
HOUSE BILL 2776

State of Washington

61st Legislature

2010 Regular Session

By Representatives Sullivan, Priest, Maxwell, Dammeier, Carlyle, Finn, Anderson, Eddy, Nelson, Goodman, Orwall, Hunter, Simpson, Jacks, Kagi, Ormsby, Morrell, Probst, and Santos

Read first time 01/13/10. Referred to Committee on Education Appropriations.

1 AN ACT Relating to funding distribution formulas for K-12
2 education; amending RCW 28A.150.260, 28A.150.390, 28A.150.315,
3 43.41.398, 28A.160.192, and 28A.150.410; amending 2009 c 548 s 112
4 (uncodified); amending 2009 c 548 s 302 (uncodified); amending 2009 c
5 548 s 805 (uncodified); adding a new section to chapter 28A.160 RCW;
6 adding a new section to chapter 28A.290 RCW; adding a new section to
7 chapter 28A.400 RCW; creating a new section; recodifying RCW 43.41.398;
8 providing an effective date; providing an expiration date; and
9 declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** (1) It is the legislature's intent to
12 continue implementation of chapter 548, Laws of 2009, by adopting the
13 technical details of a new distribution formula for the instructional
14 program of basic education and authorizing a phase-in of implementation
15 of a new distribution formula for pupil transportation, both to take
16 effect September 1, 2011. Unless otherwise stated, the numeric values
17 adopted in section 2 of this act represent the translation of 2009-2010
18 state funding levels for the basic education act into the funding
19 factors of the prototypical school funding formula, based on the expert

1 advice and extensive work of the funding formula technical working
2 group established by the legislature for this purpose. The legislature
3 intends to continue to review and revise the formulas and may make
4 revisions as necessary for technical purposes and consistency in the
5 event of mathematical or other technical errors.

6 (2) It is also the legislature's intent to adopt an implementation
7 schedule for phasing-in enhancements to the baseline funding levels of
8 2009-10 beginning in the 2011-12 school year for pupil transportation,
9 class size allocations for grades kindergarten through three, full-day
10 kindergarten, and allocations for maintenance, supplies, and operating
11 costs.

12 (3) Finally, it is the legislature's intent to adjust the timelines
13 for other working groups so that their expertise and advice can be
14 received as soon as possible and to make technical adjustments to
15 certain provisions of chapter 548, Laws of 2009.

16 **Sec. 2.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to
17 read as follows:

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

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

27 (2) The distribution formula under this section shall be for
28 allocation purposes only. Except as may be required under chapter
29 28A.165, 28A.180, 28A.185, or 28A.155 RCW, or federal laws and
30 regulations, nothing in this section requires school districts to use
31 basic education instructional funds to implement a particular
32 instructional approach or service. Nothing in this section requires
33 school districts to maintain a particular classroom teacher-to-student
34 ratio or other staff-to-student ratio or to use allocated funds to pay
35 for particular types or classifications of staff. Nothing in this
36 section entitles an individual teacher to a particular teacher planning
37 period.

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

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

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

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

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

32 (c) The minimum allocation for each level of prototypical school
33 shall be based on the number of full-time equivalent classroom teachers
34 needed to provide instruction over the minimum required annual
35 instructional hours under RCW 28A.150.220 and provide at least one
36 teacher planning period per school day, and based on an average class
37 size as specified in the omnibus appropriations act. The omnibus
38 appropriations act shall at a minimum specify the following:

1 (i) Basic average class size((+)) for:
 2 (A) Grades kindergarten through three 25.23
 3 (B) Grade four 27.00
 4 (C) Grades five and six 27.00
 5 (D) Grades seven and eight 28.53
 6 (E) Grades nine through twelve 28.74

7 (ii) Basic average class size for grades kindergarten through three
 8 shall be reduced each year beginning in the 2011-12 school year and
 9 beginning with schools with the highest percent of students eligible
 10 for free and reduced-price meals in the prior school year until the
 11 following basic average class size is specified beginning in the 2015-
 12 16 school year. 15.00

13 (iii) Average class size in schools where more than fifty percent
 14 of the students are eligible for free and reduced-price meals, which
 15 shall not exceed the average class sizes specified in (c)(i) and (ii)
 16 of this subsection;

17 ((+iii)) (iv) Average class size for:

18 (A) Exploratory and preparatory career and technical education((+))
 19 in middle and high schools 26.57

20 (B) Preparatory career and technical education in skill
 21 centers 22.76

22 (C) Laboratory science((+)) 28.74

23 (D) Advanced placement((+)) and international baccalaureate
 24 courses((+and

25 (iv) Average class size in grades kindergarten through
 26 three.)) 28.74

27 (d) The minimum allocation for each level of prototypical school
 28 shall include allocations for the following types of staff in addition
 29 to classroom teachers:

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
	<u>School</u>	<u>School</u>	<u>School</u>

30 (i) Principals, including
 31 assistant principals, and
 32 other certificated building-level
 33 administrators((+)) 1.253 1.353 1.880

34 (ii) Teacher librarians,
 35 performing functions including
 36 information literacy, technology,
 37
 38

1 and media to support school
2 library media programs((+)) 0.663 0.519 0.523
3 (iii) Student health services,
4 a function that includes
5 school nurses, whether
6 certificated instructional
7 or classified employee, and
8 social workers((+)) 0.135 0.068 0.118
9 (iv) Guidance counselors,
10 performing functions including
11 parent outreach and graduation
12 advisor((+)) 0.493 1.116 1.909
13 ~~((v)) ((Professional development coaches;~~
14 ~~(+vi)) Teaching assistance,~~
15 which includes any aspect of
16 educational instructional
17 services provided by classified
18 employees((+)) 0.917 0.685 0.638
19 ~~((+vii)) (vi) Office support((, technology support,))~~
20 and other noninstructional
21 aides((+)) 1.971 2.277 3.201
22 ~~((+viii)) (vii) Custodians((, warehouse,~~
23 ~~maintenance, laborer, and professional~~
24 ~~and technical education support~~
25 ~~employees; and)) 1.622 1.902 2.903
26 ~~((+ix)) (viii) Classified~~
27 staff providing student and staff
28 safety 0.077 0.090 0.138
29 (e) The distribution formula shall include staffing allocations to
30 school districts for career and technical education and skill center
31 administrative staff, as specified in the omnibus appropriations act.
32 (4)(a) The minimum allocation for each school district shall
33 include allocations per annual average full-time equivalent student for
34 the following materials, supplies, and operating costs, which shall be
35 adjusted annually for inflation from the following 2008-09 school year
36 funding values as specified in the omnibus appropriations act:
37 ((Student))
38 (i) Technology((+)) \$54.43~~

1	<u>(ii) Utilities((+)) and insurance</u>	<u>\$147.90</u>
2	<u>(iii) Curriculum((τ)) and textbooks((τ))</u>	<u>\$58.44</u>
3	<u>(iv) Other supplies and library</u>	
4	<u>materials((τ, and instructional suppliesτ))</u>	<u>\$124.07</u>
5	<u>(v) Instructional professional development</u>	
6	<u>for both certificated and classified</u>	
7	<u>staff((τ other building level costs</u>	
8	<u>including))</u>	<u>\$9.04</u>
9	<u>(vi) Facilities maintenance((τ, custodial, and))</u>	<u>\$73.27</u>
10	<u>(vii) Security((+)) and central office</u>	
11	<u>administration((τ))</u>	<u>\$50.76</u>
12	<u>(b) Beginning in the 2011-12 school year, the allocations based on</u>	
13	<u>the funding values in (a) of this subsection shall be increased</u>	
14	<u>annually after being adjusted for inflation until the following 2007-08</u>	
15	<u>school year funding values, adjusted for inflation, are provided in the</u>	
16	<u>2013-14 school year, after which the funding values shall be adjusted</u>	
17	<u>annually for inflation as specified in the omnibus appropriations act:</u>	
18	<u>(i) Technology</u>	<u>\$113.80</u>
19	<u>(ii) Utilities and insurance</u>	<u>\$309.21</u>
20	<u>(iii) Curriculum and textbooks</u>	<u>\$122.17</u>
21	<u>(iv) Other supplies and library materials</u>	<u>\$259.39</u>
22	<u>(v) Instructional professional development for both</u>	
23	<u>certificated and classified staff</u>	<u>\$18.89</u>
24	<u>(vi) Facilities maintenance</u>	<u>\$153.18</u>
25	<u>(vii) Security and central office administration</u>	<u>\$106.12</u>
26	<u>(c) The annual average full-time equivalent student amounts in (a)</u>	
27	<u>and (b) of this subsection shall be ((enhanced)) multiplied by the</u>	
28	<u>following minimum percentages based on full-time equivalent student</u>	
29	<u>enrollment in the following courses:</u>	
30	<u>(i) Exploratory career and technical education courses for students</u>	
31	<u>in grades seven through twelve((τ laboratory science courses for</u>	
32	<u>students in grades nine through twelveτ))</u>	<u>247.54%</u>
33	<u>(ii) Preparatory career and technical education courses for</u>	
34	<u>students in grades nine through twelve offered in a high school((τ</u>	
35	<u>and))</u>	<u>247.54%</u>
36	<u>(iii) Preparatory career and technical education courses for</u>	
37	<u>students in grades eleven and twelve offered through a skill</u>	
38	<u>center((τ))</u>	<u>224.65%</u>

1 (5) The allocations provided under subsections (3) and (4) of this
2 section shall be enhanced as follows to provide additional allocations
3 for classroom teachers and maintenance, supplies, and operating costs:

4 (a) To provide supplemental instruction and services for
5 underachieving students through the learning assistance program under
6 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
7 prior year enrollment and prior year percent of students in each school
8 who are eligible for free and reduced-price meals. The minimum
9 allocation for the learning assistance program shall provide ((an
10 extended school day and extended school year)) the following resources
11 for each level of prototypical school ((and a per student allocation
12 for maintenance, supplies, and operating costs.)), on a statewide
13 average:

14 Instructional hours per week in a
15 class size of fifteen 1.5156

16 (b) To provide supplemental instruction and services for students
17 whose primary language is other than English, allocations shall be
18 based on the number of students in each school who are eligible for and
19 enrolled in the transitional bilingual instruction program under RCW
20 28A.180.010 through 28A.180.080. The minimum allocation for each level
21 of prototypical school shall provide ((for supplemental instruction
22 based on percent of the school day a student is assumed to receive
23 supplemental instruction and a per student allocation for maintenance,
24 supplies, and operating costs.)), on a statewide average, the following
25 resources:

26 Instructional hours per week in a
27 class size of fifteen 4.778

28 (6) The allocations provided under subsections (3) and (4) of this
29 section shall be enhanced to provide additional allocations to support
30 programs for highly capable students under RCW 28A.185.010 through
31 28A.185.030, based on two and three hundred fourteen one-thousandths
32 percent of each school district's full-time equivalent enrollment. The
33 minimum allocation for the programs shall provide ((an extended school
34 day and extended school year)) the following resources for each level
35 of prototypical school ((and a per student allocation for maintenance,
36 supplies, and operating costs.)), on a statewide average:

37 Instructional hours per week in a
38 class size of fifteen 2.159

1 (7) The allocations under subsections (3)(b), (c) (i) and (ii), and
2 (d), (4) (a) and (b), ~~((and))~~ (8), and (9) of this section shall be
3 enhanced as provided under RCW 28A.150.390 on an excess cost basis to
4 provide supplemental instructional resources for students with
5 disabilities.

6 (8) The distribution formula shall include minimum staffing
7 allocations per one thousand annual average full-time equivalent
8 students enrolled in grades kindergarten through twelve in the district
9 for the following district-wide support activities:

10 (a) Technology support 0.615

11 (b) Facilities maintenance and grounds 1.776

12 (c) Warehouse, laborers, and mechanics 0.325

13 (9) The distribution formula shall include allocations to school
14 districts to support certificated and classified staffing of central
15 office administration. The minimum staffing units allocation shall be
16 calculated as ~~((a percentage, identified in the omnibus appropriations~~
17 ~~act,)) five and three-tenths percent of the total staffing units
18 allocations ~~((for staff))~~ under subsections (3)(c)(i) and (d) and
19 ~~((6))~~ (8) of this section for all schools in the district.~~

20 ~~((9))~~ (10)(a) For the purposes of allocations for prototypical
21 high schools and middle schools under subsections (3) and (5) of this
22 section that are based on the percent of students in the school who are
23 eligible for free and reduced-price meals, the actual percent of such
24 students in a school shall be adjusted by a factor identified in the
25 omnibus appropriations act to reflect underreporting of free and
26 reduced-price meal eligibility among middle and high school students.

27 (b) Allocations or enhancements provided under subsections (3) and
28 (4) of this section for exploratory and preparatory career and
29 technical education courses shall be provided only for courses approved
30 by the office of the superintendent of public instruction under chapter
31 28A.700 RCW.

32 ~~((10))~~ (11)(a) This formula for distribution of basic education
33 funds shall be reviewed biennially by the superintendent and governor.
34 The recommended formula shall be subject to approval, amendment or
35 rejection by the legislature.

36 (b) In the event the legislature rejects the distribution formula
37 recommended by the governor, without adopting a new distribution

1 formula, the distribution formula for the previous school year shall
2 remain in effect.

3 (c) The enrollment of any district shall be the annual average
4 number of full-time equivalent students and part-time students as
5 provided in RCW 28A.150.350, enrolled on the first school day of each
6 month, including students who are in attendance pursuant to RCW
7 28A.335.160 and 28A.225.250 who do not reside within the servicing
8 school district. The definition of full-time equivalent student shall
9 be determined by rules of the superintendent of public instruction and
10 shall be included as part of the superintendent's biennial budget
11 request. The definition shall be based on the minimum instructional
12 hour offerings required under RCW 28A.150.220. Any revision of the
13 present definition shall not take effect until approved by the house
14 ways and means committee and the senate ways and means committee.

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

18 **Sec. 3.** RCW 28A.150.390 and 2009 c 548 s 108 are each amended to
19 read as follows:

20 (1) The superintendent of public instruction shall submit to each
21 regular session of the legislature during an odd-numbered year a
22 programmed budget request for special education programs for students
23 with disabilities. Funding for programs operated by local school
24 districts shall be on an excess cost basis from appropriations provided
25 by the legislature for special education programs for students with
26 disabilities and shall take account of state funds accruing through RCW
27 28A.150.260 (3) (b), (c) (i) and (ii), and (d), (4) (a) and (b),
28 ~~((and)) (8) ((and federal medical assistance and private funds accruing~~
29 ~~under RCW 74.09.5249 through 74.09.5253 and 74.09.5254 through~~
30 ~~74.09.5256)), and (9).~~

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

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

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

5 (3) As used in this section:

6 (a) "Base allocation" means the total state allocation to all
7 schools in the district generated by the distribution formula under RCW
8 28A.150.260 (3) (b), (c) (i) and (ii), and (d), (4) (a) and (b),
9 ~~((and))~~ (8), and (9), to be divided by the district's full-time
10 equivalent enrollment.

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

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

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

23 **Sec. 4.** RCW 28A.150.315 and 2009 c 548 s 107 are each amended to
24 read as follows:

25 (1) Beginning with the 2007-08 school year, funding for voluntary
26 all-day kindergarten programs shall be phased-in beginning with schools
27 with the highest poverty levels, defined as those schools with the
28 highest percentages of students qualifying for free and reduced-price
29 lunch support in the prior school year. Beginning with the 2011-12
30 school year, funding shall continue to be phased-in incrementally each
31 year until full statewide implementation of all-day kindergarten is
32 achieved in the 2017-18 school year. Once a school receives funding
33 for the all-day kindergarten program, that school shall remain eligible
34 for funding in subsequent school years regardless of changes in the
35 school's percentage of students eligible for free and reduced-price
36 lunches as long as other program requirements are fulfilled.

1 Additionally, schools receiving all-day kindergarten program support
2 shall agree to the following conditions:

3 (a) Provide at least a one thousand-hour instructional program;

4 (b) Provide a curriculum that offers a rich, varied set of
5 experiences that assist students in:

6 (i) Developing initial skills in the academic areas of reading,
7 mathematics, and writing;

8 (ii) Developing a variety of communication skills;

9 (iii) Providing experiences in science, social studies, arts,
10 health and physical education, and a world language other than English;

11 (iv) Acquiring large and small motor skills;

12 (v) Acquiring social and emotional skills including successful
13 participation in learning activities as an individual and as part of a
14 group; and

15 (vi) Learning through hands-on experiences;

16 (c) Establish learning environments that are developmentally
17 appropriate and promote creativity;

18 (d) Demonstrate strong connections and communication with early
19 learning community providers; and

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

22 (2) Subject to funds appropriated for this purpose, the
23 superintendent of public instruction shall designate one or more school
24 districts to serve as resources and examples of best practices in
25 designing and operating a high-quality all-day kindergarten program.
26 Designated school districts shall serve as lighthouse programs and
27 provide technical assistance to other school districts in the initial
28 stages of implementing an all-day kindergarten program. Examples of
29 topics addressed by the technical assistance include strategic
30 planning, developing the instructional program and curriculum, working
31 with early learning providers to identify students and communicate with
32 parents, and developing kindergarten program readiness activities.

33 **Sec. 5.** 2009 c 548 s 112 (uncodified) is amended to read as
34 follows:

35 (1) The legislature intends to continue to redefine the
36 instructional program of education under RCW 28A.150.220 that fulfills
37 the obligations and requirements of Article IX of the state

1 Constitution. The funding formulas under RCW 28A.150.260 to support
2 the instructional program shall be implemented to the extent the
3 technical details of the formula have been established and according to
4 an implementation schedule to be adopted by the legislature. The
5 object of the schedule is to assure that any increases in funding
6 allocations are timely, predictable, and occur concurrently with any
7 increases in program or instructional requirements. It is the intent
8 of the legislature that no increased programmatic or instructional
9 expectations be imposed upon schools or school districts without an
10 accompanying increase in resources as necessary to support those
11 increased expectations.

12 (2) The office of financial management, with assistance and support
13 from the office of the superintendent of public instruction, shall
14 convene a technical working group to:

15 (a) Develop the details of the funding formulas under RCW
16 28A.150.260;

17 (b) Recommend to the legislature an implementation schedule for
18 phasing-in any increased program or instructional requirements
19 concurrently with increases in funding for adoption by the legislature;
20 and

21 (c) Examine possible sources of revenue to support increases in
22 funding allocations and present options to the legislature and the
23 quality education council created in section 114 of this act for
24 consideration.

25 (3) The working group shall include representatives of the
26 legislative evaluation and accountability program committee, school
27 district and educational service district financial managers, the
28 Washington association of school business officers, the Washington
29 education association, the Washington association of school
30 administrators, the association of Washington school principals, the
31 Washington state school directors' association, the public school
32 employees of Washington, and other interested stakeholders with
33 expertise in education finance. The working group may convene advisory
34 subgroups on specific topics as necessary to assure participation and
35 input from a broad array of diverse stakeholders.

36 (4) The working group shall be monitored and overseen by the
37 legislature and the quality education council established in (~~section~~

1 ~~114 of this act~~) RCW 28A.290.010. The working group shall submit its
2 recommendations to the legislature by December 1, 2009.

3 (5) After the 2009 report to the legislature, the office of
4 financial management and the office of the superintendent of public
5 instruction shall periodically reconvene the working group to monitor
6 and provide advice on further development and implementation of the
7 funding formulas under RCW 28A.150.260 and provide technical assistance
8 to the ongoing work of the quality education council.

9 **Sec. 6.** 2009 c 548 s 302 (uncodified) is amended to read as
10 follows:

11 (1) Beginning ((July)) April 1, 2010, the office of financial
12 management, with assistance and support from the office of the
13 superintendent of public instruction, shall convene a technical working
14 group to develop options for a new system of supplemental school
15 funding through local school levies and local effort assistance.

16 (2) The working group shall consider the impact on overall school
17 district revenues of the new basic education funding system established
18 under this act and shall recommend a phase-in plan that ensures that no
19 school district suffers a decrease in funding from one school year to
20 the next due to implementation of the new system of supplemental
21 funding.

22 (3) The working group shall also:

23 (a) Examine local school district capacity to address facility
24 needs associated with phasing-in full-day kindergarten across the state
25 and reducing class size in kindergarten through third grade; and

26 (b) Provide the quality education council with analysis on the
27 potential use of local funds that may become available for redeployment
28 and redirection as a result of increased state funding allocations for
29 pupil transportation and maintenance, supplies, and operating costs.

30 (4) The working group shall be composed of representatives from the
31 department of revenue, the legislative evaluation and accountability
32 program committee, school district and educational service district
33 financial managers, and representatives of the Washington association
34 of school business officers, the Washington education association, the
35 Washington association of school administrators, the association of
36 Washington school principals, the Washington state school directors'
37 association, the public school employees of Washington, and other

1 interested stakeholders with expertise in education finance. The
2 working group may convene advisory subgroups on specific topics as
3 necessary to assure participation and input from a broad array of
4 diverse stakeholders.

5 ~~((+4))~~ (5) The local funding working group shall be monitored and
6 overseen by the legislature and by the quality education council
7 created in ~~((section 114 of this act))~~ RCW 28A.290.010. The working
8 group shall report to the legislature December 1, ~~((2011))~~ 2010.

9 **Sec. 7.** RCW 43.41.398 and 2009 c 548 s 601 are each amended to
10 read as follows:

11 (1) The legislature recognizes that providing students with the
12 opportunity to access a world-class educational system depends on our
13 continuing ability to provide students with access to world-class
14 educators. The legislature also understands that continuing to attract
15 and retain the highest quality educators will require increased
16 investments. The legislature intends to enhance the current salary
17 allocation model and recognizes that changes to the current model
18 cannot be imposed without great deliberation and input from teachers,
19 administrators, and classified employees. Therefore, it is the intent
20 of the legislature to begin the process of developing an enhanced
21 salary allocation model that is collaboratively designed to ensure the
22 rationality of any conclusions regarding what constitutes adequate
23 compensation.

24 (2) Beginning ~~((July 1, 2011))~~ April 1, 2010, the office of the
25 superintendent of public instruction, in collaboration with the office
26 of financial management, shall convene a technical working group to
27 recommend the details of an enhanced salary allocation model that
28 aligns state expectations for educator development and certification
29 with the compensation system and establishes recommendations for a
30 concurrent implementation schedule. In addition to any other details
31 the technical working group deems necessary, the technical working
32 group shall make recommendations on the following:

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

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

36 (c) How to account for different geographic regions of the state

1 where districts may encounter difficulty recruiting and retaining
2 teachers;

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

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

6 (f) Initial fiscal estimates for implementing the recommendations
7 including a recognition that staff on the existing salary allocation
8 model would have the option to grandfather in permanently to the
9 existing schedule.

10 (3) As part of its work, the technical working group shall conduct
11 or contract for a preliminary comparative labor market analysis of
12 salaries and other compensation for school district employees to be
13 conducted and shall include the results in any reports to the
14 legislature. For the purposes of this subsection, "salaries and other
15 compensation" includes average base salaries, average total salaries,
16 average employee basic benefits, and retirement benefits.

17 (4) The analysis required under subsection (1) of this section
18 must:

19 (a) Examine salaries and other compensation for teachers, other
20 certificated instructional staff, principals, and other building-level
21 certificated administrators, and the types of classified employees for
22 whom salaries are allocated;

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

26 (c) Include a comparison of salaries and other compensation to the
27 appropriate labor market for at least the following subgroups of
28 educators: Beginning teachers and types of educational staff
29 associates.

30 (5) The working group shall include representatives of the
31 department of personnel, the professional educator standards board, the
32 office of the superintendent of public instruction, the Washington
33 education association, the Washington association of school
34 administrators, the association of Washington school principals, the
35 Washington state school directors' association, the public school
36 employees of Washington, and other interested stakeholders with
37 appropriate expertise in compensation related matters. The working

1 group may convene advisory subgroups on specific topics as necessary to
2 assure participation and input from a broad array of diverse
3 stakeholders.

4 (6) The working group shall be monitored and overseen by the
5 legislature and the quality education council created in RCW
6 28A.290.010. The working group shall make an initial report to the
7 legislature by December 1, 2012, and shall include in its report
8 recommendations for whether additional further work of the group is
9 necessary.

10 **Sec. 8.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to
11 read as follows:

12 (1) The superintendent of public instruction shall phase-in the
13 implementation of the distribution formula under this chapter for
14 allocating state funds to school districts for the transportation of
15 students to and from school. The phase-in shall (~~be according to the~~
16 ~~implementation schedule adopted by the legislature and shall~~) begin no
17 later than the (~~2013-14~~) 2011-12 school year and be fully implemented
18 by the 2013-14 school year.

19 (a) The formula must be developed and revised on an ongoing basis
20 using the major cost factors in student transportation, including basic
21 and special student loads, school district land area, average distance
22 to school, roadway miles, and number of locations served. Factors must
23 include all those site characteristics that are statistically
24 significant after analysis of the data required by the revised
25 reporting process.

26 (b) The formula must allocate funds to school districts based on
27 the average predicted costs of transporting students to and from
28 school, using a regression analysis.

29 (2) During the phase-in period, funding provided to school
30 districts for student transportation operations shall be distributed on
31 the following basis:

32 (a) Annually, each school district shall receive the lesser of the
33 previous school year's pupil transportation operations allocation, or
34 the total of allowable pupil transportation expenditures identified on
35 the previous school year's final expenditure report to the state plus
36 district indirect expenses using the state recovery rate identified by
37 the superintendent; and

1 (b) Annually, any funds appropriated by the legislature in excess
2 of the maintenance level funding amount for student transportation
3 shall be distributed among school districts on a prorated basis using
4 the difference between the amount identified in (a) of this subsection
5 and the amount determined under the formula in RCW 28A.160.180.

6 ~~((3) The superintendent shall develop, implement, and provide a
7 copy of the rules specifying the student transportation reporting
8 requirements to the legislature and school districts no later than
9 December 1, 2009.~~

10 ~~(4) Beginning in December 2009, and continuing until December 2014,
11 the superintendent shall provide quarterly updates and progress reports
12 to the fiscal committees of the legislature on the implementation and
13 testing of the distribution formula.)~~

14 NEW SECTION. **Sec. 9.** A new section is added to chapter 28A.160
15 RCW to read as follows:

16 (1) The superintendent of public instruction shall develop,
17 implement, and provide a copy of the rules specifying the student
18 transportation reporting requirements to the legislature and school
19 districts no later than December 1, 2010.

20 (2) Beginning in December 2010, and continuing until December 2014,
21 the superintendent shall provide quarterly updates and progress reports
22 to the fiscal committees of the legislature on the implementation and
23 testing of the distribution formula.

24 (3) This section expires June 30, 2015.

25 **Sec. 10.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to
26 read as follows:

27 (1) The legislature shall establish for each school year in the
28 appropriations act a statewide salary allocation schedule, for
29 allocation purposes only, to be used to distribute funds for basic
30 education certificated instructional staff salaries under RCW
31 28A.150.260. For the purposes of this section, the staff allocations
32 for classroom teachers, teacher librarians, professional development
33 coaches, guidance counselors, and student health services staff under
34 RCW 28A.150.260 are considered allocations for certificated
35 instructional staff.

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

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

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

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

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

29 **Sec. 11.** 2009 c 548 s 805 (uncodified) is amended to read as
30 follows:

31 Sections 304 through 311 of this act take effect September 1,
32 ((2013)) 2011.

33 NEW SECTION. **Sec. 12.** 2009 c 548 s 112, as amended by section 5
34 of this act, is codified as a section in chapter 28A.290 RCW.

1 NEW SECTION. **Sec. 13.** RCW 43.41.398 is recodified as a section in
2 chapter 28A.400 RCW.

3 NEW SECTION. **Sec. 14.** Sections 2, 3, 4, 8, and 10 of this act
4 take effect September 1, 2011.

5 NEW SECTION. **Sec. 15.** Sections 6 and 7 of this act are necessary
6 for the immediate preservation of the public peace, health, or safety,
7 or support of the state government and its existing public
8 institutions, and take effect immediately.

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