  
6 That school districts, pursuant to RCW 28A.505.110, can be granted  
7 permission by the superintendent of public instruction to include as  
8 revenues in their budgets, receivables collectible in future fiscal  
9 years.

10 (2)(a) The budget shall set forth by detailed items or classes  
11 the estimated expenditures for the ensuing fiscal year, the estimated  
12 expenditures for the fiscal year current at the time of budget  
13 preparation, and the actual expenditures for the last completed  
14 fiscal year.

15 (b) The budget shall set forth the state-funded salary amounts,  
16 locally funded salary amounts, total salary amounts, full-time  
17 equivalents((7)) for each individual certificated instructional  
18 staff, certificated administrative staff, and classified staff; and  
19 the high, low, and average annual salaries, which shall be displayed  
20 by job classification within each budget classification. ((If  
21 individual salaries within each job classification are not displayed,  
22 districts shall provide the individual salaries together with the  
23 title or position of the recipient and the total amounts of salary  
24 under each budget class upon request.)) Additionally, the district's  
25 salary schedules shall be displayed.

26 (3) In districts where negotiations have not been completed, the  
27 district may budget the salaries at the current year's rate and  
28 restrict fund balance for the amount of anticipated increase in  
29 salaries, so long as an explanation shall be attached to the budget  
30 on such restriction of fund balance.

31 NEW SECTION. Sec. 308. A new section is added to chapter  
32 28A.320 RCW to read as follows:

33 Beginning with the 2018-19 school year, each school district is  
34 encouraged to annually use the four-year budget projection and the  
35 four-year enrollment projection developed under RCW 28A.505.140 to  
36 inform the school district's decisions regarding the district's  
37 instructional priorities and program offerings and to communicate  
38 this information to the local community.

1 NEW SECTION. **Sec. 309.** A new section is added to chapter 43.09  
2 RCW to read as follows:

3 Beginning with the 2018-19 school year, to ensure local funds are  
4 not being expended for basic education purposes except for locally  
5 provided salaries as authorized in law, the state auditor's regular  
6 financial audits of school districts must include a review of the  
7 expenditure of local levy funds, including any supplemental contracts  
8 entered into under RCW 28A.400.200.

9 **Sec. 310.** RCW 43.09.265 and 1995 c 301 s 16 are each amended to  
10 read as follows:

11 (1) The state auditor shall review the tax levies of all local  
12 governments in the regular examinations under RCW 43.09.260.

13 (2) Beginning with the 2018-19 school year, the state auditor,  
14 with the assistance of the department of revenue, shall report within  
15 ninety days to the office of the superintendent of public instruction  
16 and the education and finance committees of the legislature any  
17 findings of local school district noncompliance with statutory  
18 restrictions on the use of school district levies.

19 **PART IV**

20 **ELIMINATING AND CORRECTING REFERENCES TO THE QUALITY EDUCATION**  
21 **COUNCIL**

22 **Sec. 401.** RCW 28A.175.075 and 2013 c 23 s 46 are each amended to  
23 read as follows:

24 (1) The office of the superintendent of public instruction shall  
25 establish a state-level building bridges work group that includes  
26 K-12 and state agencies that work with youth who have dropped out or  
27 are at risk of dropping out of school. The following agencies shall  
28 appoint representatives to the work group: The office of the  
29 superintendent of public instruction, the workforce training and  
30 education coordinating board, the department of early learning, the  
31 employment security department, the state board for community and  
32 technical colleges, the department of health, the community  
33 mobilization office, and the children's services and behavioral  
34 health and recovery divisions of the department of social and health  
35 services. The work group should also consist of one representative  
36 from each of the following agencies and organizations: A statewide  
37 organization representing career and technical education programs

1 including skill centers; the juvenile courts or the office of  
2 juvenile justice, or both; the Washington association of prosecuting  
3 attorneys; the Washington state office of public defense; accredited  
4 institutions of higher education; the educational service districts;  
5 the area workforce development councils; parent and educator  
6 associations; educational opportunity gap oversight and  
7 accountability committee; office of the education ombuds; local  
8 school districts; agencies or organizations that provide services to  
9 special education students; community organizations serving youth;  
10 federally recognized tribes and urban tribal centers; each of the  
11 major political caucuses of the senate and house of representatives;  
12 and the minority commissions.

13 (2) To assist and enhance the work of the building bridges  
14 programs established in RCW 28A.175.025, the state-level work group  
15 shall:

16 (a) Identify and make recommendations to the legislature for the  
17 reduction of fiscal, legal, and regulatory barriers that prevent  
18 coordination of program resources across agencies at the state and  
19 local level;

20 (b) Develop and track performance measures and benchmarks for  
21 each partner agency or organization across the state including  
22 performance measures and benchmarks based on student characteristics  
23 and outcomes specified in RCW 28A.175.035(1)(e); and

24 (c) Identify research-based and emerging best practices regarding  
25 prevention, intervention, and retrieval programs.

26 (3)(a) The work group shall report to the (~~quality education~~  
27 ~~council~~) appropriate committees of the legislature(~~(7)~~) and the  
28 governor on an annual basis beginning December 1, 2007, with proposed  
29 strategies for building K-12 dropout prevention, intervention, and  
30 reengagement systems in local communities throughout the state  
31 including, but not limited to, recommendations for implementing  
32 emerging best practices, needed additional resources, and eliminating  
33 barriers.

34 (b) By September 15, 2010, the work group shall report on:

35 (i) A recommended state goal and annual state targets for the  
36 percentage of students graduating from high school;

37 (ii) A recommended state goal and annual state targets for the  
38 percentage of youth who have dropped out of school who should be  
39 reengaged in education and be college and work ready;

1 (iii) Recommended funding for supporting career guidance and the  
2 planning and implementation of K-12 dropout prevention, intervention,  
3 and reengagement systems in school districts and a plan for phasing  
4 the funding into the program of basic education, beginning in the  
5 2011-2013 biennium; and

6 (iv) A plan for phasing in the expansion of the current school  
7 improvement planning program to include state-funded, dropout-focused  
8 school improvement technical assistance for school districts in  
9 significant need of improvement regarding high school graduation  
10 rates.

11 (4) State agencies in the building bridges work group shall work  
12 together, wherever feasible, on the following activities to support  
13 school/family/community partnerships engaged in building K-12 dropout  
14 prevention, intervention, and reengagement systems:

15 (a) Providing opportunities for coordination and flexibility of  
16 program eligibility and funding criteria;

17 (b) Providing joint funding;

18 (c) Developing protocols and templates for model agreements on  
19 sharing records and data;

20 (d) Providing joint professional development opportunities that  
21 provide knowledge and training on:

22 (i) Research-based and promising practices;

23 (ii) The availability of programs and services for vulnerable  
24 youth; and

25 (iii) Cultural competence.

26 (5) The building bridges work group shall make recommendations to  
27 the governor and the legislature by December 1, 2010, on a state-  
28 level and regional infrastructure for coordinating services for  
29 vulnerable youth. Recommendations must address the following issues:

30 (a) Whether to adopt an official conceptual approach or framework  
31 for all entities working with vulnerable youth that can support  
32 coordinated planning and evaluation;

33 (b) The creation of a performance-based management system,  
34 including outcomes, indicators, and performance measures relating to  
35 vulnerable youth and programs serving them, including accountability  
36 for the dropout issue;

37 (c) The development of regional and/or county-level multipartner  
38 youth consortia with a specific charge to assist school districts and  
39 local communities in building K-12 comprehensive dropout prevention,  
40 intervention, and reengagement systems;

1 (d) The development of integrated or school-based one-stop  
2 shopping for services that would:

3 (i) Provide individualized attention to the neediest youth and  
4 prioritized access to services for students identified by a dropout  
5 early warning and intervention data system;

6 (ii) Establish protocols for coordinating data and services,  
7 including getting data release at time of intake and common  
8 assessment and referral processes; and

9 (iii) Build a system of single case managers across agencies;

10 (e) Launching a statewide media campaign on increasing the high  
11 school graduation rate; and

12 (f) Developing a statewide database of available services for  
13 vulnerable youth.

14 **Sec. 402.** RCW 28A.230.090 and 2014 c 217 s 202 are each amended  
15 to read as follows:

16 (1) The state board of education shall establish high school  
17 graduation requirements or equivalencies for students, except as  
18 provided in RCW 28A.230.122 and except those equivalencies  
19 established by local high schools or school districts under RCW  
20 28A.230.097. The purpose of a high school diploma is to declare that  
21 a student is ready for success in postsecondary education, gainful  
22 employment, and citizenship, and is equipped with the skills to be a  
23 lifelong learner.

24 (a) Any course in Washington state history and government used to  
25 fulfill high school graduation requirements shall consider including  
26 information on the culture, history, and government of the American  
27 Indian peoples who were the first inhabitants of the state.

28 (b) The certificate of academic achievement requirements under  
29 RCW 28A.655.061 or the certificate of individual achievement  
30 requirements under RCW 28A.155.045 are required for graduation from a  
31 public high school but are not the only requirements for graduation.

32 (c) Any decision on whether a student has met the state board's  
33 high school graduation requirements for a high school and beyond plan  
34 shall remain at the local level. Effective with the graduating class  
35 of 2015, the state board of education may not establish a requirement  
36 for students to complete a culminating project for graduation.

37 (d)(i) The state board of education shall adopt rules to  
38 implement the career and college ready graduation requirement  
39 proposal adopted under board resolution on November 10, 2010, and

1 revised on January 9, 2014, to take effect beginning with the  
2 graduating class of 2019 or as otherwise provided in this subsection  
3 (1)(d). The rules must include authorization for a school district to  
4 waive up to two credits for individual students based on unusual  
5 circumstances and in accordance with written policies that must be  
6 adopted by each board of directors of a school district that grants  
7 diplomas. The rules must also provide that the content of the third  
8 credit of mathematics and the content of the third credit of science  
9 may be chosen by the student based on the student's interests and  
10 high school and beyond plan with agreement of the student's parent or  
11 guardian or agreement of the school counselor or principal.

12 (ii) School districts may apply to the state board of education  
13 for a waiver to implement the career and college ready graduation  
14 requirement proposal beginning with the graduating class of 2020 or  
15 2021 instead of the graduating class of 2019. In the application, a  
16 school district must describe why the waiver is being requested, the  
17 specific impediments preventing timely implementation, and efforts  
18 that will be taken to achieve implementation with the graduating  
19 class proposed under the waiver. The state board of education shall  
20 grant a waiver under this subsection (1)(d) to an applying school  
21 district at the next subsequent meeting of the board after receiving  
22 an application.

23 (2)(a) In recognition of the statutory authority of the state  
24 board of education to establish and enforce minimum high school  
25 graduation requirements, the state board shall periodically  
26 reevaluate the graduation requirements and shall report such findings  
27 to the legislature in a timely manner as determined by the state  
28 board.

29 (b) The state board shall reevaluate the graduation requirements  
30 for students enrolled in vocationally intensive and rigorous career  
31 and technical education programs, particularly those programs that  
32 lead to a certificate or credential that is state or nationally  
33 recognized. The purpose of the evaluation is to ensure that students  
34 enrolled in these programs have sufficient opportunity to earn a  
35 certificate of academic achievement, complete the program and earn  
36 the program's certificate or credential, and complete other state and  
37 local graduation requirements.

38 (c) The state board shall forward any proposed changes to the  
39 high school graduation requirements to the education committees of  
40 the legislature for review (~~and to the quality education council~~

1 ~~established under RCW 28A.290.010~~). The legislature shall have the  
2 opportunity to act during a regular legislative session before the  
3 changes are adopted through administrative rule by the state board.  
4 Changes that have a fiscal impact on school districts, as identified  
5 by a fiscal analysis prepared by the office of the superintendent of  
6 public instruction, shall take effect only if formally authorized and  
7 funded by the legislature through the omnibus appropriations act or  
8 other enacted legislation.

9 (3) Pursuant to any requirement for instruction in languages  
10 other than English established by the state board of education or a  
11 local school district, or both, for purposes of high school  
12 graduation, students who receive instruction in American sign  
13 language or one or more American Indian languages shall be considered  
14 to have satisfied the state or local school district graduation  
15 requirement for instruction in one or more languages other than  
16 English.

17 (4) If requested by the student and his or her family, a student  
18 who has completed high school courses before attending high school  
19 shall be given high school credit which shall be applied to  
20 fulfilling high school graduation requirements if:

21 (a) The course was taken with high school students, if the  
22 academic level of the course exceeds the requirements for seventh and  
23 eighth grade classes, and the student has successfully passed by  
24 completing the same course requirements and examinations as the high  
25 school students enrolled in the class; or

26 (b) The academic level of the course exceeds the requirements for  
27 seventh and eighth grade classes and the course would qualify for  
28 high school credit, because the course is similar or equivalent to a  
29 course offered at a high school in the district as determined by the  
30 school district board of directors.

31 (5) Students who have taken and successfully completed high  
32 school courses under the circumstances in subsection (4) of this  
33 section shall not be required to take an additional competency  
34 examination or perform any other additional assignment to receive  
35 credit.

36 (6) At the college or university level, five quarter or three  
37 semester hours equals one high school credit.

38 **Sec. 403.** RCW 28A.300.136 and 2013 c 23 s 49 are each amended to  
39 read as follows:

1 (1) An educational opportunity gap oversight and accountability  
2 committee is created to synthesize the findings and recommendations  
3 from the 2008 achievement gap studies into an implementation plan,  
4 and to recommend policies and strategies to the superintendent of  
5 public instruction, the professional educator standards board, and  
6 the state board of education to close the achievement gap.

7 (2) The committee shall recommend specific policies and  
8 strategies in at least the following areas:

9 (a) Supporting and facilitating parent and community involvement  
10 and outreach;

11 (b) Enhancing the cultural competency of current and future  
12 educators and the cultural relevance of curriculum and instruction;

13 (c) Expanding pathways and strategies to prepare and recruit  
14 diverse teachers and administrators;

15 (d) Recommending current programs and resources that should be  
16 redirected to narrow the gap;

17 (e) Identifying data elements and systems needed to monitor  
18 progress in closing the gap;

19 (f) Making closing the achievement gap part of the school and  
20 school district improvement process; and

21 (g) Exploring innovative school models that have shown success in  
22 closing the achievement gap.

23 (3) Taking a multidisciplinary approach, the committee may seek  
24 input and advice from other state and local agencies and  
25 organizations with expertise in health, social services, gang and  
26 violence prevention, substance abuse prevention, and other issues  
27 that disproportionately affect student achievement and student  
28 success.

29 (4) The educational opportunity gap oversight and accountability  
30 committee shall be composed of the following members:

31 (a) The chairs and ranking minority members of the house and  
32 senate education committees, or their designees;

33 (b) One additional member of the house of representatives  
34 appointed by the speaker of the house and one additional member of  
35 the senate appointed by the president of the senate;

36 (c) A representative of the office of the education ombuds;

37 (d) A representative of the center for the improvement of student  
38 learning in the office of the superintendent of public instruction;



1 (e) A representative of federally recognized Indian tribes whose  
2 traditional lands and territories lie within the borders of  
3 Washington state, designated by the federally recognized tribes; and

4 (f) Four members appointed by the governor in consultation with  
5 the state ethnic commissions, who represent the following  
6 populations: African-Americans, Hispanic Americans, Asian Americans,  
7 and Pacific Islander Americans.

8 (5) The governor and the tribes are encouraged to designate  
9 members who have experience working in and with schools.

10 (6) The committee may convene ad hoc working groups to obtain  
11 additional input and participation from community members. Members of  
12 ad hoc working groups shall serve without compensation and shall not  
13 be reimbursed for travel or other expenses.

14 (7) The chair or cochairs of the committee shall be selected by  
15 the members of the committee. Staff support for the committee shall  
16 be provided by the center for the improvement of student learning.  
17 Members of the committee shall serve without compensation but must be  
18 reimbursed as provided in RCW 43.03.050 and 43.03.060. Legislative  
19 members of the committee shall be reimbursed for travel expenses in  
20 accordance with RCW 44.04.120.

21 (8) The superintendent of public instruction, the state board of  
22 education, and the professional educator standards board(~~(, and the~~  
23 ~~quality education council~~)) shall work collaboratively with the  
24 educational opportunity gap oversight and accountability committee to  
25 close the achievement gap.

26 **Sec. 404.** RCW 28A.400.201 and 2011 1st sp.s. c 43 s 468 are each  
27 amended to read as follows:

28 (1) The legislature recognizes that providing students with the  
29 opportunity to access a world-class educational system depends on our  
30 continuing ability to provide students with access to world-class  
31 educators. The legislature also understands that continuing to  
32 attract and retain the highest quality educators will require  
33 increased investments. The legislature intends to enhance the current  
34 salary allocation model and recognizes that changes to the current  
35 model cannot be imposed without great deliberation and input from  
36 teachers, administrators, and classified employees. Therefore, it is  
37 the intent of the legislature to begin the process of developing an  
38 enhanced salary allocation model that is collaboratively designed to

1 ensure the rationality of any conclusions regarding what constitutes  
2 adequate compensation.

3 (2) Beginning July 1, 2011, the office of the superintendent of  
4 public instruction, in collaboration with the human resources  
5 director in the office of financial management, shall convene a  
6 technical working group to recommend the details of an enhanced  
7 salary allocation model that aligns state expectations for educator  
8 development and certification with the compensation system and  
9 establishes recommendations for a concurrent implementation schedule.  
10 In addition to any other details the technical working group deems  
11 necessary, the technical working group shall make recommendations on  
12 the following:

13 (a) How to reduce the number of tiers within the existing salary  
14 allocation model;

15 (b) How to account for labor market adjustments;

16 (c) How to account for different geographic regions of the state  
17 where districts may encounter difficulty recruiting and retaining  
18 teachers;

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

20 (e) Ways to accomplish salary equalization over a set number of  
21 years; and

22 (f) Initial fiscal estimates for implementing the recommendations  
23 including a recognition that staff on the existing salary allocation  
24 model would have the option to grandfather in permanently to the  
25 existing schedule.

26 (3) As part of its work, the technical working group shall  
27 conduct or contract for a preliminary comparative labor market  
28 analysis of salaries and other compensation for school district  
29 employees to be conducted and shall include the results in any  
30 reports to the legislature. For the purposes of this subsection,  
31 "salaries and other compensation" includes average base salaries,  
32 average total salaries, average employee basic benefits, and  
33 retirement benefits.

34 (4) The analysis required under subsection (1) of this section  
35 must:

36 (a) Examine salaries and other compensation for teachers, other  
37 certificated instructional staff, principals, and other building-  
38 level certificated administrators, and the types of classified  
39 employees for whom salaries are allocated;

1 (b) Be calculated at a statewide level that identifies labor  
2 markets in Washington through the use of data from the United States  
3 bureau of the census and the bureau of labor statistics; and

4 (c) Include a comparison of salaries and other compensation to  
5 the appropriate labor market for at least the following subgroups of  
6 educators: Beginning teachers and types of educational staff  
7 associates.

8 (5) The working group shall include representatives of the office  
9 of financial management, the professional educator standards board,  
10 the office of the superintendent of public instruction, the  
11 Washington education association, the Washington association of  
12 school administrators, the association of Washington school  
13 principals, the Washington state school directors' association, the  
14 public school employees of Washington, and other interested  
15 stakeholders with appropriate expertise in compensation related  
16 matters. The working group may convene advisory subgroups on specific  
17 topics as necessary to assure participation and input from a broad  
18 array of diverse stakeholders.

19 (6) The working group shall be monitored and overseen by the  
20 legislature (~~(and the quality education council created in RCW~~  
21 ~~28A.290.010)~~). The working group shall make an initial report to the  
22 legislature by June 30, 2012, and shall include in its report  
23 recommendations for whether additional further work of the group is  
24 necessary.

25 NEW SECTION. **Sec. 405.** The following acts or parts of acts are  
26 each repealed:

27 (1) RCW 28A.290.010 (Quality education council—Purpose—  
28 Membership and staffing—Reports) and 2013 2nd sp.s. c 25 s 7 & 2011  
29 1st sp.s. c 21 s 54; and

30 (2) RCW 28A.290.020 (Funding formulas to support instructional  
31 program—Technical working group) and 2010 c 236 s 5 & 2009 c 548 s  
32 112.

33 **PART V**

34 **MISCELLANEOUS PROVISIONS**

1        NEW SECTION.    **Sec. 501.**    EXPIRATION DATE FOR WASHINGTON EDUCATION  
2 FUNDING COUNCIL AND IMPLEMENTATION SCHEDULE. This chapter expires  
3 August 1, 2019.

4        NEW SECTION.    **Sec. 502.**    CODIFICATION. Sections 101 through 103,  
5 201 through 204, and 501 of this act constitute a new chapter in  
6 Title 28A RCW.

7        NEW SECTION.    **Sec. 503.**    EFFECTIVE DATE. Section 307 of this act  
8 takes effect September 1, 2018.

9        NEW SECTION.    **Sec. 504.**    EMERGENCY CLAUSE. Sections 1, 101  
10 through 103, and 201 through 204 of this act are necessary for the  
11 immediate preservation of the public peace, health, or safety, or  
12 support of the state government and its existing public institutions,  
13 and take effect immediately.

--- END ---