
SENATE BILL 6563

State of Washington

63rd Legislature

2014 Regular Session

By Senator Baumgartner

Read first time 02/11/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to basic education; amending RCW 28A.150.260,
2 28A.150.410, 28A.400.200, 41.32.010, 41.35.010, 41.40.010, 28B.15.067,
3 and 43.215.405; adding a new section to chapter 28A.625 RCW; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that the
7 education required under Article IX, section 1 of the state
8 Constitution consists of the opportunity for students to obtain the
9 knowledge and skills through the instructional program of basic
10 education as defined by the legislature. The legislature further
11 recognizes that the state supreme court has previously found and
12 recently reaffirmed in *McCleary v. State*, 173 Wn.2d 477 (2012), that
13 the instructional program of basic education is not etched in
14 constitutional stone and that the legislature has an obligation to
15 review and refine the program. The legislature further recognizes that
16 the court specifically advised that, "From time to time, the
17 legislature will need to evaluate whether new offerings must be
18 included in the basic education program. Likewise, the importance of
19 certain programs or offerings may prove less compelling over time."

1 The legislature also recognizes that the court has determined that any
2 reduction of programs or offerings from the basic education program
3 must be accompanied by an educational policy rationale.

4 The legislature intends to continue to make improvements to the
5 evolving program of basic education and to strategically target those
6 areas in which emerging education policy research shows better and more
7 effective and efficient strategies for providing basic education
8 opportunities for students. The legislature finds that the Washington
9 state institute for public policy has recently reviewed a large number
10 of creditable educational studies regarding the positive relationship
11 between both participation in early learning programs and also class
12 size reductions in the earliest grades leading to improvement in
13 student achievement. The legislature further finds that the
14 institute's January 2013 report demonstrates that reducing class size
15 in kindergarten and first grade provides the highest probability of
16 producing a favorable outcome and that the net benefits of class size
17 reductions in those grade levels are substantially larger than in later
18 grades. The legislature also finds that a critical factor in the
19 eventual successful outcome of a basic education is for students to
20 begin school ready, both intellectually and socially, to learn. The
21 institute's January 2014 report that reviewed early childhood education
22 for low-income students found that the long-term benefits of such a
23 program have a high probability of outweighing the costs. The
24 legislature also finds that recent increases in tuition rates charged
25 to students attending state institutions of higher education have had
26 a significant negative impact on students' ability to access higher
27 education opportunities and that the state's investment of fiscal
28 resources in basic education must include a substantial effort by the
29 state to improve the availability of higher education opportunities for
30 the graduates of the common schools.

31 Therefore, the legislature intends to provide additional
32 investments to improve the state's program of basic education by
33 expanding eligibility for early learning programs, continuing class-
34 size reductions in kindergarten and grade one, and providing an
35 increased opportunity for all qualified students to be able to
36 financially afford higher education.

1 **Sec. 2.** RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each
2 amended to read as follows:

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

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

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

23 (3)(a) To the extent the technical details of the formula have been
24 adopted by the legislature and except when specifically provided as a
25 school district allocation, the distribution formula for the basic
26 education instructional allocation shall be based on minimum staffing
27 and nonstaff costs the legislature deems necessary to support
28 instruction and operations in prototypical schools serving high,
29 middle, and elementary school students as provided in this section.
30 The use of prototypical schools for the distribution formula does not
31 constitute legislative intent that schools should be operated or
32 structured in a similar fashion as the prototypes. Prototypical
33 schools illustrate the level of resources needed to operate a school of
34 a particular size with particular types and grade levels of students
35 using commonly understood terms and inputs, such as class size, hours
36 of instruction, and various categories of school staff. It is the
37 intent that the funding allocations to school districts be adjusted
38 from the school prototypes based on the actual number of annual average

1 full-time equivalent students in each grade level at each school in the
2 district and not based on the grade-level configuration of the school
3 to the extent that data is available. The allocations shall be further
4 adjusted from the school prototypes with minimum allocations for small
5 schools and to reflect other factors identified in the omnibus
6 appropriations act.

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

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

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

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

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

	General education average class size
24	
25	
26	
27	Grades K-3 25.23
28	Grade 4 27.00
29	Grades 5-6 27.00
30	Grades 7-8 28.53
31	Grades 9-12 28.74

32 (b) During the 2011-2013 biennium and beginning with schools with
33 the highest percentage of students eligible for free and reduced-price
34 meals in the prior school year, the general education average class
35 size for grades ((K-3)) K-1 shall be reduced until the average class
36 size funded under this subsection (4) is no more than 17.0 full-time
37 equivalent students per teacher beginning in the 2017-18 school year.

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

	Career and technical	
	education average	
	class size	
5		
6		
7		
8	Approved career and technical education offered at	
9	the middle school and high school level	26.57
10	Skill center programs meeting the standards established	
11	by the office of the superintendent of public	
12	instruction	22.76

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

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

18 (ii) A specialty average class size for laboratory science,
 19 advanced placement, and international baccalaureate courses.

20 (5) The minimum allocation for each level of prototypical school
 21 shall include allocations for the following types of staff in addition
 22 to classroom teachers:
 23
 24

	Elementary	Middle	High
	School	School	School
25			
26			
27	Principals, assistant principals, and other certificated building-level		
28	administrators	1.253	1.353 1.880
29	Teacher librarians, a function that includes information literacy, technology,		
30	and media to support school library media programs	0.663	0.519 0.523
31	Health and social services:		
32	School nurses	0.076	0.060 0.096
33	Social workers	0.042	0.006 0.015
34	Psychologists	0.017	0.002 0.007

1	Guidance counselors, a function that includes parent outreach and graduation			
2	advising	0.493	1.116	1.909
3	Teaching assistance, including any aspect of educational instructional			
4	services provided by classified employees	0.936	0.700	0.652
5	Office support and other noninstructional aides	2.012	2.325	3.269
6	Custodians	1.657	1.942	2.965
7	Classified staff providing student and staff safety	0.079	0.092	0.141
8	Parent involvement coordinators	0.00	0.00	0.00

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

13			Staff per 1,000
14			K-12 students
15	Technology		0.628
16	Facilities, maintenance, and grounds		1.813
17	Warehouse, laborers, and mechanics		0.332

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

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

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

32			Per annual average
33			full-time equivalent student
34			in grades K-12
35	Technology		\$54.43
36	Utilities and insurance		\$147.90

1	Curriculum and textbooks	\$58.44
2	Other supplies and library materials	\$124.07
3	Instructional professional development for certified and	
4	classified staff	\$9.04
5	Facilities maintenance	\$73.27
6	Security and central office	\$50.76

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

14		Per annual average
15		full-time equivalent student
16		in grades K-12
17	Technology	\$113.80
18	Utilities and insurance	\$309.21
19	Curriculum and textbooks	\$122.17
20	Other supplies and library materials	\$259.39
21	Instructional professional development for certificated and	
22	classified staff	\$18.89
23	Facilities maintenance	\$153.18
24	Security and central office administration	\$106.12

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

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

30 (b) Laboratory science courses for students in grades nine through
31 twelve;

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

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

36 (10) In addition to the allocations otherwise provided under this

1 section, amounts shall be provided to support the following programs
2 and services:

3 (a) To provide supplemental instruction and services for
4 underachieving students through the learning assistance program under
5 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
6 district percentage of students in grades K-12 who were eligible for
7 free or reduced-price meals in the prior school year. The minimum
8 allocation for the program shall provide for each level of prototypical
9 school resources to provide, on a statewide average, (~~(1.5156)~~) 2.6175
10 hours per week in extra instruction with a class size of fifteen
11 learning assistance program students per teacher.

12 (b) To provide supplemental instruction and services for students
13 whose primary language is other than English, allocations shall be
14 based on the head count number of students in each school who are
15 eligible for and enrolled in the transitional bilingual instruction
16 program under RCW 28A.180.010 through 28A.180.080. The minimum
17 allocation for each level of prototypical school shall provide
18 resources to provide, on a statewide average, 4.7780 hours per week in
19 extra instruction with fifteen transitional bilingual instruction
20 program students per teacher. Notwithstanding other provisions of this
21 subsection (10), the actual per-student allocation may be scaled to
22 provide a larger allocation for students needing more intensive
23 intervention and a commensurate reduced allocation for students needing
24 less intensive intervention, as detailed in the omnibus appropriations
25 act.

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

34 (11) The allocations under subsections (4)(a) and (b), (5), (6),
35 and (8) of this section shall be enhanced as provided under RCW
36 28A.150.390 on an excess cost basis to provide supplemental
37 instructional resources for students with disabilities.

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

8 (b) Allocations or enhancements provided under subsections (4),
9 (7), and (9) of this section for exploratory and preparatory career and
10 technical education courses shall be provided only for courses approved
11 by the office of the superintendent of public instruction under chapter
12 28A.700 RCW.

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

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

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

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

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.625
37 RCW to read as follows:

1 (1) The top teacher recognition grant program is established to
2 encourage excellence in the classroom teaching ranks and to recognize
3 the most outstanding classroom teachers in Washington state.

4 (2) Subject to available funds provided specifically in the omnibus
5 appropriations act for this purpose, each educational service district
6 shall provide a grant to each individual teacher, up to the top two
7 percent of teachers who are teaching in a school district within the
8 educational service district, based on merit as determined by the
9 educational service district.

10 (3) Each grant recipient shall be chosen and certified by the
11 educational service district board of directors from a list of nominees
12 submitted by each school district's board of directors. The school
13 district board's nominees shall be selected from a list of candidates
14 submitted by the district's school principals using selection criteria
15 and a process developed by the board after receiving input from the
16 community.

17 (4) Each two-year grant shall be calculated as the amount of
18 additional funds needed to provide the selected individual teacher's
19 total salary, consisting of state plus local funding, of an amount
20 equal to one hundred thousand dollars annually.

21 (5) The grants are not:

22 (a) Subject to the collective bargaining laws in chapter 41.59 RCW;

23 (b) Considered salary, compensation, or a supplemental contract for
24 the purposes of RCW 28A.150.410 and 28A.400.200 and chapter 41.59 RCW;
25 or

26 (c) Included for the purposes of computing a retirement allowance
27 under any public retirement system in this state.

28 **Sec. 4.** RCW 28A.150.410 and 2010 c 236 s 10 are each amended to
29 read as follows:

30 (1)(a) The legislature shall establish for each school year in the
31 appropriations act a statewide salary allocation schedule, for
32 allocation purposes only, to be used to distribute funds for basic
33 education certificated instructional staff salaries under RCW
34 28A.150.260.

35 (b) For the purposes of this section, the staff allocations for
36 classroom teachers, teacher librarians, guidance counselors, and

1 student health services staff under RCW 28A.150.260 are considered
2 allocations for certificated instructional staff.

3 (c) For purposes of this section, teacher recognition grants
4 authorized under section 3 of this act are not considered allocations
5 for certificated instructional staff.

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

12 (3) Beginning January 1, 1992, no more than ninety college quarter-
13 hour credits received by any employee after the baccalaureate degree
14 may be used to determine compensation allocations under the state
15 salary allocation schedule and LEAP documents referenced in the omnibus
16 appropriations act, or any replacement schedules and 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, the calculation of years
21 of service for occupational therapists, physical therapists, speech-
22 language pathologists, audiologists, nurses, social workers,
23 counselors, and psychologists regulated under Title 18 RCW may include
24 experience in schools and other nonschool positions as occupational
25 therapists, physical therapists, speech-language pathologists,
26 audiologists, nurses, social workers, counselors, or psychologists.
27 The calculation shall be that one year of service in a nonschool
28 position counts as one year of service for purposes of this chapter, up
29 to a limit of two years of nonschool service. Nonschool years of
30 service included in calculations under this subsection shall not be
31 applied to service credit totals for purposes of any retirement benefit
32 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement
33 system benefits.

34 **Sec. 5.** RCW 28A.400.200 and 2010 c 235 s 401 are each amended to
35 read as follows:

36 (1) Every school district board of directors shall fix, alter,

1 allow, and order paid salaries and compensation for all district
2 employees in conformance with this section.

3 (2)(a) Salaries for certificated instructional staff shall not be
4 less than the salary provided in the appropriations act in the
5 statewide salary allocation schedule for an employee with a
6 baccalaureate degree and zero years of service; and

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

11 (3)(a) The actual average salary paid to certificated instructional
12 staff shall not exceed the district's average certificated
13 instructional staff salary used for the state basic education
14 allocations for that school year as determined pursuant to RCW
15 28A.150.410.

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

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

36 (4) Salaries and benefits for certificated instructional staff may
37 exceed the limitations in subsection (3) of this section only by
38 separate contract for additional time, for additional responsibilities,

1 for incentives, or for implementing specific measurable innovative
2 activities, including professional development, specified by the school
3 district to: (a) Close one or more achievement gaps, (b) focus on
4 development of science, technology, engineering, and mathematics (STEM)
5 learning opportunities, or (c) provide arts education. Beginning
6 September 1, 2011, school districts shall annually provide a brief
7 description of the innovative activities included in any supplemental
8 contract to the office of the superintendent of public instruction.
9 The office of the superintendent of public instruction shall summarize
10 the district information and submit an annual report to the education
11 committees of the house of representatives and the senate.
12 Supplemental contracts shall not cause the state to incur any present
13 or future funding obligation. Supplemental contracts shall be subject
14 to the collective bargaining provisions of chapter 41.59 RCW and the
15 provisions of RCW 28A.405.240, shall not exceed one year, and if not
16 renewed shall not constitute adverse change in accordance with RCW
17 28A.405.300 through 28A.405.380. No district may enter into a
18 supplemental contract under this subsection for the provision of
19 services which are a part of the basic education program required by
20 Article IX, section 3 of the state Constitution.

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

23 (6) Teacher recognition grants authorized in section 3 of this act
24 are not included as salary under this section and may not be included
25 in salary limitations.

26 **Sec. 6.** RCW 41.32.010 and 2012 c 236 s 3 are each amended to read
27 as follows:

28 As used in this chapter, unless a different meaning is plainly
29 required by the context:

30 (1)(a) "Accumulated contributions" for plan 1 members, means the
31 sum of all regular annuity contributions and, except for the purpose of
32 withdrawal at the time of retirement, any amount paid under RCW
33 41.50.165(2) with regular interest thereon.

34 (b) "Accumulated contributions" for plan 2 members, means the sum
35 of all contributions standing to the credit of a member in the member's
36 individual account, including any amount paid under RCW 41.50.165(2),
37 together with the regular interest thereon.

1 (2) "Actuarial equivalent" means a benefit of equal value when
2 computed upon the basis of such mortality tables and regulations as
3 shall be adopted by the director and regular interest.

4 (3) "Adjustment ratio" means the value of index A divided by index
5 B.

6 (4) "Annual increase" means, initially, fifty-nine cents per month
7 per year of service which amount shall be increased each July 1st by
8 three percent, rounded to the nearest cent.

9 (5) "Annuity" means the moneys payable per year during life by
10 reason of accumulated contributions of a member.

11 (6) "Average final compensation" for plan 2 and plan 3 members,
12 means the member's average earnable compensation of the highest
13 consecutive sixty service credit months prior to such member's
14 retirement, termination, or death. Periods constituting authorized
15 leaves of absence may not be used in the calculation of average final
16 compensation except under RCW 41.32.810(2).

17 (7)(a) "Beneficiary" for plan 1 members, means any person in
18 receipt of a retirement allowance or other benefit provided by this
19 chapter.

20 (b) "Beneficiary" for plan 2 and plan 3 members, means any person
21 in receipt of a retirement allowance or other benefit provided by this
22 chapter resulting from service rendered to an employer by another
23 person.

24 (8) "Contract" means any agreement for service and compensation
25 between a member and an employer.

26 (9) "Creditable service" means membership service plus prior
27 service for which credit is allowable. This subsection shall apply
28 only to plan 1 members.

29 (10) "Department" means the department of retirement systems
30 created in chapter 41.50 RCW.

31 (11) "Dependent" means receiving one-half or more of support from
32 a member.

33 (12) "Director" means the director of the department.

34 (13) "Disability allowance" means monthly payments during
35 disability. This subsection shall apply only to plan 1 members.

36 (14)(a) "Earnable compensation" for plan 1 members, means:

37 (i) All salaries and wages paid by an employer to an employee
38 member of the retirement system for personal services rendered during

1 a fiscal year. In all cases where compensation includes maintenance
2 the employer shall fix the value of that part of the compensation not
3 paid in money.

4 (ii) For an employee member of the retirement system teaching in an
5 extended school year program, two consecutive extended school years, as
6 defined by the employer school district, may be used as the annual
7 period for determining earnable compensation in lieu of the two fiscal
8 years.

9 (iii) "Earnable compensation" for plan 1 members also includes the
10 following actual or imputed payments, which are not paid for personal
11 services:

12 (A) Retroactive payments to an individual by an employer on
13 reinstatement of the employee in a position, or payments by an employer
14 to an individual in lieu of reinstatement in a position which are
15 awarded or granted as the equivalent of the salary or wages which the
16 individual would have earned during a payroll period shall be
17 considered earnable compensation and the individual shall receive the
18 equivalent service credit.

19 (B) If a leave of absence, without pay, is taken by a member for
20 the purpose of serving as a member of the state legislature, and such
21 member has served in the legislature five or more years, the salary
22 which would have been received for the position from which the leave of
23 absence was taken shall be considered as compensation earnable if the
24 employee's contribution thereon is paid by the employee. In addition,
25 where a member has been a member of the state legislature for five or
26 more years, earnable compensation for the member's two highest
27 compensated consecutive years of service shall include a sum not to
28 exceed thirty-six hundred dollars for each of such two consecutive
29 years, regardless of whether or not legislative service was rendered
30 during those two years.

31 (iv) For members employed less than full time under written
32 contract with a school district, or community college district, in an
33 instructional position, for which the member receives service credit of
34 less than one year in all of the years used to determine the earnable
35 compensation used for computing benefits due under RCW 41.32.497,
36 41.32.498, and 41.32.520, the member may elect to have earnable
37 compensation defined as provided in RCW 41.32.345. For the purposes of
38 this subsection, the term "instructional position" means a position in

1 which more than seventy-five percent of the member's time is spent as
2 a classroom instructor (including office hours), a librarian, a
3 psychologist, a social worker, a nurse, a physical therapist, an
4 occupational therapist, a speech language pathologist or audiologist,
5 or a counselor. Earnable compensation shall be so defined only for the
6 purpose of the calculation of retirement benefits and only as necessary
7 to insure that members who receive fractional service credit under RCW
8 41.32.270 receive benefits proportional to those received by members
9 who have received full-time service credit.

10 (v) "Earnable compensation" does not include:

11 (A) Remuneration for unused sick leave authorized under RCW
12 41.04.340, 28A.400.210, or 28A.310.490;

13 (B) Remuneration for unused annual leave in excess of thirty days
14 as authorized by RCW 43.01.044 and 43.01.041; or

15 (C) Teacher recognition grants authorized under section 3 of this
16 act.

17 (b) "Earnable compensation" for plan 2 and plan 3 members, means
18 salaries or wages earned by a member during a payroll period for
19 personal services, including overtime payments, and shall include wages
20 and salaries deferred under provisions established pursuant to sections
21 403(b), 414(h), and 457 of the United States internal revenue code~~((~~
22 ~~but shall))~~. "Earnable compensation" for plan 1 and plan 2 members
23 excludes lump sum payments for deferred annual sick leave, unused
24 accumulated vacation, unused accumulated annual leave, or any form of
25 severance pay, and teacher recognition grants authorized under section
26 3 of this act.

27 "Earnable compensation" for plan 2 and plan 3 members also includes
28 the following actual or imputed payments which, except in the case of
29 (b)(ii)(B) of this subsection, are not paid for personal services:

30 (i) Retroactive payments to an individual by an employer on
31 reinstatement of the employee in a position or payments by an employer
32 to an individual in lieu of reinstatement in a position which are
33 awarded or granted as the equivalent of the salary or wages which the
34 individual would have earned during a payroll period shall be
35 considered earnable compensation, to the extent provided above, and the
36 individual shall receive the equivalent service credit.

37 (ii) In any year in which a member serves in the legislature the

1 member shall have the option of having such member's earnable
2 compensation be the greater of:

3 (A) The earnable compensation the member would have received had
4 such member not served in the legislature; or

5 (B) Such member's actual earnable compensation received for
6 teaching and legislative service combined. Any additional
7 contributions to the retirement system required because compensation
8 earnable under (b)(ii)(A) of this subsection is greater than
9 compensation earnable under (b)(ii)(B) of this subsection shall be paid
10 by the member for both member and employer contributions.

11 (c) In calculating earnable compensation under (a) or (b) of this
12 subsection, the department of retirement systems shall include:

13 (i) Any compensation forgone by a member employed by a state agency
14 or institution during the 2009-2011 fiscal biennium as a result of
15 reduced work hours, mandatory or voluntary leave without pay, temporary
16 reduction in pay implemented prior to December 11, 2010, or temporary
17 layoffs if the reduced compensation is an integral part of the
18 employer's expenditure reduction efforts, as certified by the employer;
19 and

20 (ii) Any compensation forgone by a member during the 2011-2013
21 fiscal biennium as a result of reduced work hours, mandatory leave
22 without pay, temporary layoffs, or reductions to current pay if the
23 reduced compensation is an integral part of the employer's expenditure
24 reduction efforts, as certified by the employer. Reductions to current
25 pay shall not include elimination of previously agreed upon future
26 salary reductions.

27 (15)(a) "Eligible position" for plan 2 members from June 7, 1990,
28 through September 1, 1991, means a position which normally requires two
29 or more uninterrupted months of creditable service during September
30 through August of the following year.

31 (b) "Eligible position" for plan 2 and plan 3 on and after
32 September 1, 1991, means a position that, as defined by the employer,
33 normally requires five or more months of at least seventy hours of
34 earnable compensation during September through August of the following
35 year.

36 (c) For purposes of this chapter an employer shall not define
37 "position" in such a manner that an employee's monthly work for that
38 employer is divided into more than one position.

1 (d) The elected position of the superintendent of public
2 instruction is an eligible position.

3 (16) "Employed" or "employee" means a person who is providing
4 services for compensation to an employer, unless the person is free
5 from the employer's direction and control over the performance of work.
6 The department shall adopt rules and interpret this subsection
7 consistent with common law.

8 (17) "Employer" means the state of Washington, the school district,
9 or any agency of the state of Washington by which the member is paid.
10 Except as otherwise specifically provided in this chapter, "employer"
11 does not include a government contractor. For purposes of this
12 subsection, a "government contractor" is any entity, including a
13 partnership, limited liability company, for-profit or nonprofit
14 corporation, or person, that provides services pursuant to a contract
15 with an employer. The determination whether an employer-employee
16 relationship has been established is not based on the relationship
17 between a government contractor and an employer, but is based solely on
18 the relationship between a government contractor's employee and an
19 employer under this chapter.

20 (18) "Fiscal year" means a year which begins July 1st and ends June
21 30th of the following year.

22 (19) "Former state fund" means the state retirement fund in
23 operation for teachers under chapter 187, Laws of 1923, as amended.

24 (20) "Index" means, for any calendar year, that year's annual
25 average consumer price index, Seattle, Washington area, for urban wage
26 earners and clerical workers, all items compiled by the bureau of labor
27 statistics, United States department of labor.

28 (21) "Index A" means the index for the year prior to the
29 determination of a postretirement adjustment.

30 (22) "Index B" means the index for the year prior to index A.

31 (23) "Index year" means the earliest calendar year in which the
32 index is more than sixty percent of index A.

33 (24) "Local fund" means any of the local retirement funds for
34 teachers operated in any school district in accordance with the
35 provisions of chapter 163, Laws of 1917 as amended.

36 (25) "Member" means any teacher included in the membership of the
37 retirement system who has not been removed from membership under RCW
38 41.32.878 or 41.32.768. Also, any other employee of the public schools

1 who, on July 1, 1947, had not elected to be exempt from membership and
2 who, prior to that date, had by an authorized payroll deduction,
3 contributed to the member reserve.

4 (26) "Member account" or "member's account" for purposes of plan 3
5 means the sum of the contributions and earnings on behalf of the member
6 in the defined contribution portion of plan 3.

7 (27) "Member reserve" means the fund in which all of the
8 accumulated contributions of members are held.

9 (28) "Membership service" means service rendered subsequent to the
10 first day of eligibility of a person to membership in the retirement
11 system: PROVIDED, That where a member is employed by two or more
12 employers the individual shall receive no more than one service credit
13 month during any calendar month in which multiple service is rendered.
14 The provisions of this subsection shall apply only to plan 1 members.

15 (29) "Pension" means the moneys payable per year during life from
16 the pension reserve.

17 (30) "Pension reserve" is a fund in which shall be accumulated an
18 actuarial reserve adequate to meet present and future pension
19 liabilities of the system and from which all pension obligations are to
20 be paid.

21 (31) "Plan 1" means the teachers' retirement system, plan 1
22 providing the benefits and funding provisions covering persons who
23 first became members of the system prior to October 1, 1977.

24 (32) "Plan 2" means the teachers' retirement system, plan 2
25 providing the benefits and funding provisions covering persons who
26 first became members of the system on and after October 1, 1977, and
27 prior to July 1, 1996.

28 (33) "Plan 3" means the teachers' retirement system, plan 3
29 providing the benefits and funding provisions covering persons who
30 first become members of the system on and after July 1, 1996, or who
31 transfer under RCW 41.32.817.

32 (34) "Prior service" means service rendered prior to the first date
33 of eligibility to membership in the retirement system for which credit
34 is allowable. The provisions of this subsection shall apply only to
35 plan 1 members.

36 (35) "Prior service contributions" means contributions made by a
37 member to secure credit for prior service. The provisions of this
38 subsection shall apply only to plan 1 members.

1 (36) "Public school" means any institution or activity operated by
2 the state of Washington or any instrumentality or political subdivision
3 thereof employing teachers, except the University of Washington and
4 Washington State University.

5 (37) "Regular contributions" means the amounts required to be
6 deducted from the compensation of a member and credited to the member's
7 individual account in the member reserve. This subsection shall apply
8 only to plan 1 members.

9 (38) "Regular interest" means such rate as the director may
10 determine.

11 (39) "Retiree" means any person who has begun accruing a retirement
12 allowance or other benefit provided by this chapter resulting from
13 service rendered to an employer while a member.

14 (40)(a) "Retirement allowance" for plan 1 members, means monthly
15 payments based on the sum of annuity and pension, or any optional
16 benefits payable in lieu thereof.

17 (b) "Retirement allowance" for plan 2 and plan 3 members, means
18 monthly payments to a retiree or beneficiary as provided in this
19 chapter.

20 (41) "Retirement system" means the Washington state teachers'
21 retirement system.

22 (42) "Separation from service or employment" occurs when a person
23 has terminated all employment with an employer. Separation from
24 service or employment does not occur, and if claimed by an employer or
25 employee may be a violation of RCW 41.32.055, when an employee and
26 employer have a written or oral agreement to resume employment with the
27 same employer following termination. Mere expressions or inquiries
28 about postretirement employment by an employer or employee that do not
29 constitute a commitment to reemploy the employee after retirement are
30 not an agreement under this section.

31 (43)(a) "Service" for plan 1 members means the time during which a
32 member has been employed by an employer for compensation.

33 (i) If a member is employed by two or more employers the individual
34 shall receive no more than one service credit month during any calendar
35 month in which multiple service is rendered.

36 (ii) As authorized by RCW 28A.400.300, up to forty-five days of
37 sick leave may be creditable as service solely for the purpose of
38 determining eligibility to retire under RCW 41.32.470.

1 (iii) As authorized in RCW 41.32.065, service earned in an out-of-
2 state retirement system that covers teachers in public schools may be
3 applied solely for the purpose of determining eligibility to retire
4 under RCW 41.32.470.

5 (b) "Service" for plan 2 and plan 3 members, means periods of
6 employment by a member for one or more employers for which earnable
7 compensation is earned subject to the following conditions:

8 (i) A member employed in an eligible position or as a substitute
9 shall receive one service credit month for each month of September
10 through August of the following year if he or she earns earnable
11 compensation for eight hundred ten or more hours during that period and
12 is employed during nine of those months, except that a member may not
13 receive credit for any period prior to the member's employment in an
14 eligible position except as provided in RCW 41.32.812 and 41.50.132.

15 (ii) Any other member employed in an eligible position or as a
16 substitute who earns earnable compensation during the period from
17 September through August shall receive service credit according to one
18 of the following methods, whichever provides the most service credit to
19 the member:

20 (A) If a member is employed either in an eligible position or as a
21 substitute teacher for nine months of the twelve month period between
22 September through August of the following year but earns earnable
23 compensation for less than eight hundred ten hours but for at least six
24 hundred thirty hours, he or she will receive one-half of a service
25 credit month for each month of the twelve month period;

26 (B) If a member is employed in an eligible position or as a
27 substitute teacher for at least five months of a six-month period
28 between September through August of the following year and earns
29 earnable compensation for six hundred thirty or more hours within the
30 six-month period, he or she will receive a maximum of six service
31 credit months for the school year, which shall be recorded as one
32 service credit month for each month of the six-month period;

33 (C) All other members employed in an eligible position or as a
34 substitute teacher shall receive service credit as follows:

35 (I) A service credit month is earned in those calendar months where
36 earnable compensation is earned for ninety or more hours;

37 (II) A half-service credit month is earned in those calendar months

1 where earnable compensation is earned for at least seventy hours but
2 less than ninety hours; and

3 (III) A quarter-service credit month is earned in those calendar
4 months where earnable compensation is earned for less than seventy
5 hours.

6 (iii) Any person who is a member of the teachers' retirement system
7 and who is elected or appointed to a state elective position may
8 continue to be a member of the retirement system and continue to
9 receive a service credit month for each of the months in a state
10 elective position by making the required member contributions.

11 (iv) When an individual is employed by two or more employers the
12 individual shall only receive one month's service credit during any
13 calendar month in which multiple service for ninety or more hours is
14 rendered.

15 (v) As authorized by RCW 28A.400.300, up to forty-five days of sick
16 leave may be creditable as service solely for the purpose of
17 determining eligibility to retire under RCW 41.32.470. For purposes of
18 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
19 to two service credit months. Use of less than forty-five days of sick
20 leave is creditable as allowed under this subsection as follows:

21 (A) Less than eleven days equals one-quarter service credit month;

22 (B) Eleven or more days but less than twenty-two days equals one-
23 half service credit month;

24 (C) Twenty-two days equals one service credit month;

25 (D) More than twenty-two days but less than thirty-three days
26 equals one and one-quarter service credit month;

27 (E) Thirty-three or more days but less than forty-five days equals
28 one and one-half service credit month.

29 (vi) As authorized in RCW 41.32.065, service earned in an out-of-
30 state retirement system that covers teachers in public schools may be
31 applied solely for the purpose of determining eligibility to retire
32 under RCW 41.32.470.

33 (vii) The department shall adopt rules implementing this
34 subsection.

35 (44) "Service credit month" means a full service credit month or an
36 accumulation of partial service credit months that are equal to one.

37 (45) "Service credit year" means an accumulation of months of
38 service credit which is equal to one when divided by twelve.

1 (46) "State actuary" or "actuary" means the person appointed
2 pursuant to RCW 44.44.010(2).

3 (47) "State elective position" means any position held by any
4 person elected or appointed to statewide office or elected or appointed
5 as a member of the legislature.

6 (48) "Substitute teacher" means:

7 (a) A teacher who is hired by an employer to work as a temporary
8 teacher, except for teachers who are annual contract employees of an
9 employer and are guaranteed a minimum number of hours; or

10 (b) Teachers who either (i) work in ineligible positions for more
11 than one employer or (ii) work in an ineligible position or positions
12 together with an eligible position.

13 (49) "Teacher" means any person qualified to teach who is engaged
14 by a public school in an instructional, administrative, or supervisory
15 capacity. The term includes state, educational service district, and
16 school district superintendents and their assistants and all employees
17 certificated by the superintendent of public instruction; and in
18 addition thereto any full time school doctor who is employed by a
19 public school and renders service of an instructional or educational
20 nature.

21 **Sec. 7.** RCW 41.35.010 and 2012 c 236 s 4 are each amended to read
22 as follows:

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

25 (1) "Accumulated contributions" means the sum of all contributions
26 standing to the credit of a member in the member's individual account,
27 including any amount paid under RCW 41.50.165(2), together with the
28 regular interest thereon.

29 (2) "Actuarial equivalent" means a benefit of equal value when
30 computed upon the basis of such mortality and other tables as may be
31 adopted by the director.

32 (3) "Adjustment ratio" means the value of index A divided by index
33 B.

34 (4) "Annuity" means payments for life derived from accumulated
35 contributions of a member. All annuities shall be paid in monthly
36 installments.

1 (5)(a) "Average final compensation" for plan 2 and plan 3 members
2 means the member's average compensation earnable of the highest
3 consecutive sixty months of service credit months prior to such
4 member's retirement, termination, or death. Periods constituting
5 authorized leaves of absence may not be used in the calculation of
6 average final compensation except under RCW 41.40.710(2).

7 (b) In calculating average final compensation under (a) of this
8 subsection, the department of retirement systems shall include any
9 compensation forgone by a member during the 2011-2013 fiscal biennium
10 as a result of reduced work hours, mandatory leave without pay,
11 temporary layoffs, or reductions to current pay if the reduced
12 compensation is an integral part of the employer's expenditure
13 reduction efforts, as certified by the employer. Reductions to current
14 pay shall not include elimination of previously agreed upon future
15 salary reductions.

16 (6) "Beneficiary" for plan 2 and plan 3 members means any person in
17 receipt of a retirement allowance or other benefit provided by this
18 chapter resulting from service rendered to an employer by another
19 person.

20 (7) "Classified employee" means an employee of a school district or
21 an educational service district who is not eligible for membership in
22 the teachers' retirement system established under chapter 41.32 RCW.

23 (8)(a) "Compensation earnable" for plan 2 and plan 3 members, means
24 salaries or wages earned by a member during a payroll period for
25 personal services, including overtime payments, and shall include wages
26 and salaries deferred under provisions established pursuant to sections
27 403(b), 414(h), and 457 of the United States internal revenue code(~~(~~
28 ~~but shall~~)). "Compensation earnable" for plan 2 and plan 3 members
29 excludes nonmoney maintenance compensation and lump sum or other
30 payments for deferred annual sick leave(~~(~~); unused accumulated
31 vacation(~~(~~); unused accumulated annual leave(~~(~~~~or~~)); any form of
32 severance pay; or teacher recognition grants authorized under section
33 3 of this act.

34 (b) "Compensation earnable" for plan 2 and plan 3 members also
35 includes the following actual or imputed payments, which are not paid
36 for personal services:

37 (i) Retroactive payments to an individual by an employer on
38 reinstatement of the employee in a position, or payments by an employer

1 to an individual in lieu of reinstatement, which are awarded or granted
2 as the equivalent of the salary or wage which the individual would have
3 earned during a payroll period shall be considered compensation
4 earnable to the extent provided in this subsection, and the individual
5 shall receive the equivalent service credit;

6 (ii) In any year in which a member serves in the legislature, the
7 member shall have the option of having such member's compensation
8 earnable be the greater of:

9 (A) The compensation earnable the member would have received had
10 such member not served in the legislature; or

11 (B) Such member's actual compensation earnable received for
12 nonlegislative public employment and legislative service combined. Any
13 additional contributions to the retirement system required because
14 compensation earnable under (b)(ii)(A) of this subsection is greater
15 than compensation earnable under this (b)(ii)(B) of this subsection
16 shall be paid by the member for both member and employer contributions;

17 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
18 and 72.09.240;

19 (iv) Compensation that a member would have received but for a
20 disability occurring in the line of duty only as authorized by RCW
21 41.40.038;

22 (v) Compensation that a member receives due to participation in the
23 leave sharing program only as authorized by RCW 41.04.650 through
24 41.04.670; and

25 (vi) Compensation that a member receives for being in standby
26 status. For the purposes of this section, a member is in standby
27 status when not being paid for time actually worked and the employer
28 requires the member to be prepared to report immediately for work, if
29 the need arises, although the need may not arise.

30 (9) "Department" means the department of retirement systems created
31 in chapter 41.50 RCW.

32 (10) "Director" means the director of the department.

33 (11) "Eligible position" means any position that, as defined by the
34 employer, normally requires five or more months of service a year for
35 which regular compensation for at least seventy hours is earned by the
36 occupant thereof. For purposes of this chapter an employer shall not
37 define "position" in such a manner that an employee's monthly work for
38 that employer is divided into more than one position.

1 (12) "Employee" or "employed" means a person who is providing
2 services for compensation to an employer, unless the person is free
3 from the employer's direction and control over the performance of work.
4 The department shall adopt rules and interpret this subsection
5 consistent with common law.

6 (13) "Employer," for plan 2 and plan 3 members, means a school
7 district or an educational service district. Except as otherwise
8 specifically provided in this chapter, "employer" does not include a
9 government contractor. For purposes of this subsection, a "government
10 contractor" is any entity, including a partnership, limited liability
11 company, for-profit or nonprofit corporation, or person, that provides
12 services pursuant to a contract with an employer. The determination
13 whether an employer-employee relationship has been established is not
14 based on the relationship between a government contractor and an
15 employer, but is based solely on the relationship between a government
16 contractor's employee and an employer under this chapter.

17 (14) "Final compensation" means the annual rate of compensation
18 earnable by a member at the time of termination of employment.

19 (15) "Index" means, for any calendar year, that year's annual
20 average consumer price index, Seattle, Washington area, for urban wage
21 earners and clerical workers, all items, compiled by the bureau of
22 labor statistics, United States department of labor.

23 (16) "Index A" means the index for the year prior to the
24 determination of a postretirement adjustment.

25 (17) "Index B" means the index for the year prior to index A.

26 (18) "Ineligible position" means any position which does not
27 conform with the requirements set forth in subsection (22) of this
28 section.

29 (19) "Leave of absence" means the period of time a member is
30 authorized by the employer to be absent from service without being
31 separated from membership.

32 (20) "Member" means any employee included in the membership of the
33 retirement system, as provided for in RCW 41.35.030.

34 (21) "Member account" or "member's account" for purposes of plan 3
35 means the sum of the contributions and earnings on behalf of the member
36 in the defined contribution portion of plan 3.

37 (22) "Membership service" means all service rendered as a member.

1 (23) "Pension" means payments for life derived from contributions
2 made by the employer. All pensions shall be paid in monthly
3 installments.

4 (24) "Plan 2" means the Washington school employees' retirement
5 system plan 2 providing the benefits and funding provisions covering
6 persons who first became members of the public employees' retirement
7 system on and after October 1, 1977, and transferred to the Washington
8 school employees' retirement system under RCW 41.40.750.

9 (25) "Plan 3" means the Washington school employees' retirement
10 system plan 3 providing the benefits and funding provisions covering
11 persons who first became members of the system on and after September
12 1, 2000, or who transfer from plan 2 under RCW 41.35.510.

13 (26) "Regular interest" means such rate as the director may
14 determine.

15 (27) "Retiree" means any person who has begun accruing a retirement
16 allowance or other benefit provided by this chapter resulting from
17 service rendered to an employer while a member.

18 (28) "Retirement" means withdrawal from active service with a
19 retirement allowance as provided by this chapter.

20 (29) "Retirement allowance" for plan 2 and plan 3 members means
21 monthly payments to a retiree or beneficiary as provided in this
22 chapter.

23 (30) "Retirement system" means the Washington school employees'
24 retirement system provided for in this chapter.

25 (31) "Separation from service" occurs when a person has terminated
26 all employment with an employer.

27 (32) "Service" for plan 2 and plan 3 members means periods of
28 employment by a member in an eligible position or positions for one or
29 more employers for which compensation earnable is paid. Compensation
30 earnable earned for ninety or more hours in any calendar month shall
31 constitute one service credit month except as provided in RCW
32 41.35.180. Compensation earnable earned for at least seventy hours but
33 less than ninety hours in any calendar month shall constitute one-half
34 service credit month of service. Compensation earnable earned for less
35 than seventy hours in any calendar month shall constitute one-quarter
36 service credit month of service. Time spent in standby status, whether
37 compensated or not, is not service.

1 Any fraction of a year of service shall be taken into account in
2 the computation of such retirement allowance or benefits.

3 (a) Service in any state elective position shall be deemed to be
4 full-time service.

5 (b) A member shall receive a total of not more than twelve service
6 credit months of service for such calendar year. If an individual is
7 employed in an eligible position by one or more employers the
8 individual shall receive no more than one service credit month during
9 any calendar month in which multiple service for ninety or more hours
10 is rendered.

11 (c) For purposes of plan 2 and 3 "forty-five days" as used in RCW
12 28A.400.300 is equal to two service credit months. Use of less than
13 forty-five days of sick leave is creditable as allowed under this
14 subsection as follows:

15 (i) Less than eleven days equals one-quarter service credit month;

16 (ii) Eleven or more days but less than twenty-two days equals one-
17 half service credit month;

18 (iii) Twenty-two days equals one service credit month;

19 (iv) More than twenty-two days but less than thirty-three days
20 equals one and one-quarter service credit month; and

21 (v) Thirty-three or more days but less than forty-five days equals
22 one and one-half service credit month.

23 (33) "Service credit month" means a month or an accumulation of
24 months of service credit which is equal to one.

25 (34) "Service credit year" means an accumulation of months of
26 service credit which is equal to one when divided by twelve.

27 (35) "State actuary" or "actuary" means the person appointed
28 pursuant to RCW 44.44.010(2).

29 (36) "State elective position" means any position held by any
30 person elected or appointed to statewide office or elected or appointed
31 as a member of the legislature.

32 (37) "State treasurer" means the treasurer of the state of
33 Washington.

34 (38) "Substitute employee" means a classified employee who is
35 employed by an employer exclusively as a substitute for an absent
36 employee.

1 **Sec. 8.** RCW 41.40.010 and 2012 c 236 s 6 are each amended to read
2 as follows:

3 As used in this chapter, unless a different meaning is plainly
4 required by the context:

5 (1) "Accumulated contributions" means the sum of all contributions
6 standing to the credit of a member in the member's individual account,
7 including any amount paid under RCW 41.50.165(2), together with the
8 regular interest thereon.

9 (2) "Actuarial equivalent" means a benefit of equal value when
10 computed upon the basis of such mortality and other tables as may be
11 adopted by the director.

12 (3) "Adjustment ratio" means the value of index A divided by index
13 B.

14 (4) "Annual increase" means, initially, fifty-nine cents per month
15 per year of service which amount shall be increased each July 1st by
16 three percent, rounded to the nearest cent.

17 (5) "Annuity" means payments for life derived from accumulated
18 contributions of a member. All annuities shall be paid in monthly
19 installments.

20 (6)(a) "Average final compensation" for plan 1 members, means the
21 annual average of the greatest compensation earnable by a member during
22 any consecutive two year period of service credit months for which
23 service credit is allowed; or if the member has less than two years of
24 service credit months then the annual average compensation earnable
25 during the total years of service for which service credit is allowed.

26 (b) "Average final compensation" for plan 2 and plan 3 members,
27 means the member's average compensation earnable of the highest
28 consecutive sixty months of service credit months prior to such
29 member's retirement, termination, or death. Periods constituting
30 authorized leaves of absence may not be used in the calculation of
31 average final compensation except under RCW 41.40.710(2) or (c) of this
32 subsection.

33 (c) In calculating average final compensation under this subsection
34 for a member of plan 1, 2, or 3, the department of retirement systems
35 shall include:

36 (i) Any compensation forgone by the member during the 2009-2011
37 fiscal biennium as a result of reduced work hours, voluntary leave
38 without pay, temporary reduction in pay implemented prior to December

1 11, 2010, or temporary furloughs if the reduced compensation is an
2 integral part of the employer's expenditure reduction efforts, as
3 certified by the employer; and

4 (ii) Any compensation forgone by a member employed by the state or
5 a local government during the 2011-2013 fiscal biennium as a result of
6 reduced work hours, mandatory leave without pay, temporary layoffs, or
7 reductions to current pay if the reduced compensation is an integral
8 part of the employer's expenditure reduction efforts, as certified by
9 the employer. Reductions to current pay shall not include elimination
10 of previously agreed upon future salary increases.

11 (7)(a) "Beneficiary" for plan 1 members, means any person in
12 receipt of a retirement allowance, pension or other benefit provided by
13 this chapter.

14 (b) "Beneficiary" for plan 2 and plan 3 members, means any person
15 in receipt of a retirement allowance or other benefit provided by this
16 chapter resulting from service rendered to an employer by another
17 person.

18 (8)(a) "Compensation earnable" for plan 1 members, means salaries
19 or wages earned during a payroll period for personal services and where
20 the compensation is not all paid in money, maintenance compensation
21 shall be included upon the basis of the schedules established by the
22 member's employer.

23 (i) "Compensation earnable" for plan 1 members also includes the
24 following actual or imputed payments, which are not paid for personal
25 services:

26 (A) Retroactive payments to an individual by an employer on
27 reinstatement of the employee in a position, or payments by an employer
28 to an individual in lieu of reinstatement in a position which are
29 awarded or granted as the equivalent of the salary or wage which the
30 individual would have earned during a payroll period shall be
31 considered compensation earnable and the individual shall receive the
32 equivalent service credit;

33 (B) If a leave of absence is taken by an individual for the purpose
34 of serving in the state legislature, the salary which would have been
35 received for the position from which the leave of absence was taken,
36 shall be considered as compensation earnable if the employee's
37 contribution is paid by the employee and the employer's contribution is
38 paid by the employer or employee;

1 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and
2 72.09.240;

3 (D) Compensation that a member would have received but for a
4 disability occurring in the line of duty only as authorized by RCW
5 41.40.038;

6 (E) Compensation that a member receives due to participation in the
7 leave sharing program only as authorized by RCW 41.04.650 through
8 41.04.670; and

9 (F) Compensation that a member receives for being in standby
10 status. For the purposes of this section, a member is in standby
11 status when not being paid for time actually worked and the employer
12 requires the member to be prepared to report immediately for work, if
13 the need arises, although the need may not arise.

14 (ii) "Compensation earnable" does not include:

15 (A) Remuneration for unused sick leave authorized under RCW
16 41.04.340, 28A.400.210, or 28A.310.490;

17 (B) Remuneration for unused annual leave in excess of thirty days
18 as authorized by RCW 43.01.044 and 43.01.041; or

19 (C) Teacher recognition grants authorized under section 3 of this
20 act.

21 (b) "Compensation earnable" for plan 2 and plan 3 members, means
22 salaries or wages earned by a member during a payroll period for
23 personal services, including overtime payments, and shall include wages
24 and salaries deferred under provisions established pursuant to sections
25 403(b), 414(h), and 457 of the United States internal revenue code~~((but shall))~~. "Compensation earnable" for plan 2 and plan 3 members
26 excludes nonmoney maintenance compensation ((and)), lump sum or other
27 payments for deferred annual sick leave, unused accumulated vacation,
28 unused accumulated annual leave, or any form of severance pay, and
29 teacher recognition grants authorized under section 3 of this act.

30 "Compensation earnable" for plan 2 and plan 3 members also includes
31 the following actual or imputed payments, which are not paid for
32 personal services:
33

34 (i) Retroactive payments to an individual by an employer on
35 reinstatement of the employee in a position, or payments by an employer
36 to an individual in lieu of reinstatement in a position which are
37 awarded or granted as the equivalent of the salary or wage which the

1 individual would have earned during a payroll period shall be
2 considered compensation earnable to the extent provided above, and the
3 individual shall receive the equivalent service credit;

4 (ii) In any year in which a member serves in the legislature, the
5 member shall have the option of having such member's compensation
6 earnable be the greater of:

7 (A) The compensation earnable the member would have received had
8 such member not served in the legislature; or

9 (B) Such member's actual compensation earnable received for
10 nonlegislative public employment and legislative service combined. Any
11 additional contributions to the retirement system required because
12 compensation earnable under (b)(ii)(A) of this subsection is greater
13 than compensation earnable under (b)(ii)(B) of this subsection shall be
14 paid by the member for both member and employer contributions;

15 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
16 and 72.09.240;

17 (iv) Compensation that a member would have received but for a
18 disability occurring in the line of duty only as authorized by RCW
19 41.40.038;

20 (v) Compensation that a member receives due to participation in the
21 leave sharing program only as authorized by RCW 41.04.650 through
22 41.04.670; and

23 (vi) Compensation that a member receives for being in standby
24 status. For the purposes of this section, a member is in standby
25 status when not being paid for time actually worked and the employer
26 requires the member to be prepared to report immediately for work, if
27 the need arises, although the need may not arise.

28 (9) "Department" means the department of retirement systems created
29 in chapter 41.50 RCW.

30 (10) "Director" means the director of the department.

31 (11) "Eligible position" means:

32 (a) Any position that, as defined by the employer, normally
33 requires five or more months of service a year for which regular
34 compensation for at least seventy hours is earned by the occupant
35 thereof. For purposes of this chapter an employer shall not define
36 "position" in such a manner that an employee's monthly work for that
37 employer is divided into more than one position;

1 (b) Any position occupied by an elected official or person
2 appointed directly by the governor, or appointed by the chief justice
3 of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which
4 compensation is paid.

5 (12) "Employee" or "employed" means a person who is providing
6 services for compensation to an employer, unless the person is free
7 from the employer's direction and control over the performance of work.
8 The department shall adopt rules and interpret this subsection
9 consistent with common law.

10 (13)(a) "Employer" for plan 1 members, means every branch,
11 department, agency, commission, board, and office of the state, any
12 political subdivision or association of political subdivisions of the
13 state admitted into the retirement system, and legal entities
14 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the
15 term shall also include any labor guild, association, or organization
16 the membership of a local lodge or division of which is comprised of at
17 least forty percent employees of an employer (other than such labor
18 guild, association, or organization) within this chapter. The term may
19 also include any city of the first class that has its own retirement
20 system.

21 (b) "Employer" for plan 2 and plan 3 members, means every branch,
22 department, agency, commission, board, and office of the state, and any
23 political subdivision and municipal corporation of the state admitted
24 into the retirement system, including public agencies created pursuant
25 to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August
26 31, 2000, school districts and educational service districts will no
27 longer be employers for the public employees' retirement system plan 2.

28 (c) Except as otherwise specifically provided in this chapter,
29 "employer" does not include a government contractor. For purposes of
30 this subsection, a "government contractor" is any entity, including a
31 partnership, limited liability company, for-profit or nonprofit
32 corporation, or person, that provides services pursuant to a contract
33 with an "employer." The determination whether an employer-employee
34 relationship has been established is not based on the relationship
35 between a government contractor and an "employer," but is based solely
36 on the relationship between a government contractor's employee and an
37 "employer" under this chapter.

1 (14) "Final compensation" means the annual rate of compensation
2 earnable by a member at the time of termination of employment.

3 (15) "Index" means, for any calendar year, that year's annual
4 average consumer price index, Seattle, Washington area, for urban wage
5 earners and clerical workers, all items, compiled by the bureau of
6 labor statistics, United States department of labor.

7 (16) "Index A" means the index for the year prior to the
8 determination of a postretirement adjustment.

9 (17) "Index B" means the index for the year prior to index A.

10 (18) "Index year" means the earliest calendar year in which the
11 index is more than sixty percent of index A.

12 (19) "Ineligible position" means any position which does not
13 conform with the requirements set forth in subsection (11) of this
14 section.

15 (20) "Leave of absence" means the period of time a member is
16 authorized by the employer to be absent from service without being
17 separated from membership.

18 (21) "Member" means any employee included in the membership of the
19 retirement system, as provided for in RCW 41.40.023. RCW 41.26.045
20 does not prohibit a person otherwise eligible for membership in the
21 retirement system from establishing such membership effective when he
22 or she first entered an eligible position.

23 (22) "Member account" or "member's account" for purposes of plan 3
24 means the sum of the contributions and earnings on behalf of the member
25 in the defined contribution portion of plan 3.

26 (23) "Membership service" means:

27 (a) All service rendered, as a member, after October 1, 1947;

28 (b) All service after October 1, 1947, to any employer prior to the
29 time of its admission into the retirement system for which member and
30 employer contributions, plus interest as required by RCW 41.50.125,
31 have been paid under RCW 41.40.056 or 41.40.057;

32 (c) Service not to exceed six consecutive months of probationary
33 service rendered after April 1, 1949, and prior to becoming a member,
34 in the case of any member, upon payment in full by such member of the
35 total amount of the employer's contribution to the retirement fund
36 which would have been required under the law in effect when such
37 probationary service was rendered if the member had been a member

1 during such period, except that the amount of the employer's
2 contribution shall be calculated by the director based on the first
3 month's compensation earnable as a member;

4 (d) Service not to exceed six consecutive months of probationary
5 service, rendered after October 1, 1947, and before April 1, 1949, and
6 prior to becoming a member, in the case of any member, upon payment in
7 full by such member of five percent of such member's salary during said
8 period of probationary service, except that the amount of the
9 employer's contribution shall be calculated by the director based on
10 the first month's compensation earnable as a member.

11 (24) "New member" means a person who becomes a member on or after
12 April 1, 1949, except as otherwise provided in this section.

13 (25) "Original member" of this retirement system means:

14 (a) Any person who became a member of the system prior to April 1,
15 1949;

16 (b) Any person who becomes a member through the admission of an
17 employer into the retirement system on and after April 1, 1949, and
18 prior to April 1, 1951;

19 (c) Any person who first becomes a member by securing employment
20 with an employer prior to April 1, 1951, provided the member has
21 rendered at least one or more years of service to any employer prior to
22 October 1, 1947;

23 (d) Any person who first becomes a member through the admission of
24 an employer into the retirement system on or after April 1, 1951,
25 provided, such person has been in the regular employ of the employer
26 for at least six months of the twelve-month period preceding the said
27 admission date;

28 (e) Any member who has restored all contributions that may have
29 been withdrawn as provided by RCW 41.40.150 and who on the effective
30 date of the individual's retirement becomes entitled to be credited
31 with ten years or more of membership service except that the provisions
32 relating to the minimum amount of retirement allowance for the member
33 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
34 apply to the member;

35 (f) Any member who has been a contributor under the system for two
36 or more years and who has restored all contributions that may have been
37 withdrawn as provided by RCW 41.40.150 and who on the effective date of
38 the individual's retirement has rendered five or more years of service

1 for the state or any political subdivision prior to the time of the
2 admission of the employer into the system; except that the provisions
3 relating to the minimum amount of retirement allowance for the member
4 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
5 apply to the member.

6 (26) "Pension" means payments for life derived from contributions
7 made by the employer. All pensions shall be paid in monthly
8 installments.

9 (27) "Plan 1" means the public employees' retirement system, plan
10 1 providing the benefits and funding provisions covering persons who
11 first became members of the system prior to October 1, 1977.

12 (28) "Plan 2" means the public employees' retirement system, plan
13 2 providing the benefits and funding provisions covering persons who
14 first became members of the system on and after October 1, 1977, and
15 are not included in plan 3.

16 (29) "Plan 3" means the public employees' retirement system, plan
17 3 providing the benefits and funding provisions covering persons who:

18 (a) First become a member on or after:

19 (i) March 1, 2002, and are employed by a state agency or institute
20 of higher education and who did not choose to enter plan 2; or

21 (ii) September 1, 2002, and are employed by other than a state
22 agency or institute of higher education and who did not choose to enter
23 plan 2; or

24 (b) Transferred to plan 3 under RCW 41.40.795.

25 (30) "Prior service" means all service of an original member
26 rendered to any employer prior to October 1, 1947.

27 (31) "Regular interest" means such rate as the director may
28 determine.

29 (32) "Retiree" means any person who has begun accruing a retirement
30 allowance or other benefit provided by this chapter resulting from
31 service rendered to an employer while a member.

32 (33) "Retirement" means withdrawal from active service with a
33 retirement allowance as provided by this chapter.

34 (34) "Retirement allowance" means the sum of the annuity and the
35 pension.

36 (35) "Retirement system" means the public employees' retirement
37 system provided for in this chapter.

1 (36) "Separation from service" occurs when a person has terminated
2 all employment with an employer. Separation from service or employment
3 does not occur, and if claimed by an employer or employee may be a
4 violation of RCW 41.40.055, when an employee and employer have a
5 written or oral agreement to resume employment with the same employer
6 following termination. Mere expressions or inquiries about
7 postretirement employment by an employer or employee that do not
8 constitute a commitment to reemploy the employee after retirement are
9 not an agreement under this subsection.

10 (37)(a) "Service" for plan 1 members, except as provided in RCW
11 41.40.088, means periods of employment in an eligible position or
12 positions for one or more employers rendered to any employer for which
13 compensation is paid, and includes time spent in office as an elected
14 or appointed official of an employer. Compensation earnable earned in
15 full time work for seventy hours or more in any given calendar month
16 shall constitute one service credit month except as provided in RCW
17 41.40.088. Compensation earnable earned for less than seventy hours in
18 any calendar month shall constitute one-quarter service credit month of
19 service except as provided in RCW 41.40.088. Only service credit
20 months and one-quarter service credit months shall be counted in the
21 computation of any retirement allowance or other benefit provided for
22 in this chapter. Any fraction of a year of service shall be taken into
23 account in the computation of such retirement allowance or benefits.
24 Time spent in standby status, whether compensated or not, is not
25 service.

26 (i) Service by a state employee officially assigned by the state on
27 a temporary basis to assist another public agency, shall be considered
28 as service as a state employee: PROVIDED, That service to any other
29 public agency shall not be considered service as a state employee if
30 such service has been used to establish benefits in any other public
31 retirement system.

32 (ii) An individual shall receive no more than a total of twelve
33 service credit months of service during any calendar year. If an
34 individual is employed in an eligible position by one or more employers
35 the individual shall receive no more than one service credit month
36 during any calendar month in which multiple service for seventy or more
37 hours is rendered.

1 (iii) A school district employee may count up to forty-five days of
2 sick leave as creditable service solely for the purpose of determining
3 eligibility to retire under RCW 41.40.180 as authorized by RCW
4 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW
5 28A.400.300 is equal to two service credit months. Use of less than
6 forty-five days of sick leave is creditable as allowed under this
7 subsection as follows:

8 (A) Less than twenty-two days equals one-quarter service credit
9 month;

10 (B) Twenty-two days equals one service credit month;

11 (C) More than twenty-two days but less than forty-five days equals
12 one and one-quarter service credit month.

13 (b) "Service" for plan 2 and plan 3 members, means periods of
14 employment by a member in an eligible position or positions for one or
15 more employers for which compensation earnable is paid. Compensation
16 earnable earned for ninety or more hours in any calendar month shall
17 constitute one service credit month except as provided in RCW
18 41.40.088. Compensation earnable earned for at least seventy hours but
19 less than ninety hours in any calendar month shall constitute one-half
20 service credit month of service. Compensation earnable earned for less
21 than seventy hours in any calendar month shall constitute one-quarter
22 service credit month of service. Time spent in standby status, whether
23 compensated or not, is not service.

24 Any fraction of a year of service shall be taken into account in
25 the computation of such retirement allowance or benefits.

26 (i) Service in any state elective position shall be deemed to be
27 full time service, except that persons serving in state elective
28 positions who are members of the Washington school employees'
29 retirement system, teachers' retirement system, public safety
30 employees' retirement system, or law enforcement officers' and
31 firefighters' retirement system at the time of election or appointment
32 to such position may elect to continue membership in the Washington
33 school employees' retirement system, teachers' retirement system,
34 public safety employees' retirement system, or law enforcement
35 officers' and firefighters' retirement system.

36 (ii) A member shall receive a total of not more than twelve service
37 credit months of service for such calendar year. If an individual is
38 employed in an eligible position by one or more employers the

1 individual shall receive no more than one service credit month during
2 any calendar month in which multiple service for ninety or more hours
3 is rendered.

4 (iii) Up to forty-five days of sick leave may be creditable as
5 service solely for the purpose of determining eligibility to retire
6 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of
7 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
8 to two service credit months. Use of less than forty-five days of sick
9 leave is creditable as allowed under this subsection as follows:

- 10 (A) Less than eleven days equals one-quarter service credit month;
- 11 (B) Eleven or more days but less than twenty-two days equals one-
12 half service credit month;
- 13 (C) Twenty-two days equals one service credit month;
- 14 (D) More than twenty-two days but less than thirty-three days
15 equals one and one-quarter service credit month;
- 16 (E) Thirty-three or more days but less than forty-five days equals
17 one and one-half service credit month.

18 (38) "Service credit month" means a month or an accumulation of
19 months of service credit which is equal to one.

20 (39) "Service credit year" means an accumulation of months of
21 service credit which is equal to one when divided by twelve.

22 (40) "State actuary" or "actuary" means the person appointed
23 pursuant to RCW 44.44.010(2).

24 (41) "State elective position" means any position held by any
25 person elected or appointed to statewide office or elected or appointed
26 as a member of the legislature.

27 (42) "State treasurer" means the treasurer of the state of
28 Washington.

29 (43) "Totally incapacitated for duty" means total inability to
30 perform the duties of a member's employment or office or any other work
31 for which the member is qualified by training or experience.

32 **Sec. 9.** RCW 28B.15.067 and 2013 2nd sp.s. c 4 s 958 are each
33 amended to read as follows:

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

36 (2) Beginning in the ((2011-12)) 2015-16 academic year,
37 ((reductions or increases in)) full-time tuition fees ((shall be as

1 ~~provided in the omnibus appropriations act)) for resident undergraduate~~
2 ~~students at the state universities, the regional universities, The~~
3 ~~Evergreen State College, and community and technical colleges shall not~~
4 ~~exceed ten percent of the most current average annual wage reported by~~
5 ~~the employment security department. The governing boards of the state~~
6 ~~universities, regional universities, and The Evergreen State~~
7 ~~College((+)) and the state board for community and technical colleges~~
8 ~~may reduce or increase full-time tuition fees for all students other~~
9 ~~than resident undergraduates, including nonresident students, summer~~
10 ~~school students, and students in other self-supporting degree programs.~~
11 ~~Percentage increases in full-time tuition may exceed the fiscal growth~~
12 ~~factor. ((Except during the 2013-2015 fiscal biennium, the state board~~
13 ~~for community and technical colleges may pilot or institute~~
14 ~~differential tuition models. The board may define scale, scope, and~~
15 ~~rationale for the models.))~~

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

27 ~~(b))~~ Prior to reducing or increasing tuition for each academic
28 year, the governing boards of the state universities, the regional
29 universities, and The Evergreen State College shall consult with
30 existing student associations or organizations with student
31 undergraduate and graduate representatives regarding the impacts of
32 potential tuition increases. Each governing board shall make public
33 its proposal for tuition and fee increases twenty-one days before the
34 governing board of the institution considers adoption and allow
35 opportunity for public comment. However, the requirement to make
36 public a proposal for tuition and fee increases twenty-one days before
37 the governing board considers adoption shall not apply if the omnibus
38 appropriations act has not passed the legislature by May 15th.

1 Governing boards shall be required to provide data regarding the
2 percentage of students receiving financial aid, the sources of aid, and
3 the percentage of total costs of attendance paid for by aid.

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

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

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

20 ~~(b) If state funding for a college or university is at least at the~~
21 ~~level of state funding provided in the operating budget for fiscal year~~
22 ~~2011, the governing board may increase tuition up to the limits set in~~
23 ~~(d) of this subsection and shall continue to at least maintain the~~
24 ~~actual enrollment levels for fiscal year 2011 or increase enrollments~~
25 ~~as required in the omnibus appropriations act;~~

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

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

37 ~~(5))~~ The tuition fees established under this chapter shall not

1 apply to high school students enrolling in participating institutions
2 of higher education under RCW 28A.600.300 through 28A.600.400.

3 ~~((+6))~~ (5) The tuition fees established under this chapter shall
4 not apply to eligible students enrolling in a dropout reengagement
5 program through an interlocal agreement between a school district and
6 a community or technical college under RCW 28A.175.100 through
7 28A.175.110.

8 ~~((+7))~~ (6) The tuition fees established under this chapter shall
9 not apply to eligible students enrolling in a community or technical
10 college participating in the pilot program under RCW 28B.50.534 for the
11 purpose of obtaining a high school diploma.

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

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

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

21 ~~(b) No later than January 14, 2013, make a recommendation to the
22 appropriate policy and fiscal committees of the legislature regarding
23 how differential tuition should be addressed in order to maintain the
24 ongoing solvency of the Washington advanced college tuition payment
25 program.)~~

26 **Sec. 10.** RCW 43.215.405 and 2013 2nd sp.s. c 16 s 4 are each
27 amended to read as follows:

28 Unless the context clearly requires otherwise, the definitions in
29 this section apply throughout RCW 43.215.400 through ~~((43.215.450,~~
30 ~~43.215.455, 43.215.456,))~~ 43.215.457~~((7))~~ and 43.215.900 through
31 43.215.903.

32 (1) "Advisory committee" means the advisory committee under RCW
33 43.215.420.

34 (2) "Approved programs" means those state-supported education and
35 special assistance programs which are recognized by the department as
36 meeting the minimum program rules adopted by the department to qualify

1 under RCW 43.215.400 through 43.215.450 and 43.215.900 through
2 43.215.903 and are designated as eligible for funding by the department
3 under RCW 43.215.430 and 43.215.440.

4 (3) "Comprehensive" means an assistance program that focuses on the
5 needs of the child and includes education, health, and family support
6 services.

7 (4) "Department" means the department of early learning.

8 (5) "Eligible child" means a child not eligible for kindergarten
9 whose family income is at or below one hundred (~~ten~~) fifty percent of
10 the federal poverty level, as published annually by the federal
11 department of health and human services, and includes a child whose
12 family is eligible for public assistance, and who is not a participant
13 in a federal or state program providing comprehensive services; a child
14 eligible for special education due to disability under RCW 28A.155.020;
15 and may include children who are eligible under rules adopted by the
16 department if the number of such children equals not more than ten
17 percent of the total enrollment in the early childhood program.
18 Priority for enrollment shall be given to children from families with
19 the lowest income, children in foster care, or to eligible children
20 from families with multiple needs.

21 (6) "Family support services" means providing opportunities for
22 parents to:

- 23 (a) Actively participate in their child's early childhood program;
24 (b) Increase their knowledge of child development and parenting
25 skills;
26 (c) Further their education and training;
27 (d) Increase their ability to use needed services in the community;
28 (e) Increase their self-reliance.

--- END ---