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**ENGROSSED SUBSTITUTE HOUSE BILL 1843**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Sullivan, Lytton, Jinkins, Orwall, Appleton, Springer, Chapman, Tarleton, Tharinger, Goodman, Farrell, Macri, Ormsby, Fitzgibbon, Slatter, Hudgins, Doglio, Fey, Pollet, Ortiz-Self, Santos, and McBride)

AN ACT Relating to fulfilling the state's paramount duty for all children through equitable and responsible investments in the state's basic education program and reductions to local effort contributions; amending RCW 28A.150.200, 28A.150.410, 28A.400.205, 28A.400.200, 28A.500.020, and 28A.150.260; reenacting and amending RCW 84.52.0531, 28A.500.030, and 28A.150.260; adding new sections to chapter 28A.150 RCW; adding a new section to chapter 28A.400 RCW; adding new sections to chapter 28A.415 RCW; creating new sections; recodifying RCW 28A.300.600, 28A.300.602, and 28A.300.604; repealing RCW 28A.400.201, 28A.415.020, 28A.415.023, 28A.415.024, and 28A.415.025; providing effective dates; and providing expiration dates.

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

NEW SECTION. **Sec.**  INTENT. (1) Under the paramount duty of the state Constitution, the legislature must provide every child in the state with an opportunity to succeed in school. The legislature must also ensure that children's access to the state's program of basic education is uniform and equitable. To meet the state's obligation of making ample provision for the education of all children, state funding allocations must correspond to the cost of providing students with the opportunity to receive the state's basic education program.

(2) In chapter 548, Laws of 2009 (Engrossed Substitute House Bill No. 2261) and chapter 236, Laws of 2010 (Substitute House Bill No. 2776) the state established a plan for enhancing the state's program of basic education by providing full-day kindergarten and K-3 class size reduction, fully funding student transportation and materials, supplies, and operating costs, revising program hour offerings and graduation requirements, and by adding the program for highly capable students to the state's program of basic education. With this act, the legislature intends to realize the remaining element of these reforms—full state funding allocations for salaries needed for school districts to hire and retain qualified staff for the state's education program. Using market data compiled pursuant to Engrossed Second Substitute Senate Bill No. 6195, the legislature is establishing a revised salary allocation methodology. The new salary allocation methodology will ensure that each district receives sufficient state funding to pay teachers and other school staff a market-based, competitive wage. The new methodology will also recognize that the state's duty to fund adequate salaries includes provisions for regular cost-of-living increases and professional development as well as adjustments to reflect regional differences in the cost of hiring staff. In addition, the state's new allocation methodology will provide for regular future rebasing to ensure that state salary allocations continue to align with staffing costs for the state's program.

(3) The legislature also intends to phase in further enhancements to basic education funding formulas by providing additional allocations for career and technical education, skill centers, guidance counselors and parent involvement coordinators, and the highly capable program. To address the opportunity gap, the state will enhance formulas in the learning assistance and transitional bilingual programs. The legislature intends to preserve local ability to enrich the state's program with local voter-approved levies and local effort assistance, subject to a new phased-in levy lid and a plan to work collaboratively with school district leaders to provide accountability and transparency for locally approved funding.

(4) Over the next six years, these investments will provide equity for rural and urban districts, and ensure students' and educators' achievements are based on hard work, not zip code.

(5) The legislature intends to consider recommendations from the standing capital budget committees to address the additional classroom and facility needs necessary to fully support the existing and planned investments in state-funded all-day kindergarten and K-3 class size reductions that have been made in recent years.

(6) The legislature acknowledges that progress towards improving educator recruitment and retention was made in the 2016 legislative session through enacted legislation and increased investment in the beginning educator support and training program. However, the legislature recognizes that additional support is still necessary. The legislature supports full funding of the enacted recruitment and retention policies, developing additional proposals to further support recruitment and retention of educators, and increasing investments in recruitment and retention policies. The legislature intends to consider the recommendations of its education policy and fiscal committees to address these needs.

(7) The legislature finds that Washington state has a long history of local control of school districts. The legislature further finds that one way that local authority is expressed is through the collective bargaining process. The legislature recognizes that the legal right to collective bargaining provides the opportunity for locally elected school districts to negotiate with educators in the schools to create changes, find solutions, and improve teaching and learning conditions unique to each school district. The legislature intends to maintain local control over school district collective bargaining.

(8) The legislature finds that additional reporting requirements and a more robust accounting system should be created. The legislature intends to work with school district business officials to develop details for a more comprehensive accounting system that ensures local funds are used only for local enrichment to the state's program of basic education and that state funding is providing full support for the program of basic education. Additionally, the legislature intends to require the office of the superintendent of public instruction to update its online reporting system to align with the new accounting system and provide increased transparency of local school district data.

(9) The legislature recognizes that local bargaining of health benefits for school employees is the best way to meet the needs of the employees who receive the health benefits. The legislature intends to continue the legal right to locally bargained school employee health benefits.

**PART I**

**SALARY ALLOCATIONS**

**Sec.**  RCW 28A.150.200 and 2009 c 548 s 101 are each amended to read as follows:

FUNDING ELEMENTS OF THE BASIC EDUCATION PROGRAM.

(1) The program of basic education established under this chapter is deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution, which states that "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex," and is adopted pursuant to Article IX, section 2 of the state Constitution, which states that "The legislature shall provide for a general and uniform system of public schools."

(2) The legislature defines the program of basic education under this chapter as that which is necessary to provide the opportunity to develop the knowledge and skills necessary to meet the state-established high school graduation requirements that are intended to allow students to have the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship. Basic education by necessity is an evolving program of instruction intended to reflect the changing educational opportunities that are needed to equip students for their role as productive citizens and includes the following:

(a) The instructional program of basic education the minimum components of which are described in RCW 28A.150.220;

(b) The program of education provided by chapter 28A.190 RCW for students in residential schools as defined by RCW 28A.190.020 and for juveniles in detention facilities as identified by RCW 28A.190.010;

(c) The program of education provided by chapter 28A.193 RCW for individuals under the age of eighteen who are incarcerated in adult correctional facilities; ((~~and~~))

(d) Transportation and transportation services to and from school for eligible students as provided under RCW 28A.160.150 through 28A.160.180;

(e) Statewide salary allocations provided for staff in the basic education program as provided under RCW 28A.150.410 that are adjusted annually by the same inflationary measure as provided in RCW 28A.400.205, adjusted to reflect regional differences in the cost of hiring staff, and rebased every six years to ensure that state salary allocations continue to align with staffing costs for the state's program in accordance with RCW 28A.150.410 and section 105 of this act; and

(f) Professional learning days as provided under section 106 of this act.

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

SALARY ALLOCATION METHODOLOGY—REGULAR REALIGNMENT—COST-OF-LIVING ADJUSTMENTS.

(1) Through the 2016-17 school year, the legislature shall establish for each school year in the appropriations act a statewide salary allocation schedule, for allocation purposes only, to be used to distribute funds for basic education certificated instructional staff salaries under RCW 28A.150.260. For the purposes of this section, the staff allocations for classroom teachers, teacher librarians, guidance counselors, and student health services staff under RCW 28A.150.260 are considered allocations for certificated instructional staff.

(2) Through the 2016-17 school year, salary allocations for state-funded basic education certificated instructional staff shall be calculated by the superintendent of public instruction by determining the district's average salary for certificated instructional staff, using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act.

(3) ((~~Beginning January 1, 1992~~)) Through the 2016-17 school year, no more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in the omnibus appropriations act, or any replacement schedules and documents, unless:

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

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

(4) Beginning in the 2007-08 school year and through the 2016-17 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool position counts as one year of service for purposes of this chapter, up to a limit of two years of nonschool service. Nonschool years of service included in calculations under this subsection shall not be applied to service credit totals for purposes of any retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement system benefits.

(5) Beginning with the 2017-18 school year, the minimum state allocation for salaries for certificated instructional staff in the basic education program must be increased in a linear fashion using equal increments to provide a statewide average allocation in the 2019-20 school year of seventy thousand eight hundred twenty-four dollars, adjusted in the 2019-20 school year by the same inflationary measure as provided in RCW 28A.400.205.

(6) Beginning with the 2017-18 school year, the minimum state allocation for salaries for certificated administrative staff in the basic education program must be increased in a linear fashion using equal increments to provide a statewide average allocation in the 2019-20 school year of one hundred seventeen thousand one hundred fifty-nine dollars, adjusted in the 2019-20 school year by the same inflationary measure as provided in RCW 28A.400.205.

(7) Beginning with the 2017-18 school year, the minimum state allocation for salaries for classified staff in the basic education program must be increased in a linear fashion using equal increments to provide a statewide average allocation in the 2019-20 school year of fifty-four thousand eighty-four dollars, adjusted in the 2019-20 school year by the same inflationary measure as provided in RCW 28A.400.205.

(8) Beginning with the 2019-20 school year, state allocations for salaries for certificated instructional staff, certificated administrative staff, and classified staff must be adjusted for regional differences in the cost of hiring staff. Adjustments for regional differences must be specified in the omnibus appropriations act. However, no district may receive less state funds for the minimum state salary allocation as compared to its prior school year salary allocations as a result of adjustments that reflect local differences in the cost to recruit and retain staff.

(9) Beginning with the 2020-21 school year, the minimum state salary allocations for salaries for certificated instructional staff, certificated administrative staff, and classified staff must be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205.

(10) Beginning with the 2025-26 school year and every six years thereafter, the minimum state salary allocation for certificated instructional staff, certificated administration staff, and classified staff must be rebased, as provided under section 105 of this act, to ensure that state salary allocations continue to align with staffing costs for the state's program of basic education.

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

COST-OF-LIVING ADJUSTMENTS.

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

(a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the ((~~2001-02 school year, and for each subsequent school year, except for the 2013-14 and 2014-15 school years~~)) 2019-20 school year, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.

(b) A school district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's ((~~salary schedules,~~)) collective bargaining agreements((~~,~~)) 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 funds provided for cost-of-living increases on salaries and salary-related benefits.

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

(2) For the purposes of this section, "cost-of-living index" means, for any school year, the previous calendar year's annual average 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, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

(3) Beginning with the 2019-20 school year, state funding provided under this section is part of the funding necessary to comply with the state's Article IX constitutional duty.

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

REQUIREMENTS FOR SCHOOL DISTRICT SALARIES.

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

(2)(a) Through the 2018-19 school year, salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a baccalaureate degree and zero years of service; ((~~and~~))

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

(c) Beginning with 2019-20 school year:

(i) Salaries for full-time beginning certificated instructional staff with zero years of experience must not be less than forty-five thousand five hundred dollars, to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205;

(ii) Salaries for full-time certificated instructional staff with three years of experience must not be less than fifty thousand five hundred dollars, to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205.

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

(b) Fringe benefit contributions for certificated instructional staff shall be included as salary under (a) of this subsection only to the extent that the district's actual average benefit contribution exceeds the amount of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210; employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

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

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

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

PROCESS FOR REBASING SALARY ALLOCATIONS.

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

(2)(a) By July 1, 2024, and July 1st every six years thereafter, the employment security department shall provide the governor and the legislature an update to the comparable wage analysis that was conducted by the employment security department and reported to the legislature in 2012 by the technical working group established in RCW 28A.400.201.

(b) The office of financial management must calculate a new state-funded average base salary to be used in state funding allocation formulas for certificated instructional staff, certificated administrative staff, and classified staff, based on the salaries identified by the employment security department in the updated comparable wage analysis and increased by the cost-of-living increase pursuant to RCW 28A.400.205. The office of financial management must make this calculation for the school year beginning September 1, 2025, and at a period of every six years thereafter.

(c) When submitting his or her biennial budget under chapter 43.88 RCW, the governor's funding request for state school salary allocations must use the new state-funded average base salaries calculated by the office of financial management.

(d) The legislature must approve or reject the submission of the request for funding for state school salary allocations as a whole.

(3) No district may receive less state funding for the minimum state salary allocation as compared to its prior school year salary allocation as a result of adjustments that reflect the updated comparable wage index.

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

PROFESSIONAL LEARNING DAYS.

(1) Beginning with the 2017-18 school year, the legislature shall begin phasing in funding for professional learning days for certificated instructional staff, certificated administrative staff, and classified staff. At a minimum, the state must allocate funding for:

(a) One professional learning day in the 2017-18 school year;

(b) Two professional learning days in the 2018-19 school year;

(c) Four professional learning days in the 2019-20 school year;

(d) Six professional learning days in the 2020-21 school year; and

(e) Ten professional learning days by the 2022-23 school year.

(2) The professional learning days must meet the definitions and standards provided in RCW 28A.300.600, 28A.300.602, and 28A.300.604 (as recodified by this act).

**PART II**

**MAINTENANCE AND OPERATION LEVIES**

**LOCAL EFFORT ASSISTANCE**

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

PHASED-IN LEVY LID REDUCTION.

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

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

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

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

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

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

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

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

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

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

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

(3) For excess levies for collection in calendar year 1998 and thereafter, a district's levy base shall be the sum of allocations in (a) through (c) of this subsection received by the district for the prior school year, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (c) of this subsection.

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

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

(i) Pupil transportation;

(ii) Special education;

(iii) Education of highly capable students;

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

(v) Food services; and

(vi) Statewide block grant programs; and

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

(4)(a) A district's maximum levy percentage ((~~shall be twenty-four percent in 2010 and twenty-eight percent in 2011 through 2017 and twenty-four percent every year thereafter~~)) is:

(i) For 2018, twenty-eight percent;

(ii) For 2019, twenty-seven percent;

(iii) For 2020, twenty-six percent;

(iv) For 2021 and each year thereafter, twenty-four percent;

(b) For qualifying districts, in ((~~addition to~~)) lieu of the percentage in (a) of this subsection the grandfathered maximum levy percentage is determined as follows for years 2018 through 2020 only:

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

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

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

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

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

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

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

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

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

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

~~(D) Take the greater of zero or the percentage calculated in (b)(iii)(C) of this subsection~~)) For 2018, the maximum levy percentage calculated for 2017 under section 8, chapter 242, Laws of 2013 (former RCW 84.52.0531);

(ii) For 2019, the district's 2018 maximum levy percentage minus one-quarter of the difference between the district's 2018 maximum percentage and twenty-four percent;

(iii) For 2020, the district's 2018 maximum levy percentage minus one-half of the difference between the district's 2018 maximum percentage and twenty-four percent.

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

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

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

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

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

**Sec.**  RCW 28A.500.020 and 1999 c 317 s 2 are each amended to read as follows:

PHASED-IN ADJUSTMENTS TO LOCAL EFFORT ASSISTANCE.

(1) Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(a) "Prior tax collection year" means the year immediately preceding the year in which the local effort assistance shall be allocated.

(b) "Statewide average ((~~twelve percent~~)) statutory percentage levy rate" means ((~~twelve percent~~)) the applicable statutory percentage of the total levy bases as defined in RCW 84.52.0531(3) summed for all school districts, and divided by the total assessed valuation for excess levy purposes in the prior tax collection year for all districts as adjusted to one hundred percent by the county indicated ratio established in RCW 84.48.075.

(c) The "district's ((~~twelve percent~~)) statutory percentage levy amount" means the school district's maximum levy authority after transfers determined under RCW 84.52.0531(2) (a) through (c) divided by the district's maximum levy percentage determined under RCW 84.52.0531(4) multiplied by ((~~twelve percent~~)) the applicable statutory percentage.

(d) The "district's ((~~twelve percent~~)) statutory percentage levy rate" means the district's ((~~twelve percent~~)) statutory percentage levy amount divided by the district's assessed valuation for excess levy purposes for the prior tax collection year as adjusted to one hundred percent by the county indicated ratio.

(e) "Districts eligible for local effort assistance" means those districts with a ((~~twelve percent~~)) statutory percentage levy rate that exceeds the statewide average ((~~twelve percent~~)) statutory percentage levy rate.

(f) "Statutory percentage" means:

(i) Fourteen percent for 2018;

(ii) Thirteen and one-half percent for 2019;

(iii) Thirteen percent for 2020; and

(iv) Twelve percent for 2021 and each year thereafter.

(2) Unless otherwise stated all rates, percents, and amounts are for the calendar year for which local effort assistance is being calculated under this chapter.

**Sec.**  RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1 are each reenacted and amended to read as follows:

PHASED-IN ADJUSTMENTS TO LOCAL EFFORT ASSISTANCE.

Allocation of state matching funds to eligible districts for local effort assistance shall be determined as follows:

(1) Funds raised by the district through maintenance and operation levies shall be matched with state funds using the following ratio of state funds to levy funds:

(a) The difference between the district's ((~~twelve percent~~)) statutory percentage levy rate and the statewide average ((~~twelve percent~~)) statutory percentage levy rate; to

(b) The statewide average ((~~twelve percent~~)) statutory percentage levy rate.

(2) The maximum amount of state matching funds for districts eligible for local effort assistance shall be the district's ((~~twelve percent~~)) statutory percentage levy amount, multiplied by the following percentage:

(a) The difference between the district's ((~~twelve percent~~)) statutory percentage levy rate and the statewide average ((~~twelve percent~~)) statutory percentage levy rate; divided by

(b) The district's ((~~twelve percent~~)) statutory percentage levy rate.

(3) ((~~Calendar year 2003 allocations and maximum eligibility under this chapter shall be multiplied by 0.99.~~

~~(4) From January 1, 2004, to December 31, 2005, allocations and maximum eligibility under this chapter shall be multiplied by 0.937.~~

~~(5) From January 1, 2006, to December 31, 2006, allocations and maximum eligibility under this chapter shall be multiplied by 0.9563.~~)) Beginning with calendar year 2007, allocations and maximum eligibility under this chapter shall be fully funded at one hundred percent and shall not be reduced.

NEW SECTION. **Sec.**  Sections 201 through 203 of this act take effect January 1, 2018.

**PART III**

**ENHANCING THE PROGRAM OF BASIC EDUCATION**

**Sec.**  RCW 28A.150.260 and 2014 c 217 s 206 are each amended to read as follows:

PHASED-IN ENHANCEMENTS TO BASIC EDUCATION PROGRAM.

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 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 25.23

Grade 4 27.00

Grades 5-6 27.00

Grades 7-8 28.53

Grades 9-12 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)(i) 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.

(ii) Funding for average class sizes in this subsection (4)(b) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(iii) Districts that demonstrate capital facility needs that prevent them from reducing actual class size in grades K-3 may use funding allocated pursuant to this subsection (4)(b) 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.

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

(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:

(i) Until September 1, 2019:

Career and technical

education average

class size

Approved career and technical education offered at

the middle school and high school level 26.57

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction 22.76

(ii) Beginning September 1, 2019:

Career and technical

education average

class size

Approved career and technical education offered at

the middle school and high school level 22.79

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction 19.38

(iii) Beginning September 1, 2020:

Career and technical

education average

class size

Approved career and technical education offered at

the middle school and high school level 19.0

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction 16.0

(d) In addition, the omnibus appropriations act shall at a minimum specify:

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

(ii) A specialty average class size for advanced placement and international baccalaureate courses.

(5)(a) The minimum allocation for each level of prototypical school shall include allocations 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  | 1.253 | 1.353 | 1.880 |
| Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs  | 0.663 | 0.519 | 0.523 |
| Health and social services: |  |  |  |
| School nurses  | 0.076 | 0.060 | 0.096 |
| Social workers  | 0.042 | 0.006 | 0.015 |
| Psychologists  | 0.017 | 0.002 | 0.007 |
| Guidance counselors, a function that includes parent outreach and graduation advising  | 0.493 | 1.116 | 2.539 |
| Teaching assistance, including any aspect of educational instructional services provided by classified employees  | 0.936 | 0.700 | 0.652 |
| Office support and other noninstructional aides  | 2.012 | 2.325 | 3.269 |
| Custodians  | 1.657 | 1.942 | 2.965 |
| Classified staff providing student and staff safety  | 0.079 | 0.092 | 0.141 |
| Parent involvement coordinators  | 0.00 | 0.00 | 0.00 |

(b) In addition to amounts provided in (a) of this subsection, the allocation for prototypical elementary schools must include the following allocations for parent involvement coordinators:

(i) Until September 1, 2019, 0.0825;

(ii) Beginning September 1, 2019, 0.5825;

(iii) Beginning September 1, 2020, 1.0825.

(c) In addition to amounts provided in (a) of this subsection, the allocation for prototypical middle schools must include the following allocations for guidance counselors:

(i) Until September 1, 2019, 0.1;

(ii) Beginning September 1, 2019, 0.6;

(iii) Beginning September 1, 2020, 1.1.

(d) In addition to amounts provided in (a) of this subsection, the allocation for the prototypical high school must include the following allocations for guidance counselors:

(i) Beginning September 1, 2019, 0.5;

(ii) Beginning September 1, 2020, 1.0.

(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 0.628

Facilities, maintenance, and grounds 1.813

Warehouse, laborers, and mechanics 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) 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 hours per week in~~)) extra instruction with a class size of fifteen learning assistance program students per teacher in the following number of hours per week:

(i) Until September 1, 2019, 2.3975 hours;

(ii) Beginning September 1, 2019, 2.8988 hours;

(iii) Beginning September 1, 2020, 3.40 hours.

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

(ii) 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.

(iii) In addition to the allocation in (b)(ii) of this subsection, for the middle and high school levels of the prototypical school formula, the minimum allocation must provide resources to provide, on a statewide average, an additional one hour per week beginning September 1, 2019, and an additional one hour per week beginning September 1, 2020, for a total of 6.778 hours for these levels at full implementation in the 2020-21 school year, with fifteen transitional bilingual instruction program students per teacher.

(iv) 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 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 hours per week~~)) in extra instruction with fifteen highly capable program students per teacher in the following number of hours per week:

(i) Until September 1, 2019, 2.314 hours;

(ii) Beginning September 1, 2019, 2.6975 hours;

(iii) Beginning September 1, 2020, 3.20 hours.

(11) The allocations under subsections (4)(a) and (b), (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.150.260 and 2015 c 2 s 2 and 2014 c 217 s 206 are each reenacted and amended to read as follows:

PHASED-IN FUNDING OF BASIC EDUCATION ENHANCEMENTS (I-1351 VERSION EFFECTIVE SEPTEMBER 1, 2022).

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) 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 17.00

Grade 4 25.00

Grades 5-6 25.00

Grades 7-8 25.00

Grades 9-12 25.00

(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

Skill center programs meeting the standards established

by the office of the superintendent of public

instruction 16.0

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

(e) 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

Grade 4 22.0

Grades 5-6 23.0

Grades 7-8 23.0

Grades 9-12 23.0

(f)(i) Funding for average class sizes in this subsection (4) shall be provided only to the extent of, and proportionate to, the school district's demonstrated actual 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)(a) 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 | 1.4 | 1.9 |
| Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs  | 1.0 | 1.0 | 1.0 |
| Health and social services: |  |  |  |
| School nurses  | 0.585 | 0.888 | 0.824 |
| Social workers  | 0.311 | 0.088 | 0.127 |
| Psychologists  | 0.104 | 0.024 | 0.049 |
| Guidance counselors, a function that includes parent outreach and graduation advising  | 0.50 | 2.0 | 3.5 |
| Teaching assistance, including any aspect of educational instructional services provided by classified employees  | 2.0 | 1.0 | 1.0 |
| Office support and other noninstructional aides  | 3.0 | 3.5 | 3.5 |
| Custodians  | 1.7 | 2.0 | 3.0 |
| Classified staff providing student and staff safety  | 0.0 | 0.7 | 1.3 |
| Parent involvement coordinators  | 1.0 | 1.0 | 1.0 |

(b) In addition to amounts provided in (a) of this subsection, the allocation for prototypical elementary schools must include a further 0.0825 allocation for parent involvement coordinators.

(c) In addition to amounts provided in (a) of this subsection, the allocation for prototypical middle schools must include a further 0.0216 allocation for guidance counselors.

(d) In addition to amounts provided in (a) of this subsection, the allocation for the prototypical high school must include a further 0.039 allocation for guidance counselors.

(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

Facilities, maintenance, and grounds 4.0

Warehouse, laborers, and mechanics 1.9

(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) 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~~)) 3.40 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(b) To provide supplemental instruction and services for students whose primary language is other than English, 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 the elementary school level of the prototypical school model and 6.7880 hours per week in the middle and high school levels of the prototypical school model in extra instruction with fifteen transitional bilingual instruction program students per teacher. 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 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~~)) 3.20 hours per week in extra instruction with fifteen highly capable program students per teacher.

(11) The allocations under subsections (4)(a) and (b), (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.

NEW SECTION. **Sec.**  Section 301 of this act takes effect September 1, 2017.

NEW SECTION. **Sec.**  Section 301 of this act expires September 1, 2022.

NEW SECTION. **Sec.**  Section 302 of this act takes effect September 1, 2022.

**PART IV**

**REPORTING, ACCOUNTING, AND TRANSPARENCY**

NEW SECTION. **Sec.**  TECHNICAL WORKING GROUP FOR SCHOOL DISTRICT TRANSPARENCY AND ACCOUNTING PRACTICES. (1) The superintendent of public instruction must convene a technical working group to provide recommendations for revising school district accounting practices. The purpose of the recommended revisions is to improve fiscal transparency by establishing methods for separate accounting of school district expenditures made to support the state's program of basic education and those made as locally determined enrichments with local or other funding sources.

(2) The technical working group must include representatives of school administrators, school business officers, county treasurers, the legislative evaluation and accountability program, and other interested stakeholders with expertise in school district and local government accounting and finance.

(3) The technical working group is administered and staffed by the office of the superintendent of public instruction.

(4) The technical working group must provide its recommendations to the appropriate policy and fiscal committees of the legislature by December 15, 2017.

(5) This section expires July 1, 2018.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.400 RCW to read as follows:

SCHOOL DISTRICT REPORTS TO THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION ON TRII CONTRACTS.

Beginning September 1, 2017, school districts must annually report to the superintendent of public instruction on supplemental contracts entered into subject to RCW 28A.400.200(4) for additional time, responsibility, incentive, or innovative activities. The office of the superintendent of public instruction shall summarize the district information and submit an annual report to the education committees of the house of representatives and the senate.

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

ACCOUNTABILITY MONITORING AND REPORTING SYSTEM. (1) An accountability monitoring and reporting system is established as part of a continuing effort to make meaningful and substantial progress toward meeting long-term performance goals in K-12 education. The office of the superintendent of public instruction must develop and maintain a public dashboard on its web site.

(2) Beginning in the 2017-18 school year, districts must report the following data to the office of the superintendent of public instruction by December 1st each year:

(a) The percentage of students demonstrating the characteristics of entering kindergarten as identified by the Washington kindergarten inventory of developing skills administered in accordance with RCW 28A.655.080;

(b) The percentage of students meeting the standard on the third grade statewide reading assessment administered in accordance with RCW 28A.655.070;

(c) The percentage of students meeting the standard on the eighth grade statewide mathematics assessment administered in accordance with RCW 28A.655.070;

(d) The percentage of four-year cohort graduation rates; and

(e) The percentage of students who enter an apprenticeship, certification program, two-year or four-year institution of higher education, or enter the military within one year of graduating high school.

(3) The office of the superintendent of public instruction must display this data prominently and update the data annually. The data must, to the maximum extent possible, be disaggregated by race, ethnicity, gender, and socioeconomic status.

NEW SECTION. **Sec.**  SPECIAL EDUCATION FUNDED ENROLLMENT PERCENT—WORK GROUP. (1) The office of the superintendent of public instruction shall convene a work group to determine whether the funded enrollment percent for special education programs of twelve and seven-tenths should be adjusted. Participants of the work group must include, but are not limited to, five special education directors from a broad representation of school districts, one representative from the office of the education ombuds, six parents of students receiving special education services, and an additional four members from a broad representation of stakeholder groups interested in special education issues.

(2) The office of the superintendent of public instruction shall make recommendations based on the findings in subsection (1) of this section to the legislature by January 1, 2018.

(3) This section expires June 30, 2018.

**PART V**

**TECHNICAL PROVISIONS**

NEW SECTION. **Sec.**  RECODIFICATION. RCW 28A.300.600, 28A.300.602, and 28A.300.604 are each recodified as sections in chapter 28A.415 RCW.

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

(1)RCW 28A.400.201 (Enhanced salary allocation model for educator development and certification—Technical working group—Report and recommendation) and 2016 c 162 s 4, 2011 1st sp.s. c 43 s 468, 2010 c 236 s 7, & 2009 c 548 s 601;

(2)RCW 28A.415.020 (Credit on salary schedule for approved in-service training, continuing education, and internship) and 2011 1st sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2, 1990 c 33 s 415, & 1987 c 519 s 1;

(3)RCW 28A.415.023 (Credit on salary schedule for approved in-service training, continuing education, or internship—Course content—Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6;

(4)RCW 28A.415.024 (Credit on salary schedule—Accredited institutions—Verification—Penalty for submitting credits from unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1; and

(5)RCW 28A.415.025 (Internship clock hours—Rules) and 2006 c 263 s 810 & 1995 c 284 s 3.

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