
ENGROSSED SECOND SUBSTITUTE SENATE BILL 6362

State of Washington

65th Legislature

2018 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wellman, Rolfes, and Billig; by request of Superintendent of Public Instruction)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to modifying basic education funding provisions;
2 amending RCW 28A.150.260, 28A.150.390, 28A.165.055, 28A.150.410,
3 28A.150.412, 28A.400.006, 28A.400.200, 28A.400.205, 41.56.800,
4 41.59.800, 28A.150.276, 28A.320.330, 28A.500.015, 28A.505.240,
5 84.52.053, 84.52.0531, 84.52.054, 28A.150.392, 28A.150.415,
6 28A.710.280, 28A.715.040, 43.09.2856, 28A.600.310, 28A.505.140, and
7 28A.510.250; amending 2017 3rd sp.s c 13 s 1005 (uncodified); adding
8 a new section to chapter 28A.160 RCW; adding a new section to chapter
9 84.52 RCW; creating new sections; repealing RCW 28A.415.020,
10 28A.415.023, and 28A.415.024; providing effective dates; and
11 providing expiration dates.

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

13 **PART I: PROGRAM FUNDING**

14 **Sec. 101.** RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each
15 amended to read as follows:

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

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

5 (2)(a) The distribution formula under this section shall be for
6 allocation purposes only. Except as may be required under subsections
7 (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165,
8 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in
9 this section requires school districts to use basic education
10 instructional funds to implement a particular instructional approach
11 or service. Nothing in this section requires school districts to
12 maintain a particular classroom teacher-to-student ratio or other
13 staff-to-student ratio or to use allocated funds to pay for
14 particular types or classifications of staff. Nothing in this section
15 entitles an individual teacher to a particular teacher planning
16 period.

17 (b) To promote transparency in state funding allocations, the
18 superintendent of public instruction must report state per-pupil
19 allocations for each school district for the general apportionment,
20 special education, learning assistance, transitional bilingual,
21 highly capable, and career and technical education programs. The
22 superintendent must also report state general apportionment per-pupil
23 allocations by grade for each school district. The superintendent
24 must report this information in a user-friendly format on the main
25 page of the office's web site and on school district apportionment
26 reports. School districts must include a link to the superintendent's
27 per-pupil allocations report on the main page of the school
28 district's web site. In addition, the budget documents published by
29 the legislature for the enacted omnibus operating appropriations act
30 must report statewide average per-pupil allocations for general
31 apportionment and the categorical programs listed in this subsection.

32 (3)(a) To the extent the technical details of the formula have
33 been adopted by the legislature and except when specifically provided
34 as a school district allocation, the distribution formula for the
35 basic education instructional allocation shall be based on minimum
36 staffing and nonstaff costs the legislature deems necessary to
37 support instruction and operations in prototypical schools serving
38 high, middle, and elementary school students as provided in this
39 section. The use of prototypical schools for the distribution formula
40 does not constitute legislative intent that schools should be

1 operated or structured in a similar fashion as the prototypes.
2 Prototypical schools illustrate the level of resources needed to
3 operate a school of a particular size with particular types and grade
4 levels of students using commonly understood terms and inputs, such
5 as class size, hours of instruction, and various categories of school
6 staff. It is the intent that the funding allocations to school
7 districts be adjusted from the school prototypes based on the actual
8 number of annual average full-time equivalent students in each grade
9 level at each school in the district and not based on the grade-level
10 configuration of the school to the extent that data is available. The
11 allocations shall be further adjusted from the school prototypes with
12 minimum allocations for small schools and to reflect other factors
13 identified in the omnibus appropriations act.

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

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

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

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

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

	General education average class size
31 Grades K-3.	17.00
32 Grade 4.	27.00
33 Grades 5-6.	27.00
34 Grades 7-8.	28.53
35 Grades 9-12.	28.74

36 (ii) The minimum class size allocation for each prototypical high
37 school shall also provide for enhanced funding for class size

1 reduction for two laboratory science classes within grades nine
2 through twelve per full-time equivalent high school student
3 multiplied by a laboratory science course factor of 0.0833, based on
4 the number of full-time equivalent classroom teachers needed to
5 provide instruction over the minimum required annual instructional
6 hours in RCW 28A.150.220, and providing at least one teacher planning
7 period per school day:

8		Laboratory science	
9		average class size	
10	Grades 9-12.		19.98

11 (b)(i) Beginning September 1, 2018, funding for average K-3 class
12 sizes in this subsection (4) may be provided only to the extent of,
13 and proportionate to, the school district's demonstrated actual class
14 size in grades K-3, up to the funded class sizes.

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

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

21		Career and technical	
22		education average	
23		class size	
24	Approved career and technical education offered at		
25	the middle school and high school level.		23.00
26	Skill center programs meeting the standards established		
27	by the office of the superintendent of public		
28	instruction.		20.00

29 (ii) Funding allocated under this subsection (4)(c) is subject to
30 RCW 28A.150.265.

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

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

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

1 (5) The minimum allocation for each level of prototypical school
 2 shall include allocations for the following types of staff in
 3 addition to classroom teachers:

	Elementary	Middle	High
	School	School	School
6 Principals, assistant principals, and other certificated building-level			
7 administrators.	1.253	1.353	1.880
8 Teacher-librarians, a function that includes information literacy, technology,			
9 and media to support school library media programs.	0.663	0.519	0.523
10 Health and social services:			
11 School nurses.	0.076	0.060	0.096
12 Social workers.	0.042	0.006	0.015
13 Psychologists.	0.017	0.002	0.007
14 Guidance counselors, a function that includes parent outreach and graduation			
15 advising.	0.493	1.216	2.539
16 Teaching assistance, including any aspect of educational instructional services			
17 provided by classified employees.	0.936	0.700	0.652
18 Office support and other noninstructional aides.	2.012	2.325	3.269
19 Custodians.	1.657	1.942	2.965
20 Classified staff providing student and staff safety.	0.079	0.092	0.141
21 Parent involvement coordinators.	0.0825	0.00	0.00

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

	Staff per 1,000
	K-12 students
28 Technology.	0.628
29 Facilities, maintenance, and grounds.	1.813
30 Warehouse, laborers, and mechanics.	0.332

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

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

5 (8)(a) Except as provided in (b) of this subsection, the minimum
6 allocation for each school district shall include allocations per
7 annual average full-time equivalent student for the following
8 materials, supplies, and operating costs as provided in the 2017-18
9 school year, after which the allocations shall be adjusted annually
10 for inflation as specified in the omnibus appropriations act:

	Per annual average full-time equivalent student in grades K-12
14 Technology.	\$130.76
15 Utilities and insurance.	\$355.30
16 Curriculum and textbooks.	\$140.39
17 Other supplies and library materials.	\$298.05
18 Instructional professional development for certificated and 19 classified staff.	\$21.71
20 Facilities maintenance.	\$176.01
21 Security and central office administration.	\$121.94

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

	Per annual average full-time equivalent student in grades 9-12
31 Technology.	\$36.35
32 Curriculum and textbooks.	\$39.02
33 Other supplies and library materials.	\$82.84
34 Instructional professional development for certificated and 35 classified staff.	\$6.04

36 (9) In addition to the amounts provided in subsection (8) of this
37 section and subject to RCW 28A.150.265, the omnibus appropriations

1 act shall provide an amount based on full-time equivalent student
2 enrollment in each of the following:

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

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

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

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

12 (a)(i) To provide supplemental instruction and services for
13 students who are not meeting academic standards through the learning
14 assistance program under RCW 28A.165.005 through 28A.165.065,
15 allocations shall be based on the district percentage of students in
16 grades K-12 who were eligible for free or reduced-price meals in the
17 prior school year. The minimum allocation for the program shall
18 provide for each level of prototypical school resources to provide,
19 on a statewide average, 2.3975 hours per week in extra instruction
20 with a class size of fifteen learning assistance program students per
21 teacher.

22 (ii) In addition to funding allocated under (a)(i) of this
23 subsection, to provide supplemental instruction and services for
24 students who are not meeting academic standards in (~~schools where at~~
25 ~~least fifty percent of students are eligible for free and reduced-~~
26 ~~price meals~~) qualifying schools. A qualifying school means a school
27 in which the three-year rolling average of the prior year total
28 annual average enrollment that qualifies for free or reduced-price
29 meals equals or exceeds fifty percent or more of its total annual
30 average enrollment. The minimum allocation for this additional high
31 poverty-based allocation must provide for each level of prototypical
32 school resources to provide, on a statewide average, 1.1 hours per
33 week in extra instruction with a class size of fifteen learning
34 assistance program students per teacher, under RCW 28A.165.055,
35 school districts must distribute the high poverty-based allocation to
36 the schools that generated the funding allocation.

37 (b)(i) To provide supplemental instruction and services for
38 students whose primary language is other than English, allocations
39 shall be based on the head count number of students in each school
40 who are eligible for and enrolled in the transitional bilingual

1 instruction program under RCW 28A.180.010 through 28A.180.080. The
2 minimum allocation for each level of prototypical school shall
3 provide resources to provide, on a statewide average, 4.7780 hours
4 per week in extra instruction for students in grades kindergarten
5 through six and 6.7780 hours per week in extra instruction for
6 students in grades seven through twelve, with fifteen transitional
7 bilingual instruction program students per teacher. Notwithstanding
8 other provisions of this subsection (10), the actual per-student
9 allocation may be scaled to provide a larger allocation for students
10 needing more intensive intervention and a commensurate reduced
11 allocation for students needing less intensive intervention, as
12 detailed in the omnibus appropriations act.

13 (ii) To provide supplemental instruction and services for
14 students who have exited the transitional bilingual program,
15 allocations shall be based on the head count number of students in
16 each school who have exited the transitional bilingual program within
17 the previous two years based on their performance on the English
18 proficiency assessment and are eligible for and enrolled in the
19 transitional bilingual instruction program under RCW
20 28A.180.040(1)(g). The minimum allocation for each prototypical
21 school shall provide resources to provide, on a statewide average,
22 3.0 hours per week in extra instruction with fifteen exited students
23 per teacher.

24 (c) To provide additional allocations to support programs for
25 highly capable students under RCW 28A.185.010 through 28A.185.030,
26 allocations shall be based on 5.0 percent of each school district's
27 full-time equivalent basic education enrollment. The minimum
28 allocation for the programs shall provide resources to provide, on a
29 statewide average, 2.1590 hours per week in extra instruction with
30 fifteen highly capable program students per teacher.

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

35 (12)(a) For the purposes of allocations for prototypical high
36 schools and middle schools under subsections (4) and (10) of this
37 section that are based on the percent of students in the school who
38 are eligible for free and reduced-price meals, the actual percent of
39 such students in a school shall be adjusted by a factor identified in

1 the omnibus appropriations act to reflect underreporting of free and
2 reduced-price meal eligibility among middle and high school students.

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

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

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

16 (c) The enrollment of any district shall be the annual average
17 number of full-time equivalent students and part-time students as
18 provided in RCW 28A.150.350, enrolled on the first school day of each
19 month, including students who are in attendance pursuant to RCW
20 28A.335.160 and 28A.225.250 who do not reside within the servicing
21 school district. The definition of full-time equivalent student shall
22 be determined by rules of the superintendent of public instruction
23 and shall be included as part of the superintendent's biennial budget
24 request. The definition shall be based on the minimum instructional
25 hour offerings required under RCW 28A.150.220. Any revision of the
26 present definition shall not take effect until approved by the house
27 ways and means committee and the senate ways and means committee.

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

31 **Sec. 102.** RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each
32 amended to read as follows:

33 (1) The superintendent of public instruction shall submit to each
34 regular session of the legislature during an odd-numbered year a
35 programmed budget request for special education programs for students
36 with disabilities. Funding for programs operated by local school
37 districts shall be on an excess cost basis from appropriations
38 provided by the legislature for special education programs for
39 students with disabilities and shall take account of state funds

1 accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and
2 28A.150.415.

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

5 (a) A district's annual average headcount enrollment of students
6 ages birth through four and those five year olds not yet enrolled in
7 kindergarten who are eligible for and enrolled in special education,
8 multiplied by the district's base allocation per full-time equivalent
9 student, multiplied by 1.15; and

10 (b) A district's annual average full-time equivalent basic
11 education enrollment, multiplied by the district's funded enrollment
12 percent, multiplied by the district's base allocation per full-time
13 equivalent student, multiplied by (~~0.9309~~) 0.9609.

14 (3) As used in this section:

15 (a) "Base allocation" means the total state allocation to all
16 schools in the district generated by the distribution formula under
17 RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be
18 divided by the district's full-time equivalent enrollment.

19 (b) "Basic education enrollment" means enrollment of resident
20 students including nonresident students enrolled under RCW
21 28A.225.225 and students from nonhigh districts enrolled under RCW
22 28A.225.210 and excluding students residing in another district
23 enrolled as part of an interdistrict cooperative program under RCW
24 28A.225.250.

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

30 (d) "Funded enrollment percent" means the lesser of the
31 district's actual enrollment percent or thirteen and five-tenths
32 percent.

33 NEW SECTION. **Sec. 103.** A new section is added to chapter
34 28A.160 RCW to read as follows:

35 (1) Subject to the availability of amounts appropriated for this
36 specific purpose, a transportation alternate funding grant program is
37 created.

38 (2) As part of the award process for the grants, the
39 superintendent of public instruction must include a review of the

1 school district's efficiency rating, key performance indicators, and
2 local school district characteristics such as unique geographic
3 constraints, low enrollment, geographic density of students, or
4 whether the district is a nonhigh district.

5 **Sec. 104.** RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each
6 amended to read as follows:

7 (1) The funds for the learning assistance program shall be
8 appropriated in accordance with RCW 28A.150.260 and the omnibus
9 appropriations act. The distribution formula is for school district
10 allocation purposes only, except as provided in RCW
11 28A.150.260(10)(a)(ii), but all funds appropriated for the learning
12 assistance program must be expended for the purposes of RCW
13 28A.165.005 through 28A.165.065.

14 (2) A district's high poverty-based allocation is generated by
15 its qualifying schools ~~((buildings))~~ as defined in RCW
16 28A.150.260(10) and must be expended by the district for those
17 ~~((buildings))~~ schools. This funding must supplement and not supplant
18 the district's expenditures under this chapter for those schools
19 ~~((buildings))~~.

20 **PART II: COMPENSATION**

21 NEW SECTION. **Sec. 201.** The legislature recognizes that
22 Initiative Measure No. 1433 was approved by the voters of the state
23 of Washington in 2016 requiring employers to provide paid sick leave
24 to each of its employees. The legislature acknowledges that the
25 enactment of this initiative contributes to the costs of operations
26 of the state's public schools and intends to provide funding in the
27 omnibus appropriations act to support school districts with these
28 additional costs.

29 **Sec. 202.** RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101 are each
30 amended to read as follows:

31 (1) Through the 2017-18 school year, the legislature shall
32 establish for each school year in the appropriations act a statewide
33 salary allocation schedule, for allocation purposes only, to be used
34 to distribute funds for basic education certificated instructional
35 staff salaries under RCW 28A.150.260. For the purposes of this
36 section, the staff allocations for classroom teachers, teacher-

1 librarians, guidance counselors, and student health services staff
2 under RCW 28A.150.260 are considered allocations for certificated
3 instructional staff.

4 (2) Through the 2017-18 school year, salary allocations for
5 state-funded basic education certificated instructional staff shall
6 be calculated by the superintendent of public instruction by
7 determining the district's average salary for certificated
8 instructional staff, using the statewide salary allocation schedule
9 and related documents, conditions, and limitations established by the
10 omnibus appropriations act.

11 (3) Through the 2017-18 school year, no more than ninety college
12 quarter-hour credits received by any employee after the baccalaureate
13 degree may be used to determine compensation allocations under the
14 state salary allocation schedule and LEAP documents referenced in the
15 omnibus appropriations act, or any replacement schedules and
16 documents, unless:

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

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

20 (4) Beginning in the 2007-08 school year and through the 2017-18
21 school year, the calculation of years of service for occupational
22 therapists, physical therapists, speech-language pathologists,
23 audiologists, nurses, social workers, counselors, and psychologists
24 regulated under Title 18 RCW may include experience in schools and
25 other nonschool positions as occupational therapists, physical
26 therapists, speech-language pathologists, audiologists, nurses,
27 social workers, counselors, or psychologists. The calculation shall
28 be that one year of service in a nonschool position counts as one
29 year of service for purposes of this chapter, up to a limit of two
30 years of nonschool service. Nonschool years of service included in
31 calculations under this subsection shall not be applied to service
32 credit totals for purposes of any retirement benefit under chapter
33 41.32, 41.35, or 41.40 RCW, or any other state retirement system
34 benefits.

35 (5) By the ~~((2019-20))~~ 2018-19 school year, the minimum state
36 allocation for salaries for certificated instructional staff in the
37 basic education program must be increased ~~((beginning in the 2018-19~~
38 ~~school year))~~ to provide a statewide average allocation of sixty-four
39 thousand dollars adjusted for inflation from the 2017-18 school year.

1 (6) By the ((2019-20)) 2018-19 school year, the minimum state
2 allocation for salaries for certificated administrative staff in the
3 basic education program must be increased ((beginning in the 2018-19
4 school year)) to provide a statewide average allocation of ninety-
5 five thousand dollars adjusted for inflation from the 2017-18 school
6 year.

7 (7) By the ((2019-20)) 2018-19 school year, the minimum state
8 allocation for salaries for classified staff in the basic education
9 program must be increased ((beginning in the 2018-19 school year)) to
10 provide a statewide average allocation of forty-five thousand nine
11 hundred twelve dollars adjusted by inflation from the 2017-18 school
12 year.

13 ((To implement the new minimum salary allocations in
14 subsections (5) through (7) of this section, the legislature must
15 fund fifty percent of the increased salary allocation in the 2018-19
16 school year and the entire increased salary allocation in the 2019-20
17 school year.)) For school year 2018-19, a district's minimum state
18 allocation for salaries is the greater of the district's 2017-18
19 state salary allocation, adjusted for inflation, or the district's
20 allocation based on the state salary level specified in subsections
21 (5) through (7) of this section, and as further specified in the
22 omnibus appropriations act.

23 (9) Beginning with the 2018-19 school year, state allocations for
24 salaries for certificated instructional staff, certificated
25 administrative staff, and classified staff must be adjusted for
26 regional differences in the cost of hiring staff. Adjustments for
27 regional differences must be specified in the omnibus appropriations
28 act for each school year through at least school year 2022-23. For
29 school years 2018-19 through school year 2022-23, the school district
30 regionalization factors are based on the median single-family
31 residential value of each school district and proximate school
32 district median single-family residential value as described in RCW
33 28A.150.412.

34 (10) Beginning with the 2023-24 school year and every ((six))
35 four years thereafter, the minimum state salary allocations and
36 school district regionalization factors for certificated
37 instructional staff, certificated ((administration [administrative])
38 administrative staff, and classified staff must be reviewed and
39 rebased, as provided under RCW 28A.150.412, to ensure that state

1 salary allocations continue to align with staffing costs for the
2 state's program of basic education.

3 (11) For the purposes of this section, "inflation" has the
4 meaning provided in RCW 28A.400.205 for "inflationary adjustment
5 index."

6 **Sec. 203.** RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each
7 amended to read as follows:

8 (1) Beginning with the 2023 regular legislative session, and
9 every (~~six~~) four years thereafter, the legislature shall review and
10 rebase state basic education compensation allocations compared to
11 school district compensation data, regionalization factors, what
12 inflationary measure is the most representative of actual market
13 experience for school districts, and other economic information. The
14 legislature shall revise the minimum allocations (~~and~~),
15 regionalization factors, and inflationary measure if necessary to
16 ensure that state basic education allocations continue to provide
17 market-rate salaries and that regionalization adjustments reflect
18 actual economic differences between school districts.

19 (2)(a) For school districts with single-family residential values
20 above the statewide median residential value, regionalization factors
21 for school years 2018-19 through school year 2022-23 are as follows:

22 (i) For school districts in tercile 1, state salary allocations
23 for school district employees are regionalized by six percent;

24 (ii) For school districts in tercile 2, state salary allocations
25 for school district employees are regionalized by twelve percent; and

26 (iii) For school districts in tercile 3, state salary allocations
27 for school district employees are regionalized by eighteen percent.

28 (b) For school districts sharing a boundary with any school
29 district with a regionalization factor more than one tercile higher,
30 the regionalization factor for the district with the lower
31 regionalization factor must be increased by six percent, if the lower
32 district is located west of the crest of the Cascade mountains.

33 (c) Additional school district adjustments are identified in the
34 omnibus appropriations act, and these adjustments are partially
35 reduced or eliminated by the 2022-23 school year as follows:

36 (i) Adjustments that increase the regionalization factor to a
37 value that is greater than the tercile 3 regionalization factor must
38 be reduced by two percentage points each school year beginning with
39 school year 2020-21, through 2022-23.

1 (ii) Adjustments that increase the regionalization factor to a
2 value that is less than or equal to the tercile 3 regionalization
3 factor must be reduced by one percentage point each school year
4 beginning with school year 2020-21, through 2022-23.

5 (3) To aid the legislature in reviewing and rebasing
6 regionalization factors, the department of revenue shall, by November
7 1, 2022, and by November 1st every (~~six~~) four years thereafter,
8 determine the median single-family residential value of each school
9 district as well as the median value of proximate districts within
10 fifteen miles of the boundary of the school district for which the
11 median residential value is being calculated.

12 (4) No district may receive less state funding for the minimum
13 state salary allocation as compared to its prior school year salary
14 allocation as a result of adjustments that reflect updated
15 regionalized salaries.

16 (5) The definitions in this subsection apply throughout this
17 section unless the context clearly requires otherwise.

18 (a) "Median residential value of each school district" means the
19 median value of all single-family residential parcels included within
20 a school district and any other school district that is proximate to
21 the school district.

22 (b) "Proximate to the school district" means within fifteen miles
23 of the boundary of the school district for which the median
24 residential value is being calculated.

25 (c) "School district employees" means state-funded certificated
26 instructional staff, certificated administrative staff, and
27 classified staff.

28 (d) "School districts in tercile 1" means school districts with
29 median single-family residential values in the first tercile of
30 districts with single-family residential values above the statewide
31 median residential value.

32 (e) "School districts in tercile 2" means school districts with
33 median single-family residential values in the second tercile of
34 districts with single-family residential values above the statewide
35 median residential value.

36 (f) "School districts in tercile 3" means school districts with
37 median single-family residential values in the third tercile of
38 districts with single-family residential values above the statewide
39 median residential value.

1 (g) "Statewide median residential value" means the median value
2 of single-family residential parcels located within all school
3 districts, reduced by five percent.

4 NEW SECTION. **Sec. 204.** (1) For the 2018-19 school year and
5 subject to the availability of amounts appropriated for this specific
6 purpose, a salary safety net grant program is created to provide
7 districts additional funding for salaries if they can demonstrate, at
8 a minimum, that the district's total certificated instructional staff
9 state salary allocation is negatively impacting the district's
10 ability to recruit and retain staff and:

11 (a) The district's total certificated instructional staff average
12 experience is significantly higher than the statewide median; or

13 (b) The district can demonstrate the regionalization factor
14 applied to the district is inappropriately low because of
15 circumstances unique to the district such as restrictions on staff
16 mobility combined with an affordability index higher than their
17 current regionalization factor.

18 (2) The total grant funding awarded to a district by the
19 superintendent of public instruction under this section may not be
20 greater than a two percent increase to the statewide average
21 certificated instructional staff salary allocation to the district.

22 (3) The superintendent of public instruction shall report back to
23 the legislature by December 2019, on the number and types of salary
24 safety net grants awarded, the districts receiving the grants, the
25 rationale for the award, and any recommendations for modifications to
26 the state's salary or regionalization formula that would address the
27 issues identified for the districts receiving the awards.

28 (4) This section expires January 1, 2020.

29 **Sec. 205.** RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each
30 amended to read as follows:

31 (1) A school district may not (~~provide any~~) increase average
32 total school district expenditures for certificated administrative
33 staff (~~with a percentage increase to total salary~~) for the 2018-19
34 school year(~~, including supplemental contracts, that exceeds the~~
35 ~~previous calendar year's annual average consumer price index, using~~
36 ~~the official current base compiled by the bureau of labor statistics,~~
37 ~~United States department of labor, for the city of Seattle. However,~~
38 ~~if a district's average certificated administrative staff salary is~~

1 ~~less than the average certificated administrative salary allocated by~~
2 ~~the state for that year, the district may increase salaries not to~~
3 ~~exceed the point where the district's average certificated~~
4 ~~administrative staff salary equals the average certificated~~
5 ~~administrative staff salary allocated by the state)) in excess of the~~
6 ~~following:~~

7 (a) Annual salary inflationary adjustments based on the rate of
8 the yearly increase of the previous calendar year's annual average
9 consumer price index, using the official current base compiled by the
10 bureau of labor statistics, United States department of labor, for
11 the city of Seattle;

12 (b) Annual experience and education salary step increases
13 according to what was the prior year's practice within the school
14 district; or

15 (c) School districts with an average total certificated
16 administrative staff salary less than the statewide average
17 certificated administrative staff salary allocation used to
18 distribute funds for basic education as estimated by the office of
19 the superintendent of public instruction for the 2018-19 school year
20 may provide salary increases up to the statewide average allocation.

21 (2) Changes to any terms of an employment contract for
22 nonrepresented employees must comply with the same requirements
23 established in this section.

24 (3) This section expires August 31, 2019.

25 **Sec. 206.** RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each
26 amended to read as follows:

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

30 (2)(a) Through the 2017-18 school year, salaries for certificated
31 instructional staff shall not be less than the salary provided in the
32 appropriations act in the statewide salary allocation schedule for an
33 employee with a baccalaureate degree and zero years of service;

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

38 (c) Beginning with the ((2019-20)) 2018-19 school year:

1 (i) Salaries for full-time certificated instructional staff must
2 not be less than forty thousand dollars, to be adjusted for regional
3 differences in the cost of hiring staff as specified in RCW
4 28A.150.410, and to be adjusted annually by the same inflationary
5 measure as provided in RCW 28A.400.205;

6 (ii) Salaries for full-time certificated instructional staff with
7 at least five years of experience must exceed by at least ten percent
8 the value specified in (c)(i) of this subsection;

9 ~~(iii) ((A district may not pay full-time certificated
10 instructional staff a salary that exceeds ninety thousand dollars,
11 subject to adjustment for regional differences in the cost of hiring
12 staff as specified in RCW 28A.150.410. This maximum salary is
13 adjusted annually by the inflationary measure in RCW 28A.400.205;~~

14 ~~(iv) These minimum and maximum salaries))~~ The salaries under this
15 section apply to the services provided as part of the state's
16 statutory program of basic education and exclude supplemental
17 contracts for additional time, responsibility, or incentive pursuant
18 to this section or for enrichment pursuant to RCW 28A.150.276;

19 ~~((+v))~~ (iv) A district may ((pay)) also provide a salary ~~((that~~
20 ~~exceeds this maximum salary by))~~ increase of up to ten percent for
21 full-time certificated instructional staff: Who are educational staff
22 associates; who teach in the subjects of science, technology,
23 engineering, or math; or who teach in the transitional bilingual
24 instruction or special education programs.

25 (3)(a)(i) Through the 2017-18 school year the actual average
26 salary paid to certificated instructional staff shall not exceed the
27 district's average certificated instructional staff salary used for
28 the state basic education allocations for that school year as
29 determined pursuant to RCW 28A.150.410.

30 (ii) For the 2018-19 school year, salaries for certificated
31 instructional staff are subject to the limitations in RCW 41.59.800.

32 (iii) Beginning with the 2019-20 school year, for purposes of
33 subsection (4) of this section, RCW 28A.150.276, and 28A.505.100,
34 each school district must annually identify the actual salary paid to
35 each certificated instructional staff for services rendered as part
36 of the state's program of basic education.

37 (b) Through the 2018-19 school year, fringe benefit contributions
38 for certificated instructional staff shall be included as salary
39 under (a)(i) of this subsection only to the extent that the
40 district's actual average benefit contribution exceeds the amount of

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

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

19 (4)(a) Salaries and benefits for certificated instructional staff
20 may exceed the limitations in subsection (3) of this section only by
21 separate contract for additional time, for additional
22 responsibilities, or for incentives. Supplemental contracts shall not
23 cause the state to incur any present or future funding obligation.
24 Supplemental contracts must be accounted for by a school district
25 when the district is developing its four-year budget plan under RCW
26 28A.505.040.

27 (b) Supplemental contracts shall be subject to the collective
28 bargaining provisions of chapter 41.59 RCW and the provisions of RCW
29 28A.405.240, shall not exceed one year, and if not renewed shall not
30 constitute adverse change in accordance with RCW 28A.405.300 through
31 28A.405.380. No district may enter into a supplemental contract under
32 this subsection for the provision of services which are a part of the
33 basic education program required by Article IX, section 1 of the
34 state Constitution and RCW 28A.150.220. Beginning September 1, 2019,
35 supplemental contracts for certificated instructional staff are
36 subject to the following additional restrictions: School districts
37 may enter into supplemental contracts only for enrichment activities
38 as defined in and subject to the limitations of RCW 28A.150.276. The
39 rate the district pays under a supplemental contract may not exceed
40 the hourly rate provided to that same instructional staff for

1 services under the basic education salary identified pursuant to
2 subsection (3)(a)(iii) of this section.

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

5 **Sec. 207.** RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each
6 amended to read as follows:

7 (1) School district employees shall be provided an annual salary
8 inflationary increase in accordance with this section.

9 (a) The inflationary increase shall be calculated by applying the
10 rate of the yearly increase in the inflationary adjustment index to
11 any state-funded salary base used in state funding formulas for
12 teachers and other school district employees. Beginning with the
13 (~~2020-21~~) 2019-20 school year, each school district shall be
14 provided an inflationary adjustment allocation sufficient to grant
15 this inflationary increase.

16 (b) A school district shall distribute its inflationary
17 adjustment allocation for salaries and salary-related benefits in
18 accordance with the district's collective bargaining agreements and
19 compensation policies. No later than the end of the school year, each
20 school district shall certify to the superintendent of public
21 instruction that it has spent funds provided for inflationary
22 increases on salaries and salary-related benefits.

23 (c) Any funded inflationary increase shall be included in the
24 salary base used to determine inflationary increases for school
25 employees in subsequent years. For teachers and other certificated
26 instructional staff, the rate of the annual inflationary increase
27 funded for certificated instructional staff shall be applied to the
28 base salary used with the statewide salary allocation methodology
29 established under RCW 28A.150.410 and to any other salary allocation
30 methodologies used to recognize school district personnel costs.

31 (2) For the purposes of this section, "inflationary adjustment
32 index" means, for any school year, the implicit price deflator for
33 that fiscal year, using the official current base, compiled by the
34 bureau of labor statistics, United States department of labor for the
35 state of Washington.

36 **Sec. 208.** RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each
37 amended to read as follows:

1 (1) A school district collective bargaining agreement for
2 classified staff that is executed or modified after July 6, 2017, and
3 that is in effect for the 2018-19 school year may not (~~provide~~
4 ~~school district classified staff with a percentage~~) increase (~~to~~)
5 average total salary for the 2018-19 school year, including
6 supplemental contracts, (~~that exceeds the previous calendar year's~~
7 ~~annual average consumer price index, using the official current base~~
8 ~~compiled by the bureau of labor statistics, United States department~~
9 ~~of labor, for the city of Seattle. However, if a district's average~~
10 ~~classified staff salary is less than the average classified salary~~
11 ~~allocated by the state for that year, the district may increase~~
12 ~~salaries not to exceed the point where the district's average~~
13 ~~classified staff salary equals the average classified staff salary~~
14 ~~allocated by the state~~) in excess of the following:

15 (a) Annual salary inflationary adjustments based on the rate of
16 the yearly increase of the previous calendar year's annual average
17 consumer price index, using the official current base compiled by the
18 bureau of labor statistics, United States department of labor, for
19 the city of Seattle;

20 (b) Annual experience and education salary step increases
21 according to the salary schedule specified in the agreement;

22 (c) Salary changes for staffing increases due to enrollment
23 growth or state-funded increases under RCW 28A.150.260; or

24 (d) School districts with an average total classified staff
25 salary less than the statewide average classified salary allocation
26 used to distribute funds for basic education as estimated by the
27 office of the superintendent of public instruction for the 2018-19
28 school year may provide salary increases up to the statewide average
29 allocation.

30 (2) Changes to any terms of an employment contract for
31 nonrepresented employees must comply with the same requirements
32 established in this section.

33 (3) This section expires August 31, 2019.

34 **Sec. 209.** RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each
35 amended to read as follows:

36 (1) A school district collective bargaining agreement for
37 certificated instructional staff that is executed or modified after
38 July 6, 2017, and that is in effect for the 2018-19 school year may
39 not (~~provide school district certificated instructional staff with a~~

1 percentage)) increase ((to)) average total salary for the 2018-19
2 school year, including supplemental contracts, ((that exceeds the
3 previous calendar year's annual average consumer price index, using
4 the official current base compiled by the bureau of labor statistics,
5 United States department of labor, for the city of Seattle. However,
6 if a district's average certificated instructional staff salary is
7 less than the average certificated instructional staff salary
8 allocated by the state for that year, the district may increase
9 salaries not to exceed the point where the district's average
10 certificated instructional staff salary equals the average
11 certificated instructional staff salary allocated by the state)) in
12 excess of the following:

13 (a) Annual salary inflationary adjustments based on the rate of
14 the yearly increase of the previous calendar year's annual average
15 consumer price index, using the official current base compiled by the
16 bureau of labor statistics, United States department of labor, for
17 the city of Seattle;

18 (b) Annual experience and education salary step increases
19 according to the salary schedule specified in the agreement;

20 (c) Salary changes for staffing increases due to enrollment
21 growth or state-funded increases under RCW 28A.150.260;

22 (d) Salary changes to provide professional learning under RCW
23 28A.415.430;

24 (e) Increases related to bonuses for attaining certification from
25 the national board for professional teaching standards; or

26 (f) School districts with an average total certificated
27 instructional staff salary less than the statewide average
28 certificated instructional staff salary allocation used to distribute
29 funds for basic education as estimated by the office of the
30 superintendent of public instruction for the 2018-19 school year may
31 provide salary increases up to the statewide average allocation.

32 (2) Changes to any terms of an employment contract for
33 nonrepresented employees must comply with the same requirements
34 established in this section.

35 (3) This section expires August 31, 2019.

36 **PART III: LEVIES**

37 **Sec. 301.** RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each
38 amended to read as follows:

1 (1)(a) Beginning September 1, ((2019)) 2018, school districts may
2 use local revenues only for documented and demonstrated enrichment of
3 the state's statutory program of basic education as authorized in
4 subsection (2) of this section.

5 (b) Nothing in this section revises the definition or the state
6 funding of the program of basic education under RCW 28A.150.220 and
7 28A.150.260.

8 (c) For purposes of this section, "local revenues" means
9 enrichment levies collected under RCW 84.52.053, ((~~transportation~~
10 ~~vehicle enrichment levies,~~)) local effort assistance funding received
11 under chapter 28A.500 RCW, and other school district local revenues
12 including, but not limited to, grants, donations, and state and
13 federal payments in lieu of taxes, except that "local revenues" does
14 not include other federal revenues, or local revenues that operate as
15 an offset to the district's basic education allocation under RCW
16 28A.150.250.

17 (2)(a) Enrichment activities are permitted under this section if
18 they provide supplementation beyond the state:

19 (i) Minimum instructional offerings of RCW 28A.150.220 or
20 28A.150.260;

21 (ii) Staffing ratios or program components of RCW 28A.150.260,
22 including providing additional staff for class size reduction beyond
23 class sizes allocated in the prototypical school model and additional
24 staff beyond the staffing ratios allocated in the prototypical school
25 formula;

26 (iii) Program components of RCW 28A.150.200, 28A.150.220, or
27 28A.150.260; or

28 (iv) Program of professional learning as defined by RCW
29 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

30 (b) Permitted enrichment activities consist of:

31 (i) Extracurricular activities, extended school days, or an
32 extended school year;

33 (ii) Additional course offerings beyond the minimum instructional
34 program established in the state's statutory program of basic
35 education;

36 (iii) Activities associated with early learning programs;

37 (iv) Any additional salary costs attributable to the provision or
38 administration of the enrichment activities allowed under this
39 subsection; and

1 (v) Additional activities or enhancements that the office of the
2 superintendent of public instruction determines to be a documented
3 and demonstrated enrichment of the state's statutory program of basic
4 education under (a) of this subsection and for which the
5 superintendent approves proposed expenditures during the preballot
6 approval process required by RCW 84.52.053 and 28A.505.240.

7 (3) In addition to the limitations of subsections (1) and (2) of
8 this section and of RCW 28A.400.200, permitted enrichment activities
9 are subject to the following conditions and limitations:

10 (a) If a school district spends local revenues for salary costs
11 attributable to the administration of enrichment programs, the
12 portion of administrator salaries attributable to that purpose may
13 not exceed (~~(the proportion)~~) twenty-five percent of the (~~(district's~~
14 ~~local revenues to its other revenues)~~) total district expenditures
15 for administrator salaries; and

16 (b) Supplemental contracts under RCW 28A.400.200 are subject to
17 the limitations of this section.

18 (4) The superintendent of public instruction must adopt rules to
19 implement this section.

20 **Sec. 302.** RCW 28A.320.330 and 2017 3rd sp.s. c 13 s 601 are each
21 amended to read as follows:

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

24 (1)(a) A general fund for the school district to account for all
25 financial operations of the school district except those required to
26 be accounted for in another fund.

27 (b) By the (~~(2019-20)~~) 2018-19 school year, a local revenue
28 subfund of its general fund to account for the financial operations
29 of a school district that are paid from local revenues. The local
30 revenues that must be deposited in the local revenue subfund are
31 enrichment levies and transportation vehicle (~~(enrichment)~~) levies
32 collected under RCW 84.52.053, local effort assistance funding
33 received under chapter 28A.500 RCW, and other school district local
34 revenues including, but not limited to, grants, donations, and state
35 and federal payments in lieu of taxes, but do not include other
36 federal revenues, or local revenues that operate as an offset to the
37 district's basic education allocation under RCW 28A.150.250. School
38 districts must track expenditures from this subfund separately to
39 account for the expenditure of each of these streams of revenue by

1 source, and must provide any supplemental expenditure schedules
2 required by the superintendent of public instruction or state auditor
3 for purposes of RCW 43.09.2856.

4 (2) A capital projects fund shall be established for major
5 capital purposes. All statutory references to a "building fund" shall
6 mean the capital projects fund so established. Money to be deposited
7 into the capital projects fund shall include, but not be limited to,
8 bond proceeds, proceeds from excess levies authorized by RCW
9 84.52.053, state apportionment proceeds as authorized by RCW
10 28A.150.270, earnings from capital projects fund investments as
11 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
12 revenues transferred pursuant to subsection (3) of this section.

13 Money derived from the sale of bonds, including interest earnings
14 thereof, may only be used for those purposes described in RCW
15 28A.530.010, except that accrued interest paid for bonds shall be
16 deposited in the debt service fund.

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

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

24 (a) Major renovation and replacement of facilities and systems
25 where periodical repairs are no longer economical or extend the
26 useful life of the facility or system beyond its original planned
27 useful life. Such renovation and replacement shall include, but shall
28 not be limited to, major repairs, exterior painting of facilities,
29 replacement and refurbishment of roofing, exterior walls, windows,
30 heating and ventilating systems, floor covering in classrooms and
31 public or common areas, and electrical and plumbing systems.

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

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

36 (i) "Preliminary energy audits" means a determination of the
37 energy consumption characteristics of a building, including the size,
38 type, rate of energy consumption, and major energy using systems of
39 the building.

1 (ii) "Energy audit" means a survey of a building or complex which
2 identifies the type, size, energy use level, and major energy using
3 systems; which determines appropriate energy conservation maintenance
4 or operating procedures and assesses any need for the acquisition and
5 installation of energy conservation measures, including solar energy
6 and renewable resource measures.

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

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

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

16 (f)(i) Costs associated with implementing technology systems,
17 facilities, and projects, including acquiring hardware, licensing
18 software, and online applications and training related to the
19 installation of the foregoing. However, the software or applications
20 must be an integral part of the district's technology systems,
21 facilities, or projects.

22 (ii) Costs associated with the application and modernization of
23 technology systems for operations and instruction including, but not
24 limited to, the ongoing fees for online applications, subscriptions,
25 or software licenses, including upgrades and incidental services, and
26 ongoing training related to the installation and integration of these
27 products and services. However, to the extent the funds are used for
28 the purpose under this subsection (2)(f)(ii), the school district
29 shall transfer to the district's general fund the portion of the
30 capital projects fund used for this purpose. The office of the
31 superintendent of public instruction shall develop accounting
32 guidelines for these transfers in accordance with internal revenue
33 service regulations.

34 (g) Major equipment repair, painting of facilities, and other
35 major preventative maintenance purposes. However, to the extent the
36 funds are used for the purpose under this subsection (2)(g), the
37 school district shall transfer to the district's general fund the
38 portion of the capital projects fund used for this purpose. The
39 office of the superintendent of public instruction shall develop
40 accounting guidelines for these transfers in accordance with internal

1 revenue service regulations. Based on the district's most recent two-
2 year history of general fund maintenance expenditures, funds used for
3 this purpose may not replace routine annual preventive maintenance
4 expenditures made from the district's general fund.

5 (3) A debt service fund to provide for tax proceeds, other
6 revenues, and disbursements as authorized in chapter 39.44 RCW. State
7 forestland revenues that are deposited in a school district's debt
8 service fund pursuant to RCW 79.64.110 and to the extent not
9 necessary for payment of debt service on school district bonds may be
10 transferred by the school district into the district's capital
11 projects fund.

12 (4) An associated student body fund as authorized by RCW
13 28A.325.030.

14 (5) Advance refunding bond funds and refunded bond funds to
15 provide for the proceeds and disbursements as authorized in chapter
16 39.53 RCW.

17 **Sec. 303.** RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each
18 amended to read as follows:

19 (1) Beginning in calendar year 2019 and each calendar year
20 thereafter, the state must provide state local effort assistance
21 funding to supplement school district enrichment levies as provided
22 in this section.

23 (2) For an eligible school district, annual local effort
24 assistance funding is equal to the school district's maximum local
25 effort assistance multiplied by a fraction equal to the school
26 district's actual enrichment levy divided by the school district's
27 maximum allowable enrichment levy.

28 (3) The state local effort assistance funding provided under this
29 section is not part of the state's program of basic education deemed
30 by the legislature to comply with the requirements of Article IX,
31 section 1 of the state Constitution.

32 (4) The definitions in this subsection apply throughout this
33 section unless the context clearly requires otherwise.

34 (a) "Eligible school district" means a school district whose
35 maximum allowable enrichment levy divided by the school district's
36 total student enrollment in the prior school year is less than the
37 state local effort assistance threshold.

38 (b) For the purpose of this section, "inflation" means
39 ((inflation as defined in RCW 84.55.005)), for any school year, the

1 rate of the yearly increase of the previous calendar year's annual
2 average consumer price index for all urban consumers, Seattle area,
3 using the official current base compiled by the bureau of labor
4 statistics, United States department of labor.

5 (c) "Maximum allowable enrichment levy" means the maximum levy
6 permitted by RCW 84.52.0531.

7 (d) "Maximum local effort assistance" means ~~((the—school~~
8 ~~district's student enrollment in the prior school year multiplied~~
9 ~~by))~~ the difference ~~((of))~~ between the following:

10 (i) The school district's actual prior school year enrollment
11 multiplied by the state local effort assistance threshold; and ((a))

12 (ii) The school district's maximum allowable enrichment levy
13 ((divided by the school district's student enrollment in the prior
14 school year)).

15 (e) "Prior school year" means the most recent school year
16 completed prior to the year in which the state local effort
17 assistance funding is to be distributed.

18 (f) "State local effort assistance threshold" means one thousand
19 five hundred dollars per student, ~~((adjusted))~~ increased for
20 inflation beginning in calendar year 2020.

21 (g) "Student enrollment" means the average annual resident full-
22 time equivalent student enrollment.

23 (h) "Resident" means a student who:

24 (i) Resides within the geographic boundaries of the school
25 district; or

26 (ii) Transfers into the district by choice under RCW 28A.225.225;
27 except students who participate in an online course or online school
28 program as defined in RCW 28A.250.010, and do not also attend a
29 school within the district, are excluded from the definition.

30 (5) The home district of a student who transfers into another
31 district by choice under chapter 28A.225 RCW shall not receive local
32 effort assistance funding under this section.

33 (6) For districts in a high/nonhigh relationship, the enrollments
34 of the nonhigh resident students attending the high school shall only
35 be counted by the nonhigh school districts for purposes of funding
36 under this section.

37 (7) For school districts participating in an innovation academy
38 cooperative established under RCW 28A.340.080, enrollments of
39 students attending the academy shall be adjusted so that each

1 participant district receives its proportional share of student
2 enrollments for purposes of funding under this section.

3 **Sec. 304.** RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each
4 amended to read as follows:

5 (1) As required by RCW 84.52.053(4), before a school district may
6 submit an enrichment levy(~~(, including a transportation vehicle~~
7 ~~enrichment levy,~~) under RCW 84.52.053 to the voters, it must have
8 received approval from the office of the superintendent of public
9 instruction of an expenditure plan for the district's enrichment levy
10 and other local revenues as defined in RCW 28A.150.276. Within thirty
11 days after receiving the plan the office of the superintendent of
12 public instruction must notify the school district whether the
13 spending plan is approved. If the office of the superintendent of
14 public instruction rejects a district's proposed spending plan, then
15 the district may submit a revised spending plan, and the
16 superintendent must approve or reject the revised submission within
17 thirty days. The office of the superintendent of public instruction
18 may approve a spending plan only if it determines that the enrichment
19 levy and other local revenues as defined in RCW 28A.150.276(1) will
20 be used solely for permitted enrichment activities as provided in RCW
21 28A.150.276(2).

22 (2)(a) Except as provided in (b) of this subsection, after a
23 school district has received voter approval for a levy for an
24 enrichment levy under RCW 84.52.053, a school district may change its
25 spending plan for the voter-approved levy by submitting a revised
26 spending plan to the office of the superintendent of public
27 instruction for review and approval. To revise a previously approved
28 spending plan, the district must provide notice and an opportunity
29 for review and comment at an open meeting of the school board, and
30 the board must adopt the revised spending plan by resolution. The
31 board must then submit the plan to the office of the superintendent
32 of public instruction. Within thirty days after receiving the revised
33 spending plan the office must notify the school district whether the
34 revised spending plan is approved. The office of the superintendent
35 of public instruction may approve a revised spending plan only if it
36 determines that the enrichment levy and other local revenues as
37 defined in RCW 28A.150.276(1) will be used solely for permitted
38 enrichment activities as provided in RCW 28A.150.276(2).

1 (b) If the superintendent has approved expenditures for specific
2 purposes under (a) of this subsection, a district may change the
3 relative amounts to be spent for those respective purposes for the
4 same levy in subsequent years without having to first receive
5 approval for the change from the office of the superintendent of
6 public instruction if the district adopts the change as part of its
7 annual budget proposal after a public hearing under RCW 28A.505.060.

8 (3) This section applies to taxes levied for collection beginning
9 in calendar year 2020 and thereafter.

10 NEW SECTION. **Sec. 305.** A new section is added to chapter 84.52
11 RCW to read as follows:

12 For districts in a high/nonhigh relationship, if the high school
13 district is subject to the maximum per pupil limit under RCW
14 84.52.0531, the high school district's maximum levy amount must be
15 reduced by an amount equal to the estimated amount of the nonhigh
16 payment due to the high school district under RCW 28A.545.030(3) and
17 28A.545.050 for the school year commencing the year of the levy.

18 **Sec. 306.** RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each
19 amended to read as follows:

20 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
21 and 84.52.043 shall not prevent the levy of taxes by school
22 districts, when authorized so to do by the voters of such school
23 district in the manner and for the purposes and number of years
24 allowable under Article VII, section 2(a) and Article IX, section 1
25 of the Constitution of this state. Elections for such taxes shall be
26 held in the year in which the levy is made or, in the case of
27 propositions authorizing two-year through four-year levies for
28 enrichment funding for a school district, authorizing two-year levies
29 for transportation vehicle funds established in RCW 28A.160.130
30 (~~through calendar year 2019, authorizing two-year levies for~~
31 ~~transportation vehicle enrichment beginning with calendar year~~
32 ~~2020,~~) or authorizing two-year through six-year levies to support
33 the construction, modernization, or remodeling of school facilities,
34 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
35 year in which the first annual levy is made. School district levies
36 authorized under this section shall only be used for enrichment
37 beyond the state-provided funding in the omnibus appropriations act
38 for the basic education program components under RCW 28A.150.200,

1 28A.150.220, 28A.150.260, 28A.150.390, or 28A.160.180, including the
2 enrichment activities established in RCW 28A.150.276.

3 (2)(a) Once additional tax levies have been authorized for
4 enrichment funding for a school district for a two-year through four-
5 year period as provided under subsection (1) of this section, no
6 further additional tax levies for enrichment funding for the district
7 for that period may be authorized, except for additional levies to
8 provide for subsequently enacted increases affecting the district's
9 maximum levy.

10 (b) Notwithstanding (a) of this subsection, any school district
11 that is required to annex or receive territory pursuant to a
12 dissolution of a financially insolvent school district pursuant to
13 RCW 28A.315.225 may call either a replacement or supplemental levy
14 election within the school district, including the territory annexed
15 or transferred, as follows:

16 (i) An election for a proposition authorizing two-year through
17 four-year levies for enrichment funding for a school district may be
18 called and held before the effective date of dissolution to replace
19 existing enrichment levies and to provide for increases due to the
20 dissolution.

21 (ii) An election for a proposition authorizing additional tax
22 levies may be called and held before the effective date of
23 dissolution to provide for increases due to the dissolution.

24 (iii) In the event a replacement levy election under (b)(i) of
25 this subsection is held but does not pass, the affected school
26 district may subsequently hold a supplemental levy election pursuant
27 to (b)(ii) of this subsection if the supplemental levy election is
28 held before the effective date of dissolution. In the event a
29 supplemental levy election is held under (b)(ii) of this subsection
30 but does not pass, the affected school district may subsequently hold
31 a replacement levy election pursuant to (b)(i) of this subsection if
32 the replacement levy election is held before the effective date of
33 dissolution. Failure of a replacement levy or supplemental levy
34 election does not affect any previously approved and existing
35 enrichment levy within the affected school district or districts.

36 (c) For the purpose of applying the limitation of this subsection
37 (2), a two-year through six-year levy to support the construction,
38 modernization, or remodeling of school facilities shall not be deemed
39 to be a tax levy for enrichment funding for a school district.

1 (3) A special election may be called and the time therefor fixed
2 by the board of school directors, by giving notice thereof by
3 publication in the manner provided by law for giving notices of
4 general elections, at which special election the proposition
5 authorizing such excess levy shall be submitted in such form as to
6 enable the voters favoring the proposition to vote "yes" and those
7 opposed thereto to vote "no."

8 (4)(a) Beginning September 1, (~~(2019)~~) 2018, school districts may
9 use enrichment levies (~~(and transportation vehicle enrichment~~
10 ~~levies)~~) solely to enrich the state's statutory program of basic
11 education as authorized under RCW 28A.150.276.

12 (b) Beginning with propositions for enrichment levies (~~(and~~
13 ~~transportation vehicle enrichment levies)~~) for collection in calendar
14 year 2020 and thereafter, a district must receive approval of an
15 enrichment levy expenditure plan from the superintendent of public
16 instruction under RCW 28A.505.240 before submission of the
17 proposition to the voters.

18 **Sec. 307.** RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each
19 amended to read as follows:

20 (1) Beginning with taxes levied for collection in 2019, the
21 maximum dollar amount which may be levied by or for any school
22 district for enrichment levies under RCW 84.52.053 is equal to the
23 lesser of one dollar and fifty cents per thousand dollars of the
24 assessed value of property in the school district or the maximum per-
25 pupil limit.

26 (2) The definitions in this subsection apply to this section
27 unless the context clearly requires otherwise.

28 (a) For the purpose of this section, "inflation" means
29 ((inflation as defined in RCW 84.55.005)), for any school year, the
30 rate of the yearly increase of the previous calendar year's annual
31 average consumer price index for all urban consumers, Seattle area,
32 using the official current base compiled by the bureau of labor
33 statistics, United States department of labor.

34 (b) "Maximum per-pupil limit" means two thousand five hundred
35 dollars, multiplied by the number of average annual resident full-
36 time equivalent students enrolled in the school district in the prior
37 school year. Beginning with property taxes levied for collection in
38 2020, the maximum per-pupil limit shall be increased by inflation.

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

3 (d) "Resident" means a student who:

4 (i) Resides within the geographic boundaries of the school
5 district; or

6 (ii) Transfers into the district by choice under RCW 28A.225.225;
7 except students who participate in an online course or online school
8 program as defined in RCW 28A.250.010, and do not also attend a
9 school within the district or receive direct instruction from
10 district certificated instructional staff, are excluded from the
11 definition.

12 (3) The home district of a student who transfers into another
13 district by choice under chapter 28A.225 RCW shall not receive levy
14 revenues under this section.

15 (4) For districts in a high/nonhigh relationship, the enrollments
16 of the nonhigh resident students attending the high school shall only
17 be counted by the nonhigh school districts for purposes of funding
18 under this section.

19 (5) For school districts participating in an innovation academy
20 cooperative established under RCW 28A.340.080, enrollments of
21 students attending the academy shall be adjusted so that each
22 participant district receives its proportional share of student
23 enrollments for purposes of funding under this section.

24 (6) Beginning with propositions for enrichment levies for
25 collection in calendar year 2020 and thereafter, a district must
26 receive approval of an enrichment levy expenditure plan under RCW
27 28A.505.240 before submission of the proposition to the voters.

28 ~~((+4))~~ (7) The superintendent of public instruction shall
29 develop rules and regulations and inform school districts of the
30 pertinent data necessary to carry out the provisions of this section.

31 ~~((+5))~~ (8) Beginning with taxes levied for collection in
32 ~~((2020))~~ 2018, enrichment levy revenues must be deposited in a
33 separate subfund of the school district's general fund pursuant to
34 RCW 28A.320.330, and are subject to the restrictions of RCW
35 28A.150.276 and the audit requirements of RCW 43.09.2856.

36 ~~((+6))~~ (9) Funds collected from ~~((transportation—vehicle~~
37 ~~enrichment levies shall not be subject to the levy limitations in))~~
38 levies for transportation vehicles, construction, modernization, or
39 remodeling of school facilities as established in RCW 84.52.053 are

1 not subject to the levy limitations in subsections (1) through (6) of
2 this section.

3 **Sec. 308.** RCW 84.52.054 and 2007 c 54 s 27 are each amended to
4 read as follows:

5 (1) The additional tax provided for in Article VII, section 2 of
6 the state Constitution, and specifically authorized by RCW 84.52.052,
7 84.52.053, 84.52.0531, and 84.52.130, shall be set forth in terms of
8 dollars on the ballot of the proposition to be submitted to the
9 voters except as provided in subsection (2) of this section, together
10 with an estimate of the dollar rate of tax levy that will be required
11 to produce the dollar amount; and the county assessor, in spreading
12 this tax upon the rolls, shall determine the eventual dollar rate
13 required to produce the amount of dollars so voted upon, regardless
14 of the estimate of dollar rate of tax levy carried in said
15 proposition. In the case of a school district or fire protection
16 district proposition for a particular period, the dollar amount and
17 the corresponding estimate of the dollar rate of tax levy shall be
18 set forth for each of the years in that period. The dollar amount for
19 each annual levy in the particular period may be equal or in
20 different amounts.

21 (2) For school districts levying the maximum enrichment funding
22 levy rate of one dollar and fifty cents as authorized by RCW
23 84.52.053 and 84.52.0531, the additional tax shall be set forth in
24 terms of the dollar rate of tax levy on the ballot of the proposition
25 to be submitted to the voters.

26 **PART IV: OTHER POLICIES**

27 NEW SECTION. **Sec. 401.** (1) For the 2018-19 and 2019-20 school
28 years, a school district qualifies for a hold harmless payment if the
29 sum of the school district's state basic education allocations plus
30 its enrichment levy and local effort assistance under chapter 13,
31 Laws of 2017 3rd sp. sess. is less than the sum of state basic
32 education allocations, local maintenance and operation levy, and
33 local effort assistance provided under the law as it existed on
34 January 1, 2017. For the purposes of this section, the local levy is
35 limited to the lesser of the voter-approved levy as of January 1,
36 2017, or the maximum levy allowed under the law as of January 1,
37 2017.

1 (2) This section expires December 31, 2020.

2 **Sec. 402.** RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each
3 amended to read as follows:

4 (1)(a) To the extent necessary, funds shall be made available for
5 safety net awards for districts with demonstrated needs for special
6 education funding beyond the amounts provided through the special
7 education funding formula under RCW 28A.150.390.

8 (b) If the federal safety net awards based on the federal
9 eligibility threshold exceed the federal appropriation in any fiscal
10 year, then the superintendent shall expend all available federal
11 discretionary funds necessary to meet this need.

12 (2) Safety net funds shall be awarded by the state safety net
13 oversight committee subject to the following conditions and
14 limitations:

15 (a) The committee shall award additional funds for districts that
16 can convincingly demonstrate that all legitimate expenditures for
17 special education exceed all available revenues from state funding
18 formulas.

19 (b) In the determination of need, the committee shall consider
20 additional available revenues from federal sources.

21 (c) Differences in program costs attributable to district
22 philosophy(~~(, service delivery choice,)~~) or accounting practices are
23 not a legitimate basis for safety net awards.

24 (d) In the determination of need, the committee shall require
25 that districts demonstrate that they are maximizing their eligibility
26 for all state revenues related to services for special education-
27 eligible students and all federal revenues from federal impact aid,
28 medicaid, and the individuals with disabilities education act-Part B
29 and appropriate special projects. Awards associated with (e) and (f)
30 of this subsection shall not exceed the total of a district's
31 specific determination of need.

32 (e) The committee shall then consider the extraordinary high cost
33 needs of one or more individual special education students.
34 Differences in costs attributable to district philosophy(~~(, service
35 delivery choice,)~~) or accounting practices are not a legitimate basis
36 for safety net awards.

37 (f) Using criteria developed by the committee, the committee
38 shall then consider extraordinary costs associated with communities
39 that draw a larger number of families with children in need of

1 special education services, which may include consideration of
2 proximity to group homes, military bases, and regional hospitals.
3 Safety net awards under this subsection (2)(f) shall be adjusted to
4 reflect amounts awarded under (e) of this subsection.

5 (g) The maximum allowable indirect cost for calculating safety
6 net eligibility may not exceed the federal restricted indirect cost
7 rate for the district plus one percent.

8 (h) Safety net awards shall be adjusted based on the percent of
9 potential medicaid eligible students billed as calculated by the
10 superintendent of public instruction in accordance with chapter 318,
11 Laws of 1999.

12 (i) Safety net awards must be adjusted for any audit findings or
13 exceptions related to special education funding.

14 (3) The superintendent of public instruction shall adopt such
15 rules and procedures as are necessary to administer the special
16 education funding and safety net award process. By September 1,
17 (~~2019~~) 2018, the superintendent shall review and revise the rules
18 to achieve full and complete implementation of the requirements of
19 this subsection and subsection (4) of this section including
20 revisions to the rules that provide easier access by districts to the
21 safety net funds by reducing the required annual threshold that must
22 be exceeded for high cost students and additional flexibility to
23 access community impact awards. Before revising any standards,
24 procedures, or rules, the superintendent shall consult with the
25 office of financial management and the fiscal committees of the
26 legislature. In adopting and revising the rules, the superintendent
27 shall ensure the application process to access safety net funding is
28 streamlined, timelines for submission are not in conflict, feedback
29 to school districts is timely and provides sufficient information to
30 allow school districts to understand how to correct any deficiencies
31 in a safety net application, and that there is consistency between
32 awards approved by school district and by application period. The
33 office of the superintendent of public instruction shall also provide
34 technical assistance to school districts in preparing and submitting
35 special education safety net applications.

36 (4) On an annual basis, the superintendent shall survey districts
37 regarding their satisfaction with the safety net process and consider
38 feedback from districts to improve the safety net process. Each year
39 by December 1st, the superintendent shall prepare and submit a report
40 to the office of financial management and the appropriate policy and

1 fiscal committees of the legislature that summarizes the survey
2 results and those changes made to the safety net process as a result
3 of the school district feedback.

4 (5) The safety net oversight committee appointed by the
5 superintendent of public instruction shall consist of:

6 (a) One staff member from the office of the superintendent of
7 public instruction;

8 (b) Staff of the office of the state auditor who shall be
9 nonvoting members of the committee; and

10 (c) One or more representatives from school districts or
11 educational service districts knowledgeable of special education
12 programs and funding.

13 **Sec. 403.** RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each
14 amended to read as follows:

15 (1) Beginning with the ((2018-19)) 2019-20 school year, the
16 legislature shall begin phasing in funding for professional learning
17 days for certificated instructional staff. The state allocation must
18 be used solely for the purpose of providing professional learning. At
19 a minimum, the state must allocate funding for:

20 (a) One professional learning day in the ((2018-19)) 2019-20
21 school year;

22 (b) Two professional learning days in the ((2019-20)) 2020-21
23 school year; and

24 (c) Three professional learning days in the ((2020-21)) 2021-22
25 school year.

26 (2) The office of the superintendent of public instruction shall
27 calculate each school district's professional learning allocation as
28 provided in subsection (1) of this section separate from the minimum
29 state allocation for salaries as specified in RCW 28A.150.410 and
30 associated fringe benefits on the apportionment reports provided to
31 each local educational agency. The professional learning allocation
32 shall be equal to the proportional increase resulting from adding the
33 professional learning days provided in subsection (1) of this section
34 to the required minimum number of school days in RCW
35 28A.150.220(5)(a) applied to the school district's minimum state
36 allocation for salaries and associated fringe benefits for
37 certificated instructional staff as specified in the omnibus
38 appropriations act. Professional learning allocations shall be

1 included in per-pupil calculations for programs funded on a per
2 student rate calculation.

3 (3) Nothing in this section entitles an individual certificated
4 instructional staff to any particular number of professional learning
5 days.

6 ~~((3))~~ (4) Nothing in this section requires a school district to
7 fund additional professional learning in excess of what is funded by
8 this allotment.

9 (5) The professional learning days must meet the definitions and
10 standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

11 (6) As the legislature phases in the funding for professional
12 learning days under this section, the number of late start or early
13 release of students resulting in partial days of instruction shall be
14 phased down in the following manner:

15 (a) In the school years when one professional learning day is
16 funded, each school district shall limit the number of partial days
17 of instruction to no more than thirteen during the school years.

18 (b) In the school years when two professional learning days are
19 funded, each school district shall limit the number of partial days
20 of instruction to no more than ten during the school years.

21 (c) In the school years when three professional learning days are
22 funded, each school district shall limit the number of partial days
23 of instruction to no more than seven during the school years.

24 (7) The use of the funding provided under this section must be
25 audited as part of the regular financial audits of school districts
26 by the state auditor's office to ensure compliance with the
27 limitations and conditions of this section.

28 **Sec. 404.** RCW 28A.710.280 and 2016 c 241 s 128 are each amended
29 to read as follows:

30 (1) The legislature intends that state funding for charter
31 schools be distributed equitably with state funding provided for
32 other public schools.

33 (2) For eligible students enrolled in a charter school
34 established and operating in accordance with this chapter, the
35 superintendent of public instruction shall transmit to each charter
36 school an amount calculated as provided in this section and based on
37 the statewide average ~~((staff mix factor))~~ salaries set forth in RCW
38 28A.150.410 for certificated instructional staff adjusted by the
39 regionalization factor that applies to the school district in which

1 the charter school is geographically located, including any
2 enrichment to those statutory formulae that is specified in the
3 omnibus appropriations act. The amount must be the sum of (a) and (b)
4 of this subsection(~~(, as applicable)~~).

5 (a) The superintendent shall, for purposes of making
6 distributions under this section, separately calculate and distribute
7 to charter schools moneys appropriated for general apportionment
8 under the same ratios as in RCW 28A.150.260.

9 (b) The superintendent also shall, for purposes of making
10 distributions under this section, and in accordance with the
11 applicable formulae for categorical programs specified in (b)(i)
12 through (v) of this subsection (2) and any enrichment to those
13 statutory formulae that is specified in the omnibus appropriations
14 act, separately calculate and distribute moneys appropriated by the
15 legislature to charter schools for:

16 (i) Supplemental instruction and services for underachieving
17 students through the learning assistance program under RCW
18 28A.165.005 through 28A.165.065;

19 (ii) Supplemental instruction and services for eligible and
20 enrolled students and exited students whose primary language is other
21 than English through the transitional bilingual instruction program
22 under RCW 28A.180.010 through 28A.180.080;

23 (iii) The opportunity for an appropriate education at public
24 expense as defined by RCW 28A.155.020 for all eligible students with
25 disabilities as defined in RCW 28A.155.020;

26 (iv) Programs for highly capable students under RCW 28A.185.010
27 through 28A.185.030; and

28 (v) Pupil transportation services to and from school in
29 accordance with RCW 28A.160.150 through 28A.160.180. Distributions
30 for pupil transportation must be calculated on a per eligible student
31 basis based on the allocation for the previous school year to the
32 school district in which the charter school is located.

33 (3) The superintendent of public instruction must adopt rules
34 necessary for the distribution of funding required by this section
35 and to comply with federal reporting requirements.

36 **Sec. 405.** RCW 28A.715.040 and 2013 c 242 s 5 are each amended to
37 read as follows:

38 (1) A school that is the subject of a state-tribal education
39 compact must report student enrollment. Reporting must be done in the

1 same manner and use the same definitions of enrolled students and
2 annual average full-time equivalent enrollment as is required of
3 school districts. The reporting requirements in this subsection are
4 required for a school to receive state or federal funding that is
5 allocated based on student characteristics.

6 (2) Funding for a school that is the subject of a state-tribal
7 education compact shall be apportioned by the superintendent of
8 public instruction according to the schedule established under RCW
9 28A.510.250, including general apportionment, special education,
10 categorical, and other nonbasic education moneys. Allocations for
11 certificated instructional staff must be based on the statewide
12 average ((~~staff mix ratio of the school, as calculated by the~~
13 ~~superintendent of public instruction using the statewide salary~~
14 ~~allocation schedule and related documents, conditions, and~~
15 ~~limitations established by the omnibus appropriations act)) salary~~
16 set forth in RCW 28A.150.410, adjusted by the regionalization factor
17 that applies to the school district in which the school is located.

18 Allocations for classified staff and certificated administrative
19 staff must be based on the salary allocations of the school district
20 in which the school is located(~~(, subject to conditions and~~
21 ~~limitations established by the omnibus appropriations act)) as set
22 forth in RCW 28A.150.410, adjusted by the regionalization factor that
23 applies to the school district in which the school is located.~~

24 Nothing in this section requires a school that is the subject of a
25 state-tribal education compact to use the statewide salary allocation
26 schedule. Such a school is eligible to apply for state grants on the
27 same basis as a school district.

28 (3) Any moneys received by a school that is the subject of a
29 state-tribal education compact from any source that remain in the
30 school's accounts at the end of any budget year must remain in the
31 school's accounts for use by the school during subsequent budget
32 years.

33 **Sec. 406.** RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each
34 amended to read as follows:

35 (1) Beginning with the 2019-20 school year, to ensure that school
36 district local revenues are used solely for purposes of enriching the
37 state's statutory program of basic education, the state auditor's
38 regular financial audits of school districts must include a review of
39 the expenditure of school district local revenues for compliance with

1 RCW 28A.150.276, including the spending plan approved by the
2 superintendent of public instruction under RCW 28A.505.240 and its
3 implementation, and any supplemental contracts entered into under RCW
4 28A.400.200.

5 (2) If an audit under subsection (1) of this section results in
6 findings that a school district has failed to comply with these
7 requirements, then within ninety days of completing the audit the
8 auditor must report the findings to the superintendent of public
9 instruction, the office of financial management, and the education
10 and operating budget committees of the legislature.

11 (3) The use of the state allocation provided for professional
12 learning under RCW 28A.150.415 must be audited as part of the regular
13 financial audits of school districts by the state auditor's office to
14 ensure compliance with the limitations and conditions of RCW
15 28A.150.415.

16 **Sec. 407.** RCW 28A.600.310 and 2015 c 202 s 4 are each amended to
17 read as follows:

18 (1)(a) Eleventh and twelfth grade students or students who have
19 not yet received the credits required for the award of a high school
20 diploma and are eligible to be in the eleventh or twelfth grades may
21 apply to a participating institution of higher education to enroll in
22 courses or programs offered by the institution of higher education.

23 (b) The course sections and programs offered as running start
24 courses must also be open for registration to matriculated students
25 at the participating institution of higher education and may not be a
26 course consisting solely of high school students offered at a high
27 school campus.

28 (c) A student receiving home-based instruction enrolling in a
29 public high school for the sole purpose of participating in courses
30 or programs offered by institutions of higher education shall not be
31 counted by the school district in any required state or federal
32 accountability reporting if the student's parents or guardians filed
33 a declaration of intent to provide home-based instruction and the
34 student received home-based instruction during the school year before
35 the school year in which the student intends to participate in
36 courses or programs offered by the institution of higher education.
37 Students receiving home-based instruction under chapter 28A.200 RCW
38 and students attending private schools approved under chapter 28A.195
39 RCW shall not be required to meet the student learning goals, obtain

1 a certificate of academic achievement or a certificate of individual
2 achievement to graduate from high school, or to master the essential
3 academic learning requirements. However, students are eligible to
4 enroll in courses or programs in participating universities only if
5 the board of directors of the student's school district has decided
6 to participate in the program. Participating institutions of higher
7 education, in consultation with school districts, may establish
8 admission standards for these students. If the institution of higher
9 education accepts a secondary school pupil for enrollment under this
10 section, the institution of higher education shall send written
11 notice to the pupil and the pupil's school district within ten days
12 of acceptance. The notice shall indicate the course and hours of
13 enrollment for that pupil.

14 (2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020
15 and 28B.15.041:

16 (i) Running start students shall pay to the community or
17 technical college all other mandatory fees as established by each
18 community or technical college and, in addition, the state board for
19 community and technical colleges may authorize a fee of up to ten
20 percent of tuition and fees as defined in RCW 28B.15.020 and
21 28B.15.041; and

22 (ii) All other institutions of higher education operating a
23 running start program may charge running start students a fee of up
24 to ten percent of tuition and fees as defined in RCW 28B.15.020 and
25 28B.15.041 in addition to technology fees.

26 (b) The fees charged under this subsection (2) shall be prorated
27 based on credit load.

28 (c) Students may pay fees under this subsection with advanced
29 college tuition payment program tuition units at a rate set by the
30 advanced college tuition payment program governing body under chapter
31 28B.95 RCW.

32 (3)(a) The institutions of higher education must make available
33 fee waivers for low-income running start students. Each institution
34 must establish a written policy for the determination of low-income
35 students before offering the fee waiver. A student shall be
36 considered low income and eligible for a fee waiver upon proof that
37 the student is currently qualified to receive free or reduced-price
38 lunch. Acceptable documentation of low-income status may also
39 include, but is not limited to, documentation that a student has been

1 deemed eligible for free or reduced-price lunches in the last five
2 years, or other criteria established in the institution's policy.

3 (b) Institutions of higher education, in collaboration with
4 relevant student associations, shall aim to have students who can
5 benefit from fee waivers take advantage of these waivers.
6 Institutions shall make every effort to communicate to students and
7 their families the benefits of the waivers and provide assistance to
8 students and their families on how to apply. Information about
9 waivers shall, to the greatest extent possible, be incorporated into
10 financial aid counseling, admission information, and individual
11 billing statements. Institutions also shall, to the greatest extent
12 possible, use all means of communication, including but not limited
13 to web sites, online catalogues, admission and registration forms,
14 mass email messaging, social media, and outside marketing to ensure
15 that information about waivers is visible, compelling, and reaches
16 the maximum number of students and families that can benefit.

17 (4) The pupil's school district shall transmit to the institution
18 of higher education an amount per each full-time equivalent college
19 student at statewide uniform rates for vocational and nonvocational
20 students. The superintendent of public instruction shall separately
21 calculate and allocate moneys appropriated for basic education under
22 RCW 28A.150.260 to school districts for purposes of making such
23 payments and for granting school districts seven percent thereof to
24 offset program related costs. (~~The calculations and allocations~~
25 ~~shall be based upon the estimated statewide annual average per full-~~
26 ~~time equivalent high school student allocations under RCW~~
27 ~~28A.150.260, excluding small high school enhancements, and applicable~~
28 ~~rules adopted under chapter 34.05 RCW.))~~

29 (a) In school year 2017-18, the superintendent of public
30 instruction shall allocate six thousand five hundred seventy dollars
31 per full-time equivalent college student to the pupil's school
32 district. Each school year thereafter, this allocation shall be
33 increased by the rate of inflation, as defined in RCW 28A.400.205.

34 (b) For running start career and technical education students,
35 the superintendent of public instruction shall allocate an additional
36 thirteen and one-half percent of the base amount established in (a)
37 of this subsection.

38 (c) The superintendent of public instruction, participating
39 institutions of higher education, and the state board for community
40 and technical colleges shall consult on the calculation and

1 distribution of the funds. The funds received by the institution of
2 higher education from the school district shall not be deemed tuition
3 or operating fees and may be retained by the institution of higher
4 education. A student enrolled under this subsection shall be counted
5 for the purpose of meeting enrollment targets in accordance with
6 terms and conditions specified in the omnibus appropriations act.

7 **Sec. 408.** RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each
8 amended to read as follows:

9 (1) Notwithstanding any other provision of law, the
10 superintendent of public instruction shall adopt such rules as will
11 ensure proper budgetary procedures and practices, including monthly
12 financial statements consistent with the provisions of RCW 43.09.200,
13 and this chapter. By the ((2019-20)) 2018-19 school year, the rules
14 must require school districts to provide separate accounting of state
15 and local revenues to expenditures.

16 (2) If the superintendent of public instruction determines upon a
17 review of the budget of any district that said budget does not comply
18 with the budget procedures established by this chapter or by rules
19 adopted by the superintendent of public instruction, or the
20 provisions of RCW 43.09.200, the superintendent shall give written
21 notice of this determination to the board of directors of the local
22 school district.

23 (3) The local school district, notwithstanding any other
24 provision of law, shall, within thirty days from the date the
25 superintendent of public instruction issues a notice pursuant to
26 subsection (2) of this section, submit a revised budget which meets
27 the requirements of RCW 43.09.200, this chapter, and the rules of the
28 superintendent of public instruction.

29 **Sec. 409.** RCW 28A.510.250 and 2017 3rd sp.s. c 13 s 1004 are
30 each amended to read as follows:

31 (1) On or before the last business day of September 1969 and each
32 month thereafter, the superintendent of public instruction shall
33 apportion from the state general fund to the several educational
34 service districts of the state the proportional share of the total
35 annual amount due and apportionable to such educational service
36 districts for the school districts thereof as follows:

37 September 9%

1	October	.....	8%
2	November	.....	5%
3	December	.....	9%
4	January	.....	8.5%
5	February	.....	((9%))
6			<u>8%</u>
7	March	.....	((9%))
8			<u>8%</u>
9	April	.....	((9%))
10			<u>8.5%</u>
11	May	.....	5%
12	June	.....	6.0%
13	July	.....	12.5%
14	August	.....	((10.0%))
15			<u>12.5%</u>

16 The annual amount due and apportionable shall be the amount
17 apportionable for all apportionment credits estimated to accrue to
18 the schools during the apportionment year beginning September 1st and
19 continuing through August 31st. Appropriations made for school
20 districts for each year of a biennium shall be apportioned according
21 to the schedule set forth in this section for the fiscal year
22 starting September 1st of the then calendar year and ending August
23 31st of the next calendar year, except as provided in subsection (2)
24 of this section. The apportionment from the state general fund for
25 each month shall be an amount which will equal the amount due and
26 apportionable to the several educational service districts during
27 such month: PROVIDED, That any school district may petition the
28 superintendent of public instruction for an emergency advance of
29 funds which may become apportionable to it but not to exceed ten
30 percent of the total amount to become due and apportionable during
31 the school districts apportionment year. The superintendent of public
32 instruction shall determine if the emergency warrants such advance
33 and if the funds are available therefor. If the superintendent
34 determines in the affirmative, he or she may approve such advance
35 and, at the same time, add such an amount to the apportionment for
36 the educational service district in which the school district is
37 located: PROVIDED, That the emergency advance of funds and the
38 interest earned by school districts on the investment of temporary

1 cash surpluses resulting from obtaining such advance of state funds
2 shall be deducted by the superintendent of public instruction from
3 the remaining amount apportionable to said districts during that
4 apportionment year in which the funds are advanced.

5 (2) In the 2010-11 school year, the June apportionment payment to
6 school districts shall be reduced by one hundred twenty-eight million
7 dollars, and an additional apportionment payment shall be made on
8 July 1, 2011, in the amount of one hundred twenty-eight million
9 dollars. This July 1st payment shall be in addition to the regularly
10 calculated July apportionment payment.

11 **Sec. 410.** 2017 3rd sp.s. c 13 s 1005 (uncodified) is amended to
12 read as follows:

13 Section 1004 of this act takes effect September 1, (~~2019~~) 2018.

14 NEW SECTION. **Sec. 411.** The following acts or parts of acts are
15 each repealed:

16 (1) RCW 28A.415.020 (Credit on salary schedule for approved in-
17 service training, continuing education, and internship) and 2011 1st
18 sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2,
19 1990 c 33 s 415, & 1987 c 519 s 1;

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

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

26 NEW SECTION. **Sec. 412.** (1) Section 409 of this act takes effect
27 September 1, 2018.

28 (2) Sections 303 and 307 of this act take effect January 1, 2019.

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