
SENATE BILL 6130

State of Washington 64th Legislature 2015 2nd Special Session

By Senators Dammeier, Rolfes, Rivers, and Hargrove

Read first time 06/11/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to the state's constitutional basic education
2 obligation, including reducing overreliance on local levies; amending
3 RCW 28A.150.200, 28A.300.173, 28A.320.330, 28A.505.140, 28A.505.040,
4 28A.505.050, 28A.505.060, 28A.505.100, 28A.150.410, 28A.400.205,
5 28A.400.200, 84.52.0531, 28A.500.020, 43.09.265, 28A.175.075,
6 28A.230.090, 28A.300.136, and 28A.400.201; amending 2013 2nd sp.s. c
7 4 s 1905 (uncodified); reenacting and amending RCW 84.52.0531,
8 84.52.0531, 84.52.0531, 28A.500.030, and 28A.500.030; adding a new
9 section to chapter 28A.320 RCW; adding a new section to chapter 43.09
10 RCW; adding a new section to chapter 41.59 RCW; adding a new section
11 to chapter 41.56 RCW; adding new sections to chapter 28A.630 RCW;
12 adding a new chapter to Title 28A RCW; creating new sections;
13 recodifying RCW 28A.150.010, 28A.150.020, 28A.150.100, 28A.150.198,
14 28A.150.1981, 28A.150.200, 28A.150.203, 28A.150.205, 28A.150.210,
15 28A.150.220, 28A.150.260, 28A.150.261, 28A.150.315, 28A.150.392,
16 28A.150.070, 28A.150.270, 28A.150.275, 28A.150.290, 28A.150.310,
17 28A.150.390, 28A.150.400, and 28A.150.410; repealing RCW 28A.290.010
18 and 28A.290.020; providing effective dates; providing contingent
19 effective dates; providing expiration dates; and declaring an
20 emergency.

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

1 NEW SECTION. **Sec. 1.** INTENT. (1) The legislature recognizes
2 that Article IX, section 1 of the Washington state Constitution
3 provides, "It is the paramount duty of the state to make ample
4 provision for the education of all children residing within its
5 borders." The legislature acknowledges that the education policies
6 and funding provided by the legislature has not fulfilled this
7 obligation. The legislature finds that there is not sufficient
8 clarity in statute regarding the definition of basic education, that
9 the permissible uses of local levy funds are not fully understood,
10 and that the state allocation for educator salaries and benefits do
11 not reflect the actual cost of recruiting and retaining professional
12 teachers, which has caused school districts to subsidize salaries
13 with local levy funds. The legislature declares that this has created
14 uneven access to a quality education and equitable salaries across
15 the state. The legislature intends to increase equity in the state
16 funding of basic education and the educational opportunities provided
17 for students across the state, create greater stability for school
18 districts and educators, and fulfill the state's paramount
19 constitutional duty. To accomplish these goals, the legislature has
20 developed a plan and intends to take the following actions on a
21 timeline established in this act:

22 (a) Clarifying the definition and state funding required for the
23 instructional program of basic education and recodifying basic
24 education statutes, except for those addressing the basic education
25 categorical programs, into a single chapter;

26 (b) Creating greater clarity, transparency, and accountability
27 procedures for monitoring the expenditures of state, federal, and
28 local revenues, including basic and nonbasic education expenditures;

29 (c) Phasing in a streamlined and less complicated salary
30 allocation model for certificated instructional staff that is
31 informed by the work of the compensation technical working group and
32 aligned to the certification progression of an educator. The use of
33 an annual cost-of-living adjustment and a comparable wage analysis
34 conducted every four years are intended to keep salaries for all
35 state-funded K-12 school employees competitive and aligned with
36 market forces;

37 (d) Reducing reliance on local levies for basic education by
38 assuming full responsibility for providing state basic education
39 salary allocations that are sufficient to attract and retain
40 professional certificated instructional staff, statewide and locally;

1 (e) Providing additional specificity on how local levy funds may
2 be expended for enhancements, which may include an enhanced salary
3 for certificated administrators or instructional staff if for
4 additional hours or responsibilities that are outside of their basic
5 education duties. Such enhancements must be provided in a detailed
6 supplemental contract;

7 (f) Improving transparency and equity among school districts by
8 modifying a school district's levy authority to be based on assessed
9 property values in the school district and adapting the state's local
10 effort assistance to be based on the statewide average per pupil
11 rate;

12 (g) Implementing the changes under this act in a manner that each
13 school district has the flexibility to use local levies to preserve
14 the current level of locally provided salaries until the state basic
15 education allocation for K-12 employee salaries reaches that locally
16 provided salary level;

17 (h) Creating the education funding council to review the changes
18 made under this act before the changes are implemented and continuing
19 through full implementation, and to make recommendations, if
20 necessary, to more effectively implement the changes, avoid
21 unintended consequences, or provide a better plan to meet the Article
22 IX constitutional duties of the state.

23 (2) The legislature recognizes that to accomplish all of these
24 actions requires additional sources of revenue and should not be
25 accomplished through reductions to other parts of the state budget.
26 Additionally, the legislature acknowledges that future legislatures
27 may consider alternative schedules and plans to implement emerging
28 educational research and may make additional revisions, including
29 revisions for technical purposes and consistency in the event of
30 mathematical or other technical errors.

31 **PART I**

32 **CLARIFYING THE DEFINITION AND STATE FUNDING OF THE INSTRUCTIONAL**
33 **PROGRAM OF BASIC EDUCATION**

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

36 (1) The program of basic education established under this chapter
37 is deemed by the legislature to comply with the requirements of
38 Article IX, section 1 of the state Constitution, which states that

1 "It is the paramount duty of the state to make ample provision for
2 the education of all children residing within its borders, without
3 distinction or preference on account of race, color, caste, or sex,"
4 and is adopted pursuant to Article IX, section 2 of the state
5 Constitution, which states that "The legislature shall provide for a
6 general and uniform system of public schools."

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

17 (a) The instructional program of basic education the minimum
18 components of which are described in RCW 28A.150.220 (as recodified
19 by this act);

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

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

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

29 (e) Statewide salary allocations that are competitive, market-
30 based, and informed by periodic wage analyses of comparable
31 occupations in accordance with section 306 of this act and phased in
32 under RCW 28A.150.410 (as recodified by this act), for K-12 basic
33 education staff funded under RCW 28A.150.260 (as recodified by this
34 act) to implement the instructional program of basic education under
35 RCW 28A.150.220 (as recodified by this act).

36 NEW SECTION. Sec. 102. (1) Every school district board of
37 directors shall fix, alter, allow, and order paid salaries and
38 compensation for all district employees using state-provided
39 allocations in conformance with this section.

1 (2)(a) Salaries for basic education certificated instructional
2 staff specified in RCW 28A.150.200 and 28A.150.260 (as recodified by
3 this act) shall not be less than the salary provided in the omnibus
4 appropriations act in the statewide salary allocation model for an
5 employee with a baccalaureate degree and zero years of service.

6 (b) Salaries for basic education certificated instructional staff
7 specified in RCW 28A.150.200 and 28A.150.260 (as recodified by this
8 act) who have an advanced degree shall not be less than the salary
9 provided in the omnibus appropriations act in the statewide salary
10 allocation model for an employee with an advanced degree and zero
11 years of service.

12 (c) The actual average salary paid to basic education
13 certificated instructional staff specified in RCW 28A.150.200 and
14 28A.150.260 (as recodified by this act) shall not exceed the
15 district's average certificated instructional staff salary used for
16 the state basic education allocations for that school year as
17 determined pursuant to RCW 28A.150.410 (as recodified by this act).

18 (d) Fringe benefit contributions for basic education certificated
19 instructional staff specified in RCW 28A.150.200 and 28A.150.260 (as
20 recodified by this act) shall be included as salary under (a) of this
21 subsection only to the extent that the district's actual average
22 benefit contribution exceeds the amount of the insurance benefits
23 allocation provided per certificated instructional staff unit in the
24 state omnibus appropriations act in effect at the time the
25 compensation is payable. For purposes of this section, fringe
26 benefits shall not include payment for unused leave for illness or
27 injury under RCW 28A.400.210; employer contributions for old age
28 survivors insurance, workers' compensation, unemployment
29 compensation, and retirement benefits under the Washington state
30 retirement system; or employer contributions for health benefits in
31 excess of the insurance benefits allocation provided per certificated
32 instructional staff unit in the state omnibus appropriations act in
33 effect at the time the compensation is payable. A school district may
34 not use state funds to provide employer contributions for such excess
35 health benefits.

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

1 (4) Salaries for basic education certificated administrative
2 staff specified in RCW 28A.150.260 (as recodified by this act) shall
3 be based on a two hundred twenty-day base contract. Excluding school
4 district superintendents, the aggregate amount of the salaries
5 provided for basic education certificated administrative salaries
6 must not exceed the aggregate amount of the state allocation provided
7 for basic education certificated administrative salaries, which shall
8 include the localization factor as determined under section 306 of
9 this act. This does not preclude the use of supplemental contracts in
10 compliance with RCW 28A.400.200.

11 (5) The aggregate amount of the salaries provided for basic
12 education classified staff specified in RCW 28A.150.260 (as
13 recodified by this act) must not exceed the aggregate amount of the
14 state allocation provided for basic education classified staff
15 salaries, which shall include the localization factor as determined
16 under section 306 of this act.

17 **PART II**
18 **CREATING GREATER CLARITY, TRANSPARENCY, AND ACCOUNTABILITY REGARDING**
19 **THE PROGRAM OF BASIC EDUCATION**

20 **Sec. 201.** RCW 28A.300.173 and 2010 c 236 s 12 are each amended
21 to read as follows:

22 (1) The office of the superintendent of public instruction shall
23 implement and maintain an internet-based portal that provides ready
24 public access to the state's prototypical school funding model for
25 basic education under RCW 28A.150.260 (as recodified by this act).

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

28 (a) Staffing levels and other prototypical school funding
29 elements that are assumed under the state funding formula ~~((The~~
30 ~~portal must also provide))~~;

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

36 (c) Beginning with the 2016-17 school year financial data, how
37 local levy and other funds are expended to enhance the state-provided

1 staffing levels and other prototypical school funding elements in RCW
2 28A.150.260 (as recodified by this act).

3 **Sec. 202.** RCW 28A.320.330 and 2009 c 460 s 1 are each amended to
4 read as follows:

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

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

10 (2) A capital projects fund shall be established for major
11 capital purposes. All statutory references to a "building fund" shall
12 mean the capital projects fund so established. Money to be deposited
13 into the capital projects fund shall include, but not be limited to,
14 bond proceeds, proceeds from excess levies authorized by RCW
15 84.52.053, state apportionment proceeds as authorized by RCW
16 28A.150.270 (as recodified by this act), earnings from capital
17 projects fund investments as authorized by RCW 28A.320.310 and
18 28A.320.320, and state forest revenues transferred pursuant to
19 subsection (3) of this section.

20 Money derived from the sale of bonds, including interest earnings
21 thereof, may only be used for those purposes described in RCW
22 28A.530.010, except that accrued interest paid for bonds shall be
23 deposited in the debt service fund.

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

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

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

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

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

5 (i) "Preliminary energy audits" means a determination of the
6 energy consumption characteristics of a building, including the size,
7 type, rate of energy consumption, and major energy using systems of
8 the building.

9 (ii) "Energy audit" means a survey of a building or complex which
10 identifies the type, size, energy use level, and major energy using
11 systems; which determines appropriate energy conservation maintenance
12 or operating procedures and assesses any need for the acquisition and
13 installation of energy conservation measures, including solar energy
14 and renewable resource measures.

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

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

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

24 (f)(i) Costs associated with implementing technology systems,
25 facilities, and projects, including acquiring hardware, licensing
26 software, and online applications and training related to the
27 installation of the foregoing. However, the software or applications
28 must be an integral part of the district's technology systems,
29 facilities, or projects.

30 (ii) Costs associated with the application and modernization of
31 technology systems for operations and instruction including, but not
32 limited to, the ongoing fees for online applications, subscriptions,
33 or software licenses, including upgrades and incidental services, and
34 ongoing training related to the installation and integration of these
35 products and services. However, to the extent the funds are used for
36 the purpose under this subsection (2)(f)(ii), the school district
37 shall transfer to the district's general fund the portion of the
38 capital projects fund used for this purpose. The office of the
39 superintendent of public instruction shall develop accounting

1 guidelines for these transfers in accordance with internal revenue
2 service regulations.

3 (g) Major equipment repair, painting of facilities, and other
4 major preventative maintenance purposes. However, to the extent the
5 funds are used for the purpose under this subsection (2)(g), the
6 school district shall transfer to the district's general fund the
7 portion of the capital projects fund used for this purpose. The
8 office of the superintendent of public instruction shall develop
9 accounting guidelines for these transfers in accordance with internal
10 revenue service regulations. Based on the district's most recent two-
11 year history of general fund maintenance expenditures, funds used for
12 this purpose may not replace routine annual preventive maintenance
13 expenditures made from the district's general fund.

14 (3) A debt service fund to provide for tax proceeds, other
15 revenues, and disbursements as authorized in chapter 39.44 RCW. State
16 forest land revenues that are deposited in a school district's debt
17 service fund pursuant to RCW 79.64.110 and to the extent not
18 necessary for payment of debt service on school district bonds may be
19 transferred by the school district into the district's capital
20 projects fund.

21 (4) An associated student body fund as authorized by RCW
22 28A.325.030.

23 (5) Advance refunding bond funds and refunded bond funds to
24 provide for the proceeds and disbursements as authorized in chapter
25 39.53 RCW.

26 (6) By the 2016-17 school year, a local revenue fund shall be
27 established for the purpose of accounting for the financial
28 operations of a school district that are paid for from local revenue.
29 Money deposited into the local revenue fund shall include, but not be
30 limited to, proceeds from maintenance and operations levies as
31 authorized by RCW 84.52.053, and local effort assistance payments
32 from the state as authorized by RCW 84.52.0531. Expenditures from
33 this fund shall be tracked separately to account for the usage of
34 local funds within a school district.

35 **Sec. 203.** RCW 28A.505.140 and 2006 c 263 s 202 are each amended
36 to read as follows:

37 (1) Notwithstanding any other provision of law, the
38 superintendent of public instruction shall adopt such rules as will
39 ensure proper budgetary procedures and practices, including monthly

1 financial statements consistent with the provisions of RCW 43.09.200,
2 and this chapter. By the 2016-17 school year, the rules shall require
3 school districts to provide separate accounting of state, federal,
4 and local revenues and expenditures, and also separate accounting of
5 basic education and nonbasic education expenditures.

6 (2) If the superintendent of public instruction determines upon a
7 review of the budget of any district that said budget does not comply
8 with the budget procedures established by this chapter or by rules
9 adopted by the superintendent of public instruction, or the
10 provisions of RCW 43.09.200, the superintendent shall give written
11 notice of this determination to the board of directors of the local
12 school district.

13 (3) The local school district, notwithstanding any other
14 provision of law, shall, within thirty days from the date the
15 superintendent of public instruction issues a notice pursuant to
16 subsection (2) of this section, submit a revised budget which meets
17 the requirements of RCW 43.09.200, this chapter, and the rules of the
18 superintendent of public instruction.

19 **Sec. 204.** RCW 28A.505.040 and 1995 c 121 s 1 are each amended to
20 read as follows:

21 (1) On or before the tenth day of July in each year, all school
22 districts shall prepare their budget for the ensuing fiscal year. The
23 annual budget development process shall include the development or
24 update of a four-year budget outlook that includes a four-year
25 enrollment projection.

26 (2) The completed budget must include a summary of the four-year
27 budget outlook and four-year enrollment projection and set forth the
28 complete financial plan of the district for the ensuing fiscal year.

29 (3)(a) Upon completion of their budgets, every school district
30 shall electronically publish a notice stating that the district has
31 completed the budget, posted it electronically, placed it on file in
32 the school district administration office, and that a copy
33 ~~((thereof))~~ of the budget and a summary of the four-year outlook and
34 enrollment projection will be furnished to any person who calls upon
35 the district for it. ~~((The district shall provide a sufficient number~~
36 ~~of copies of the budget to meet the reasonable demands of the~~
37 ~~public.))~~

38 (b) School districts shall submit one copy of their budget and
39 the four-year budget outlook summary and the four-year enrollment

1 projection to their educational service districts and the office of
2 the superintendent of public instruction for review and comment by
3 July 10th. The superintendent of public instruction may delay the
4 date in this section if the state's operating budget is not finally
5 approved by the legislature until after June 1st.

6 (c) The office of the superintendent of public instruction shall
7 consider the information provided under (b) of this subsection when
8 ranking each school district by the financial health of the school
9 district in order to provide information for districts to avoid
10 potential financial difficulty, insolvency, or binding conditions.

11 (d) Beginning in the 2018-19 school year as the state begins to
12 implement the revised salary allocation model and through the 2024-25
13 school year, the office of the superintendent of public instruction
14 must present information to the legislature on whether any districts
15 are trending towards potential financial difficulty, insolvency, or
16 binding conditions.

17 **Sec. 205.** RCW 28A.505.050 and 1995 c 121 s 2 are each amended to
18 read as follows:

19 (1) Upon completion of their budgets as provided in RCW
20 28A.505.040, every school district shall publish a notice stating
21 that the board of directors will meet for the purpose of fixing and
22 adopting the budget of the district for the ensuing fiscal year.

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

27 (3) The notice shall also state that any person may appear
28 ((thereat)) at the meeting and be heard for or against any part of
29 such budget, the four-year budget outlook summary, and the four-year
30 enrollment projection. ((Said)) The notice shall be electronically
31 published and published at least once each week for two consecutive
32 weeks in a newspaper of general circulation in the district, or, if
33 there be none, in a newspaper of general circulation in the county or
34 counties in which such district is a part. The last notice shall be
35 published no later than seven days immediately prior to the hearing.

36 **Sec. 206.** RCW 28A.505.060 and 1990 c 33 s 418 are each amended
37 to read as follows:

1 (1) On the date given in said notice as provided in RCW
2 28A.505.050 the school district board of directors shall meet at the
3 time and place designated. Any person may appear (~~thereat~~) at the
4 meeting and be heard for or against any part of such budget, the
5 four-year budget outlook summary, and the four-year enrollment
6 projection.

7 (2) Such hearing may be continued not to exceed a total of two
8 days: PROVIDED, That the budget must be adopted no later than August
9 31st in first-class school districts, and not later than August 1st
10 in second-class school districts.

11 (3) Upon conclusion of the hearing, the board of directors shall
12 fix and determine the appropriation from each fund contained in the
13 budget separately, and shall by resolution adopt the budget, the
14 four-year budget outlook summary, the four-year enrollment
15 projection, and the appropriations as so finally determined, and
16 enter the same in the official minutes of the board: PROVIDED, That
17 first-class school districts shall file copies of their adopted
18 budget with their educational service district no later than
19 September 3rd, and second-class school districts shall forward copies
20 of their adopted budget to their educational service district no
21 later than August 3rd for review, alteration, and approval as
22 provided for in RCW 28A.505.070 by the budget review committee.

23 **Sec. 207.** RCW 28A.505.100 and 1990 c 33 s 420 are each amended
24 to read as follows:

25 (1) The budget shall set forth the estimated revenues for the
26 ensuing fiscal year, the estimated revenues from all sources for the
27 fiscal year current at the time of budget preparation, the actual
28 revenues for the last completed fiscal year, and the reserved and
29 unreserved fund balances for each year. The estimated revenues from
30 all sources for the ensuing fiscal year shall not include any revenue
31 not anticipated to be available during that fiscal year: PROVIDED,
32 That school districts, pursuant to RCW 28A.505.110, can be granted
33 permission by the superintendent of public instruction to include as
34 revenues in their budgets, receivables collectible in future fiscal
35 years.

36 (2)(a) The budget shall set forth by detailed items or classes
37 the estimated expenditures for the ensuing fiscal year, the estimated
38 expenditures for the fiscal year current at the time of budget

1 preparation, and the actual expenditures for the last completed
2 fiscal year.

3 (b) The budget shall set forth the state-funded salary amounts,
4 locally funded salary amounts, total salary amounts, full-time
5 equivalents((7)) for each individual certificated instructional
6 staff, certificated administrative staff, and classified staff; and
7 the high, low, and average annual salaries, which shall be displayed
8 by job classification within each budget classification. ((If
9 individual salaries within each job classification are not displayed,
10 districts shall provide the individual salaries together with the
11 title or position of the recipient and the total amounts of salary
12 under each budget class upon request.)) Additionally, the district's
13 salary schedules shall be displayed.

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

19 NEW SECTION. Sec. 208. A new section is added to chapter
20 28A.320 RCW to read as follows:

21 Each school district is encouraged to annually use the four-year
22 budget outlook and the four-year enrollment projection developed
23 under RCW 28A.505.140 to inform the school district's decisions
24 regarding the district's instructional priorities and program
25 offerings and to communicate this information to the local community.

26 NEW SECTION. Sec. 209. A new section is added to chapter 43.09
27 RCW to read as follows:

28 To ensure local funds are not being expended for basic education
29 purposes except for locally provided salaries under section 304(3) of
30 this act, the state auditor's regular financial audits of school
31 districts must include a review of the expenditure of local levy
32 funds, including any supplemental contracts entered into under RCW
33 28A.400.200.

34 **PART III**
35 **PHASE-IN PLAN FOR EDUCATOR COMPENSATION**

1 NEW SECTION. **Sec. 301.** The legislature intends to assume the
2 responsibility for funding basic education salaries by implementing a
3 plan to phase in a modified version of the compensation working
4 group's recommendations for a revised compensation system. The plan
5 includes an increase in the state allocation for base salaries, a
6 localization factor for all staff in order to attract and retain
7 quality educators and other school employees to Washington schools,
8 and other actions to maintain competitive salaries. The legislature
9 intends to begin the phase in during the 2018-19 school year and
10 complete the phase in by the 2021-22 school year.

11 NEW SECTION. **Sec. 302.** (1)(a) Beginning in the 2018-19 school
12 year, the legislature shall provide sufficient funds for whichever is
13 greater:

14 (i) The certificated administrative and classified salary
15 allocation amounts shown on LEAP Document 2 for the 2018-19 school
16 year; or

17 (ii) The average state salary allocation amounts for basic
18 education state-funded certificated administrative staff and
19 classified staff units per full-time equivalent as follows:

20	Certificated administrative staff.	\$99,765
21	Classified staff.	\$43,153

22 (b) The minimum allocations provided in (a) of this subsection
23 shall be enhanced in a linear fashion to provide sufficient state
24 funds for the average state salary allocations for basic education
25 state-funded certificated administrative staff and classified staff
26 units per full-time equivalent in the 2021-22 school year as follows:

27	Certificated administrative staff.	\$105,158
28	Classified staff.	\$45,486

29 (2) The allocations established in subsection (1) of this section
30 shall be adjusted for the following:

31 (a) Cost-of-living increases in accordance with RCW 28A.400.205
32 and as provided in the omnibus appropriations act; and

33 (b) A localization factor in accordance with section 306 of this
34 act.

35 (3) This section takes effect only if a revenue source or
36 combination of revenue sources are enacted and take effect by January
37 1, 2018, that generate enough additional state revenue to fully fund

1 the increased salary allocations established in this section and
2 sections 303 through 305 of this act in a manner that meets the
3 phase-in requirements established in those sections. The office of
4 financial management shall establish the revenue values required by
5 this section and sections 303 through 305 of this act based on the
6 fiscal analysis prepared for this act. Using the values established
7 by the office of financial management, the department of revenue
8 shall provide written notice to the governor, the legislature, and
9 the code reviser's office by December 1, 2017, whether the
10 requirements of this subsection have been met.

11 (4) This section expires August 1, 2023.

12 **Sec. 303.** RCW 28A.150.410 and 2010 c 236 s 10 are each amended
13 to read as follows:

14 (1) The legislature shall establish for each school year in the
15 appropriations act a statewide salary allocation (~~((schedule))~~) model,
16 for allocation purposes only(~~((, to be))~~) and used to distribute funds
17 for basic education certificated instructional staff salaries under
18 RCW 28A.150.260 (as recodified by this act). For the purposes of this
19 section, the staff allocations for classroom teachers, teacher
20 librarians, guidance counselors, and student health services staff
21 under RCW 28A.150.260 (as recodified by this act) are considered
22 allocations for certificated instructional staff.

23 (2) Salary allocations for state-funded basic education
24 certificated instructional staff shall be calculated by the
25 superintendent of public instruction by determining the district's
26 average salary for certificated instructional staff, using the
27 statewide salary allocation (~~((schedule))~~) model and related documents,
28 conditions, and limitations established by the omnibus appropriations
29 act.

30 (3) Beginning January 1, 1992, and until the 2021-22 school year,
31 no more than ninety college quarter-hour credits received by any
32 employee after the baccalaureate degree may be used to determine
33 compensation allocations under the state salary allocation
34 (~~((schedule))~~) model and LEAP documents referenced in the omnibus
35 appropriations act, or any replacement schedules and documents,
36 unless:

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

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

1 (4) For the 2018-19 school year through the 2021-22 school year,
2 a revised statewide salary allocation model as provided in section
3 304 of this act shall be phased in for certificated instructional
4 staff.

5 (5)(a) Beginning in the 2021-22 school year and thereafter, a
6 beginning certificated instructional staff with an entry-level
7 residency certificate may remain on a residency certificate for up to
8 nine years at the same salary allocation, although there are
9 different levels of salary allocations for residency certificate
10 holders who have a bachelor's degree and those who have an advanced
11 degree. Allocations based on an advanced degree must be only for
12 those degrees that are relevant to current or future assignments as
13 locally determined by the relevant school district.

14 (b) For the school year immediately following a certificated
15 instructional staff's attainment of a professional certificate or
16 advanced degree, the salary allocated for that staff must increase to
17 reflect the salaries for a professional or continuing certificate or
18 advanced degree in the state salary allocation model. A minimum of
19 three years of experience is required to make the progression from
20 the residency certification to the professional certification and the
21 corresponding step on the salary allocation model.

22 (c) For certificated instructional staff with a professional or
23 continuing certificate, there are different levels of salary
24 allocations for staff who have a bachelor's degree and staff who have
25 an advanced degree. Allocations based on an advanced degree must be
26 only for those degrees that are relevant to current or future
27 assignments as locally determined by the relevant school district.

28 (d) After nine years of experience, inclusive of the years with
29 an initial or residency certificate, an additional salary increase
30 must be allocated for a certificated instructional staff member who
31 has achieved and retained the professional or continuing certificate.

32 (e) The state must provide sufficient funding to provide a
33 localization factor applied to the base salary amounts as identified
34 in the omnibus appropriations act. The localization factor must be
35 calculated every four years in accordance with section 306 of this
36 act.

37 (f) The revised statewide salary allocation model under this
38 section is based on the following framework:

	<u>Year of Teaching</u>	<u>Years of Experience</u>	<u>Residency/Initial</u>		<u>Professional/Continuing</u>	
			<u>Bachelor's Degree</u>	<u>Advanced Degree</u>	<u>Bachelor's Degree</u>	<u>Advanced Degree</u>
1						
2						
3						
4						
5	<u>1st</u>	<u>0</u>	<u>1.0000</u>	<u>1.0800</u>		
6	<u>2nd</u>	<u>1</u>				
7	<u>3rd</u>	<u>2</u>				
8	<u>4th</u>	<u>3</u>				
9	<u>5th</u>	<u>4</u>			<u>1.2000</u>	<u>1.2960</u>
10	<u>6th</u>	<u>5</u>				
11	<u>7th</u>	<u>6</u>				
12	<u>8th</u>	<u>7</u>				
13	<u>9th</u>	<u>8</u>				
14	<u>10th</u>	<u>9 or more</u>			<u>1.4400</u>	<u>1.5552</u>

15 (6) Beginning in the 2022-23 school year and thereafter, the
16 state salary allocation model shall be specified in the omnibus
17 appropriations act and shall be no less than the salary allocation
18 schedule framework established in subsection (5)(f) of this section.

19 (7) The office of the superintendent of public instruction and
20 the professional educator standards board shall make rules to
21 implement this section.

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

1 (9) This section takes effect only if a revenue source or
2 combination of revenue sources are enacted and take effect by January
3 1, 2018, that generate enough additional state revenue to fully fund
4 the increased salary allocations established in this section and
5 sections 302, 304, and 305 of this act in a manner that meets the
6 phase-in requirements established in those sections. The office of
7 financial management shall establish the revenue values required by
8 this section and sections 302, 304, and 305 of this act based on the
9 fiscal analysis prepared for this act. Using the values established
10 by the office of financial management, the department of revenue
11 shall provide written notice to the governor, the legislature, and
12 the code reviser's office by December 1, 2017, whether the
13 requirements of this subsection have been met.

14 NEW SECTION. Sec. 304. (1)(a) To offset the salary increases in
15 this subsection (1)(a), each school district's maximum levy revenue
16 shall be reduced according to the provisions of section 502(10) of
17 this act. In the 2018-19 school year, except as provided in
18 subsection (2) of this section, the minimum state salary allocation
19 shall be as follows:

20 School Year 2018-19 Phase in

21	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD
22	0	\$38,000	\$38,000	\$38,000	\$38,000	\$38,375	\$38,375	\$41,248	\$41,248	\$41,248
23	1	38,000	38,000	38,000	38,000	38,375	38,375	41,248	41,248	41,248
24	2	38,000	38,000	38,000	38,084	38,375	38,375	41,248	41,248	41,248
25	3	38,000	38,000	38,000	38,375	38,375	38,375	41,248	41,248	41,248
26	4	38,000	38,000	38,000	38,375	38,375	38,375	41,248	41,248	41,248
27	5	39,900	39,900	39,900	39,900	42,755	44,850	47,363	47,363	48,447
28	6	39,900	39,900	39,900	40,198	43,284	45,390	47,363	47,363	48,916
29	7	39,900	39,900	39,900	41,123	44,254	46,418	47,363	47,745	49,910
30	8	39,900	39,989	41,067	42,523	45,696	47,585	47,363	49,188	50,292
31	9	39,900	41,298	42,430	43,938	47,186	47,968	47,428	50,678	51,927
32	10			43,808	45,426	48,717	51,115	49,731	52,209	54,606
33	11				46,958	50,320	52,766	50,449	53,812	56,257
34	12				48,440	51,966	54,485	52,040	55,457	57,977
35	13					56,623	56,623	61,153	61,153	61,153

1	14	56,623	56,623	61,153	61,153	61,153
2	15	56,623	56,623	61,153	61,153	61,153
3	16	56,623	56,623	61,153	61,153	61,153

4 (b) To offset the salary increases in this subsection (1)(b),
5 each school district's maximum levy revenue shall be reduced
6 according to the provisions of section 502(10) of this act. In the
7 2019-20 school year, except as provided in subsection (2) of this
8 section, the minimum state salary allocation shall be as follows:

9 School Year 2019-20 Phase in

10	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD
11	0	\$41,672	\$41,672	\$41,672	\$41,672	\$42,083	\$42,083	\$45,234	\$45,234	\$45,234
12	1	41,672	41,672	41,672	41,672	42,083	42,083	45,234	45,234	45,234
13	2	41,672	41,672	41,672	41,764	42,083	42,083	45,234	45,234	45,234
14	3	41,672	41,672	41,672	42,083	42,083	42,083	45,234	45,234	45,234
15	4	41,672	41,672	41,672	42,083	42,083	42,083	45,234	45,234	45,234
16	5	43,756	43,756	43,756	43,756	46,887	49,184	51,940	51,940	53,129
17	6	43,756	43,756	43,756	44,083	47,466	49,776	51,940	51,940	53,643
18	7	43,756	43,756	43,756	45,096	48,530	50,904	51,940	52,358	54,733
19	8	43,756	43,853	45,035	46,632	50,112	52,183	51,940	53,941	55,152
20	9	43,756	45,289	46,530	48,184	51,745	52,604	52,011	55,575	56,945
21	10			48,042	49,816	53,424	56,054	54,537	57,254	59,882
22	11				51,495	55,182	57,865	55,324	59,012	61,693
23	12				53,121	56,988	59,750	57,069	60,816	63,579
24	13					62,095	62,095	67,062	67,062	67,062
25	14					62,095	62,095	67,062	67,062	67,062
26	15					62,095	62,095	67,062	67,062	67,062
27	16					62,095	62,095	67,062	67,062	67,062

28 (c) To offset the salary increases in this subsection (1)(c),
29 each school district's maximum levy revenue shall be reduced
30 according to the provisions of section 502(10) of this act. In the
31 2020-21 school year, except as provided in subsection (2) of this
32 section, the minimum state salary allocation shall be as follows:

1 School Year 2020-21 Phase in										
2	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD
3	0	\$45,344	\$45,344	\$45,344	\$45,344	\$46,050	\$46,050	\$49,734	\$49,734	\$49,734
4	1	45,344	45,344	45,344	45,344	46,050	46,050	49,734	49,734	49,734
5	2	45,344	45,344	45,344	45,344	46,050	46,050	49,734	49,734	49,734
6	3	45,344	45,344	45,344	45,344	46,050	46,050	49,734	49,734	49,734
7	4	45,344	45,344	45,344	45,865	46,050	46,050	49,734	49,734	49,734
8	5	50,158	50,158	50,158	50,158	50,158	52,585	56,405	56,405	56,802
9	6	50,158	50,158	50,158	50,158	50,749	53,218	56,405	56,405	57,352
10	7	50,158	50,158	50,158	50,158	51,886	54,424	56,405	56,405	58,518
11	8	50,158	50,158	50,158	50,158	53,577	54,813	56,405	57,671	60,301
12	9	50,158	50,158	50,158	51,516	54,813	55,323	56,405	59,418	60,301
13	10			52,666	53,261	57,119	59,930	59,225	61,213	64,023
14	11				66,311	66,311	66,311	71,616	71,616	71,616
15	12				66,311	66,311	66,311	71,616	71,616	71,616
16	13					66,311	66,311	71,616	71,616	71,616
17	14					66,311	66,311	71,616	71,616	71,616
18	15					66,311	66,311	71,616	71,616	71,616
19	16					66,311	66,311	71,616	71,616	71,616

20 (d) To offset the salary increases in this subsection (1)(d),
 21 each school district's maximum levy revenue shall be reduced
 22 according to the provisions of section 502(10) of this act. In the
 23 2021-22 school year, except as provided in subsection (2) of this
 24 section, the minimum state salary allocation shall be as follows:

25 School Year 2021-22 Phase in										
26	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD
27	0	\$48,056	\$48,056	\$48,056	\$48,056	\$48,056	\$48,056	\$52,282	\$52,282	\$52,282
28	1	48,056	48,056	48,056	48,056	48,056	48,056	52,282	52,282	52,282
29	2	48,056	48,056	48,056	48,056	48,056	48,056	52,282	52,282	52,282
30	3	48,056	48,056	48,056	48,056	48,056	48,056	52,282	52,282	52,282
31	4	48,056	48,056	48,056	48,056	48,056	48,056	52,282	52,282	52,282
32	5	58,091	58,091	58,091	58,091	58,091	58,091	62,739	62,739	62,739

1	6	58,091	58,091	58,091	58,091	58,091	58,091	62,739	62,739	62,739
2	7	58,091	58,091	58,091	58,091	58,091	58,091	62,739	62,739	62,739
3	8	58,091	58,091	58,091	58,091	58,091	58,091	62,739	62,739	62,739
4	9	58,091	58,091	58,091	58,091	58,091	58,091	62,739	62,739	62,739
5	10			69,709	69,709	69,709	69,709	75,286	75,286	75,286
6	11			69,709	69,709	69,709	69,709	75,286	75,286	75,286
7	12			69,709	69,709	69,709	69,709	75,286	75,286	75,286
8	13				69,709	69,709	69,709	75,286	75,286	75,286
9	14				69,709	69,709	69,709	75,286	75,286	75,286
10	15				69,709	69,709	69,709	75,286	75,286	75,286
11	16				69,709	69,709	69,709	75,286	75,286	75,286

12 (2) As the revised statewide salary allocation model in this
13 section is phased in beginning in the 2018-19 school year through the
14 2021-22 school years, the following shall occur:

15 (a) If the salary allocation model in effect for the 2017-18
16 school year would provide a salary allocation for an individual
17 certificated instructional staff member greater than the salary
18 allocation model for the specified year in subsection (1) of this
19 section, then the allocation for the certificated instructional staff
20 member must be the allocation from the 2017-18 school year salary
21 allocation model;

22 (b) If the salary allocation model in effect for the 2017-18
23 school year would provide a salary allocation for an individual
24 certificated instructional staff member less than the salary
25 allocation model for the specified year in subsection (1) of this
26 section, then the allocation for the certificated instructional staff
27 member must be adjusted to include a cost-of-living allocation in
28 accordance with RCW 28A.400.205.

29 (3) The legislature recognizes that some school districts are
30 paying more than the comparable wage in the local area, therefore
31 school districts shall be permitted to preserve the level of locally
32 provided salaries in effect during the 2014-15 school year through a
33 supplemental contract beginning in the 2018-19 school year through
34 the 2021-22 school year or until the state basic education allocation
35 for K-12 employee salaries reaches that locally provided salary level
36 provided in the 2014-15 school year. The use of local levy funds for
37 this purpose must be detailed in compensation maintenance contracts

1 that must be accounted for separately from other supplemental
2 contracts entered into in accordance with RCW 28A.400.200.
3 Additionally, any increases in compensation beyond the cost-of-living
4 increases specified in the omnibus appropriations act that are
5 provided using supplemental contracts after the 2014-15 school year
6 and through the full implementation of the phase-in period described
7 in this section shall be solely for new time or responsibilities
8 performed by individual staff members and shall be audited by the
9 state auditor under section 209 of this act.

10 (4) The minimum state salary allocation provided in this section
11 shall be adjusted by a localization factor in accordance with section
12 306 of this act.

13 (5) This section takes effect only if a revenue source or
14 combination of revenue sources are enacted and take effect by January
15 1, 2018, that generate enough additional state revenue to fully fund
16 the increased salary allocations established in this section and
17 sections 302, 303, and 305 of this act in a manner that meets the
18 phase-in requirements established in those sections. The office of
19 financial management shall establish the revenue values required by
20 this section and sections 302, 303, and 305 of this act based on the
21 fiscal analysis prepared for this act. Using the values established
22 by the office of financial management, the department of revenue
23 shall provide written notice to the governor, the legislature, and
24 the code reviser's office by December 1, 2017, whether the
25 requirements of this subsection have been met.

26 (6) This section expires September 1, 2022.

27 **Sec. 305.** RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each
28 amended to read as follows:

29 (1) Except as provided in subsection (3) of this section, school
30 district employees shall be provided an annual salary cost-of-living
31 increase in accordance with this section.

32 (a) The cost-of-living increase shall be calculated by applying
33 the rate of the yearly increase in the cost-of-living index to any
34 state-funded salary base used in state funding formulas for teachers
35 and other school district employees. Beginning with the 2001-02
36 school year, and for each subsequent school year, except for the
37 2013-14 and 2014-15 school years, each school district shall be
38 provided a cost-of-living allocation sufficient to grant this cost-

1 of-living increase, except as provided in subsection (3) of this
2 section.

3 (b) A school district shall distribute its cost-of-living
4 allocation for salaries and salary-related benefits in accordance
5 with the district's salary schedules, collective bargaining
6 agreements, and compensation policies. No later than the end of the
7 school year, each school district shall certify to the superintendent
8 of public instruction that it has spent funds provided for cost-of-
9 living increases on salaries and salary-related benefits.

10 (c) Any funded cost-of-living increase shall be included in the
11 salary base used to determine cost-of-living increases for school
12 employees in subsequent years. For teachers and other certificated
13 instructional staff, the rate of the annual cost-of-living increase
14 funded for certificated instructional staff shall be applied to the
15 base salary used with the statewide salary allocation (~~schedule~~)
16 model established under RCW 28A.150.410 (as recodified by this act)
17 and to any other salary models used to recognize school district
18 personnel costs.

19 (2)(a) For the purposes of this section, through the 2021-22
20 school year, "cost-of-living index" means, for any school year, the
21 previous calendar year's annual average consumer price index, using
22 the official current base, compiled by the bureau of labor
23 statistics, United States department of labor for the state of
24 Washington. If the bureau of labor statistics develops more than one
25 consumer price index for areas within the state, the index covering
26 the greatest number of people, covering areas exclusively within the
27 boundaries of the state, and including all items shall be used for
28 the cost-of-living index in this section.

29 (b) In addition to the legislature assuming the responsibility
30 for funding basic education salaries under the revised statewide
31 salary allocation model under section 302 of this act, the
32 legislature also intends to keep the state-provided base salary
33 competitive and aligned with market forces over time by providing an
34 annual salary adjustment in accordance with this subsection, by
35 providing a localization factor in accordance with section 306 of
36 this act, and by conducting a comparable wage analysis in accordance
37 with section 306 of this act. If the comparable wage recommendations
38 provided in accordance with section 306 of this act are adopted by
39 the legislature, then the cost-of-living index that shall be used
40 shall reflect the previous calendar year's rate of inflation as

1 determined by the implicit price deflator of the United States
2 department of commerce until the next comparable wage analysis is
3 conducted to address the subsequent four years.

4 (3) As the state phases in a revised statewide salary allocation
5 model, beginning in the 2018-19 school year and through the 2021-22
6 school year, the state allocation of the cost-of-living increase
7 under subsection (1) of this section shall be provided only for the
8 certificated instructional staff member identified under section
9 304(2)(b) of this act.

10 (4) This section takes effect only if a revenue source or
11 combination of revenue sources are enacted and take effect by January
12 1, 2018, that generate enough additional state revenue to fully fund
13 the increased salary allocations established in this section and
14 sections 302 through 304 of this act in a manner that meets the
15 phase-in requirements established in those sections. The office of
16 financial management shall establish the revenue values required by
17 this section and sections 302 through 304 of this act based on the
18 fiscal analysis prepared for this act. Using the values established
19 by the office of financial management, the department of revenue
20 shall provide written notice to the governor, the legislature, and
21 the code reviser's office by December 1, 2017, whether the
22 requirements of this subsection have been met.

23 NEW SECTION. Sec. 306. (1) The legislature intends to ensure
24 that the state-provided K-12 basic education salary allocations keep
25 pace with the wages of comparable occupations by, among other
26 factors, implementing a localization factor, and requiring that a
27 comparable wage analysis be conducted every four years.

28 (2)(a) By July 1, 2017, the office of financial management shall
29 convene a technical working group on school employee wages. The
30 working group shall consist of one staff member selected by the
31 executive head of the following state agencies, except that the
32 superintendent of public instruction shall select the representative
33 of that office:

- 34 (i) The office of financial management;
35 (ii) The legislative evaluation and accountability program
36 committee;
37 (iii) The ways and means committee of the senate;
38 (iv) The appropriations committee of the house of
39 representatives;

1 (v) The office of the superintendent of public instruction; and

2 (vi) The employment security department.

3 (b) The employment security department shall make available to
4 the working group the information necessary to determine the
5 comparable occupations and wages for each K-12 job category in RCW
6 28A.150.260 (as recodified by this act) by metropolitan statistical
7 area. The technical working group will use this data and data from
8 the statewide housing affordability index to make recommendations for
9 a K-12 employee salary localization factor.

10 (c) The office of financial management shall report the technical
11 working group's determinations and recommendations for a localization
12 factor to the school employee wages council created in subsection (3)
13 of this section.

14 (3) The school employee wages council is created to review the
15 work of the technical working group and submit recommendations on the
16 localization factor to the governor and the legislature.

17 (4) The school employee wages council consists of the following
18 members:

19 (a) The director of financial management;

20 (b) The chair and ranking minority member of the senate ways and
21 means committee or their designees;

22 (c) The chair and ranking minority member of the house of
23 representatives appropriations committee or their designees; and

24 (d) The superintendent of public instruction, or the
25 superintendent's designee.

26 (5) Any recommendations made by the school employee wages council
27 to the governor and legislature requires an affirmative vote of at
28 least four of the six councilmembers.

29 (6) The recommendations of the council regarding the localization
30 factor shall be effective in the ensuing biennial period, subject to
31 any legislative modifications and final legislative approval,
32 beginning in the 2018-19 school year and thereafter. If legislative
33 approval of the recommended localization factors is not made by the
34 2018-19 school year, the minimum salary allocations in RCW
35 28A.150.410 (as recodified by this act) and sections 302 and 304 of
36 this act shall be adjusted by the localization factors as specified
37 in the LEAP K-12 Localization Factors document dated April 6, 2015,
38 07:18 hours, which is hereby incorporated by reference. Local
39 education agencies created after the effective date of this section

1 shall receive the localization factor of the school district in which
2 the local education agency is located.

3 (7) By July 1, 2022, and July 1st every four years thereafter,
4 the office of financial management shall convene the technical
5 working group on school employee wages to conduct or contract for a
6 comparative labor market analysis of the wages of school district
7 employees. The office of financial management shall report to the
8 school employee wages council the technical working groups'
9 recommendations for increases to the salaries of K-12 employees, if
10 necessary, based on the comparative labor market analysis.
11 Recommendations made by the school employee wages council to the
12 governor and the legislature shall require an affirmative vote of at
13 least four of the six councilmembers. The recommendations of the
14 council regarding increases in K-12 salaries shall be effective in
15 the ensuing biennial period, subject to any legislative
16 modifications.

17 PART IV

18 USING LOCAL LEVY FUNDS FOR COMPENSATION OUTSIDE OF BASIC EDUCATION

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

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

24 ~~(2)(a) Salaries for certificated instructional staff shall not be~~
25 ~~less than the salary provided in the appropriations act in the~~
26 ~~statewide salary allocation schedule for an employee with a~~
27 ~~baccalaureate degree and zero years of service; and~~

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

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

37 ~~(b) Fringe benefit contributions for certificated instructional~~
38 ~~staff shall be included as salary under (a) of this subsection only~~

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

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

19 (4) Salaries and benefits)) Each school district board of
20 directors is authorized to use local levy funds for enhancements
21 outside of the program of basic education, which may include
22 providing an enhanced salary for certificated instructional staff
23 ((may)) and certificated administrative staff that exceeds the
24 limitations established in ((subsection (3) of this)) section 102 of
25 this act but only by separate contract for additional time((7)) or
26 for ((additional responsibilities, for incentives, or for
27 implementing specific measurable innovative activities, including
28 professional development, specified by the school district to: (a)
29 Close one or more achievement gaps, (b) focus on development of
30 science, technology, engineering, and mathematics (STEM) learning
31 opportunities, or (c) provide arts education. Beginning September 1,
32 2011, school districts shall annually provide a brief description of
33 the innovative activities included in any supplemental contract to
34 the office of the superintendent of public instruction. The office of
35 the superintendent of public instruction shall summarize the district
36 information and submit an annual report to the education committees
37 of the house of representatives and the senate)) duties assigned and
38 performed that are outside the basic education duties of the
39 individual staff. This enhanced salary may be for time-based
40 activities or nontime-based activities. If additional salary is

1 provided for time-based activities within a supplemental contract,
2 the rate paid shall be no more than the hourly rate provided to that
3 same employee for basic education activities. Supplemental contracts
4 involving additional duties or responsibilities outside of the
5 program of basic education that are not time-based and not in excess
6 of the hours or days established in this section must include a
7 definition of the additional duties or responsibilities. Supplemental
8 contracts shall not cause the state to incur any present or future
9 funding obligation. Supplemental contracts shall be subject to the
10 collective bargaining provisions of chapter 41.59 RCW and the
11 provisions of RCW 28A.405.240, shall not exceed one year, and if not
12 renewed shall not constitute adverse change in accordance with RCW
13 28A.405.300 through 28A.405.380. No district may enter into a
14 supplemental contract under this subsection for the provision of
15 services which are a part of the basic education program required by
16 Article IX, section 3 of the state Constitution.

17 ~~((+5))~~ (2) If local funds are used to provide staffing levels in
18 excess of the values established in RCW 28A.150.260 (as recodified by
19 this act), then these levels are outside the program of basic
20 education and therefore must be the subject of a supplemental
21 contract.

22 (3) The minimum instructional program of basic education defined
23 under RCW 28A.150.220 (as recodified by this act) assumes, for a
24 full-time equivalent certificated instructional staff, for grades
25 kindergarten through six has 86.58 percent and for grades seven
26 through twelve has 83.33 percent of the required basic education
27 instructional hours designated instructional time with the remaining
28 percentage designated planning or preparation time and including all
29 of the professional duties associated with the basic education
30 instruction. Any deviations in excess of the percent of instructional
31 time as established in this section for additional hours that are
32 worked or in excess of the one hundred eighty days that are worked
33 must be the subject of a supplemental contract but the deviation must
34 not create less responsibility for a certificated instructional staff
35 member.

36 (4) For full-time equivalent certificated administrative staff,
37 the basic education allocation is assumed to include a work year of
38 at least two hundred twenty days. Any additional days worked are
39 outside the program of basic education and must be the subject of a

1 supplemental contract. Administrative duties associated with nonbasic
2 education activities must be the subject of a supplemental contract.

3 (5) Professional development beyond the allocation in RCW
4 28A.150.260 (as recodified by this act) or otherwise provided by the
5 legislature is outside the program of basic education and therefore
6 must be the subject of a supplemental contract.

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

9 NEW SECTION. Sec. 402. A new section is added to chapter 41.59
10 RCW to read as follows:

11 (1) This act does not affect or impair any collective bargaining
12 agreements in effect on the effective date of this section between an
13 employer and an educational employee or employee organization under
14 this chapter.

15 (2) Any collective bargaining agreement entered into, modified,
16 reopened, or renewed after the effective date of this section shall
17 be consistent with this section and sections 301 through 306, 401,
18 and 403 of this act.

19 (3) This section takes effect only if a revenue source or
20 combination of revenue sources are enacted and take effect by January
21 1, 2018, that generate enough additional state revenue to fully fund
22 the increased salary allocations established in sections 302 through
23 305 of this act in a manner that meets the phase-in requirements
24 established in those sections. The office of financial management
25 shall establish the revenue values required by sections 302 through
26 305 of this act based on the fiscal analysis prepared for this act.
27 Using the values established by the office of financial management,
28 the department of revenue shall provide written notice to the
29 governor, the legislature, and the code reviser's office by December
30 1, 2017, whether the requirements of this subsection have been met.

31 NEW SECTION. Sec. 403. A new section is added to chapter 41.56
32 RCW to read as follows:

33 (1) This act does not affect or impair any collective bargaining
34 agreements in effect on the effective date of this section between a
35 school district employer and a school district employee or employee
36 organization under this chapter.

37 (2) Any collective bargaining agreement entered into, modified,
38 reopened, or renewed after the effective date of this section shall

1 be consistent with this section and sections 301 through 306, 401,
2 and 402 of this act.

3 (3) This section takes effect only if a revenue source or
4 combination of revenue sources are enacted and take effect by January
5 1, 2018, that generate enough additional state revenue to fully fund
6 the increased salary allocations established in sections 302 through
7 305 of this act in a manner that meets the phase-in requirements
8 established in those sections. The office of financial management
9 shall establish the revenue values required by sections 302 through
10 305 of this act based on the fiscal analysis prepared for this act.
11 Using the values established by the office of financial management,
12 the department of revenue shall provide written notice to the
13 governor, the legislature, and the code reviser's office by December
14 1, 2017, whether the requirements of this subsection have been met.

15 **PART V**
16 **LEVY POLICY**

17 **Sec. 501.** RCW 84.52.0531 and 2013 c 242 s 8 are each amended to
18 read as follows:

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

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

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

29 (a) The district's levy base as defined in subsections (3) and
30 (4) of this section multiplied by the district's maximum levy
31 percentage as defined in subsection (7) of this section;

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

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

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

10 (ii) The serving district's maximum levy percentage determined
11 under subsection (7) of this section; increased by:

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

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

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

24 (3) For excess levies for collection in calendar year 2005 and
25 thereafter, a district's levy base shall be the sum of allocations in
26 (a) through (c) of this subsection received by the district for the
27 prior school year and the amounts determined under subsection (4) of
28 this section, including allocations for compensation increases, plus
29 the sum of such allocations multiplied by the percent increase per
30 full time equivalent student as stated in the state basic education
31 appropriation section of the biennial budget between the prior school
32 year and the current school year and divided by fifty-five percent. A
33 district's levy base shall not include local school district property
34 tax levies or other local revenues, or state and federal allocations
35 not identified in (a) through (c) of this subsection.

36 (a) The district's basic education allocation as determined
37 pursuant to RCW 28A.150.250, 28A.150.260 (as recodified by this act),
38 and 28A.150.350, excluding enhancements to the state basic education
39 allocation provided after August 31, 2015, except for state funding
40 provided for RCW 28A.400.205 (Initiative 732), additional staff units

1 for kindergarten through third grade class size reduction, additional
2 staff units for the implementation of all-day kindergarten, and any
3 other basic education staffing unit increases in the prototypical
4 school model;

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

7 (i) Pupil transportation;

8 (ii) Special education;

9 (iii) Education of highly capable students;

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

13 (v) Food services; and

14 (vi) Statewide block grant programs; and

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

18 (4) For levy collections in calendar years 2005 through 2017, in
19 addition to the allocations included under subsection (3)(a) through
20 (c) of this section, a district's levy base shall also include the
21 following:

22 (a)(i) For levy collections in calendar year 2010, the difference
23 between the allocation the district would have received in the
24 current school year had RCW 84.52.068 not been amended by chapter 19,
25 Laws of 2003 1st sp. sess. and the allocation the district received
26 in the current school year pursuant to RCW 28A.505.220;

27 (ii) For levy collections in calendar years 2011 through 2017,
28 the allocation rate the district would have received in the prior
29 school year using the Initiative 728 rate multiplied by the full-time
30 equivalent student enrollment used to calculate the Initiative 728
31 allocation for the prior school year; and

32 (b) The difference between the allocations the district would
33 have received the prior school year using the Initiative 732 base and
34 the allocations the district actually received the prior school year
35 pursuant to RCW 28A.400.205.

36 (5) For levy collections in calendar years 2011 through 2017, in
37 addition to the allocations included under subsections (3)(a) through
38 (c) and (4)(a) and (b) of this section, a district's levy base shall
39 also include the difference between an allocation of fifty-three and
40 two-tenths certificated instructional staff units per thousand full-

1 time equivalent students in grades kindergarten through four enrolled
2 in the prior school year and the allocation of certificated
3 instructional staff units per thousand full-time equivalent students
4 in grades kindergarten through four that the district actually
5 received in the prior school year, except that the levy base for a
6 school district whose allocation in the 2009-10 school year was less
7 than fifty-three and two-tenths certificated instructional staff
8 units per thousand full-time equivalent students in grades
9 kindergarten through four shall include the difference between the
10 allocation the district actually received in the 2009-10 school year
11 and the allocation the district actually received in the prior school
12 year.

13 (6) For levy collections beginning in calendar year 2014 and
14 thereafter, in addition to the allocations included under subsections
15 (3)(a) through (c), (4)(a) and (b), and (5) of this section, a
16 district's levy base shall also include the funds allocated by the
17 superintendent of public instruction under RCW 28A.715.040 to a
18 school that is the subject of a state-tribal education compact and
19 that formerly contracted with the school district to provide
20 educational services through an interlocal agreement and received
21 funding from the district.

22 (7)(a) A district's maximum levy percentage shall be twenty-four
23 percent in 2010 and twenty-eight percent in 2011 through 2017 and
24 twenty-four percent every year thereafter;

25 (b) For qualifying districts, in addition to the percentage in
26 (a) of this subsection the grandfathered percentage determined as
27 follows:

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

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

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

34 (B) Reduce the result of (b)(ii)(A) of this subsection by any
35 levy reduction funds as defined in subsection (8) of this section
36 that are to be allocated to the district for the current school year;

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

39 (D) Take the greater of zero or the percentage calculated in
40 (b)(ii)(C) of this subsection.

1 (8) "Levy reduction funds" shall mean increases in state funds
2 from the prior school year for programs included under subsections
3 (3) and (4) of this section: (a) That are not attributable to
4 enrollment changes, compensation increases, or inflationary
5 adjustments; and (b) that are or were specifically identified as levy
6 reduction funds in the appropriations act. If levy reduction funds
7 are dependent on formula factors which would not be finalized until
8 after the start of the current school year, the superintendent of
9 public instruction shall estimate the total amount of levy reduction
10 funds by using prior school year data in place of current school year
11 data. Levy reduction funds shall not include moneys received by
12 school districts from cities or counties.

13 (9) The definitions in this subsection apply throughout this
14 section unless the context clearly requires otherwise.

15 (a) "Prior school year" means the most recent school year
16 completed prior to the year in which the levies are to be collected.

17 (b) "Current school year" means the year immediately following
18 the prior school year.

19 (c) "Initiative 728 rate" means the allocation rate at which the
20 student achievement program would have been funded under chapter 3,
21 Laws of 2001, if all annual adjustments to the initial 2001
22 allocation rate had been made in previous years and in each
23 subsequent year as provided for under chapter 3, Laws of 2001.

24 (d) "Initiative 732 base" means the prior year's state allocation
25 for annual salary cost-of-living increases for district employees in
26 the state-funded salary base as it would have been calculated under
27 chapter 4, Laws of 2001, if each annual cost-of-living increase
28 allocation had been provided in previous years and in each subsequent
29 year.

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

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

35 (12) For calendar year 2009, the office of the superintendent of
36 public instruction shall recalculate school district levy authority
37 to reflect levy rates certified by school districts for calendar year
38 2009.

1 **Sec. 502.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11
2 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

37 (d) The levy bases of nonhigh districts participating in an
38 innovation academy cooperative established under RCW 28A.340.080
39 shall be adjusted by the office of the superintendent of public

1 instruction to reflect each district's proportional share of student
2 enrollment in the cooperative;

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

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

18 (a) The district's basic education allocation as determined
19 pursuant to RCW 28A.150.250, 28A.150.260 (as recodified by this act),
20 and 28A.150.350, excluding enhancements to the state basic education
21 allocation provided after August 31, 2015, except for state funding
22 provided for RCW 28A.400.205 (Initiative 732), additional staff units
23 for kindergarten through third grade class size reduction, additional
24 staff units for the implementation of all-day kindergarten, and any
25 other basic education staffing unit increases in the prototypical
26 school model;

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

29 (i) Pupil transportation;

30 (ii) Special education;

31 (iii) Education of highly capable students;

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

35 (v) Food services; and

36 (vi) Statewide block grant programs; and

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

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

4 (b) For qualifying districts, in addition to the percentage in
5 (a) of this subsection the grandfathered percentage determined as
6 follows:

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

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

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

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

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

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

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

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

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

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

30 (D) Take the greater of zero or the percentage calculated in
31 (b)(iii)(C) of this subsection.

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

1 school year data in place of current school year data. Levy reduction
2 funds shall not include moneys received by school districts from
3 cities or counties.

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

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

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

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

14 (10)(a) Except for school districts approved for additional levy
15 capacity under subsection (11) of this section, the superintendent of
16 public instruction shall calculate each school district's maximum
17 levy revenue by calendar year. The maximum levy revenue shall be
18 reduced by the following:

19 (i) In calendar year 2019, budgeted allocations for K-12 salary
20 enhancements provided after August 31, 2018;

21 (ii) Beginning in calendar year 2020 and each year thereafter,
22 prior school year allocations for K-12 salary enhancements provided
23 after August 31, 2018.

24 (b) The reductions provided in this subsection (10) should be
25 applied only until a school district's levy rate reaches the
26 following:

27 (i) One dollar per thousand dollars of assessed valuation, if the
28 per pupil levy rate is greater than one thousand five hundred
29 dollars; or

30 (ii) One dollar and fifty cents per thousand dollars of assessed
31 valuation, if the per pupil levy rate is less than one thousand five
32 hundred dollars.

33 (11)(a) School districts may receive additional levy capacity
34 with approval from the superintendent of public instruction if (i)
35 additional levy funds are needed to preserve the level of locally
36 provided salaries as allowed under section 304(3) of this act; and
37 (ii) the district is expending at least fifty percent of the maximum
38 authority provided in subsection (10)(b) of this section for locally
39 provided salaries under section 304(3) of this act. The use of these
40 additional levy funds must be detailed in compensation maintenance

1 contracts that must be accounted for separately from other
2 supplemental contracts entered into in accordance with RCW
3 28A.400.200.

4 (b) The superintendent of public instruction shall provide
5 additional levy capacity to school districts only to the extent that
6 the state basic education salary allocation and the local levy
7 expenditure required under (a)(ii) of this subsection are
8 insufficient to fund the salaries allowed under section 304(3) of
9 this act.

10 (12) For purposes of this section, "maximum levy revenue" means
11 the lesser of a school district's voter-approved levy or maximum levy
12 authority calculated pursuant to this section.

13 (13) For purposes of this section, "per pupil levy rate" means
14 the total estimated levy revenue calculated at a levy rate of one
15 dollar per one thousand dollars of assessed valuation within the
16 school district divided by the prior year's resident full-time
17 equivalent enrollment.

18 (14) This section takes effect only if a revenue source or
19 combination of revenue sources are enacted and take effect by January
20 1, 2018, that generate enough additional state revenue to fully fund
21 the increased salary allocations established in sections 302 through
22 305 of this act in a manner that meets the phase-in requirements
23 established in those sections. The office of financial management
24 shall establish the revenue values required by sections 302 through
25 305 of this act based on the fiscal analysis prepared for this act.
26 Using the values established by the office of financial management,
27 the department of revenue shall provide written notice to the
28 governor, the legislature, and the code reviser's office by December
29 1, 2017, whether the requirements of this subsection have been met.

30 **Sec. 503.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11
31 are each reenacted and amended to read as follows:

32 (1) Except as provided in subsection (3) of this section, the
33 maximum ((dollar)) amount which may be levied by or for any school
34 district for maintenance and operation support under the provisions
35 of RCW 84.52.053 beginning in calendar year 2023 shall be determined
36 as follows:

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

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

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

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

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

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

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

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

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

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

37 ~~(3) For excess levies for collection in calendar year 1998 and~~
38 ~~thereafter, a district's levy base shall be the sum of allocations in~~
39 ~~(a) through (c) of this subsection received by the district for the~~
40 ~~prior school year, including allocations for compensation increases,~~

1 plus the sum of such allocations multiplied by the percent increase
2 per full time equivalent student as stated in the state basic
3 education appropriation section of the biennial budget between the
4 prior school year and the current school year and divided by fifty-
5 five percent. A district's levy base shall not include local school
6 district property tax levies or other local revenues, or state and
7 federal allocations not identified in (a) through (c) of this
8 subsection.

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

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

13 (i) Pupil transportation;

14 (ii) Special education;

15 (iii) Education of highly capable students;

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

19 (v) Food services; and

20 (vi) Statewide block grant programs; and

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

24 (4)(a) A district's maximum levy percentage shall be twenty-four
25 percent in 2010 and twenty-eight percent in 2011 through 2017 and
26 twenty-four percent every year thereafter;

27 (b) For qualifying districts, in addition to the percentage in
28 (a) of this subsection the grandfathered percentage determined as
29 follows:

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

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

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

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

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

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

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

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

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

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

13 ~~(D) Take the greater of zero or the percentage calculated in~~
14 ~~(b)(iii)(C) of this subsection.~~

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

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

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

32 ~~(8)) (a) No more than one dollar per thousand dollars of~~
33 ~~assessed valuation within the school district, if the per pupil levy~~
34 ~~rate is greater than one thousand five hundred dollars adjusted for~~
35 ~~inflation as determined by the implicit price deflator from the 2023~~
36 ~~calendar year; or~~

37 ~~(b) No more than one dollar and fifty cents per thousand dollars~~
38 ~~of assessed valuation within the school district, if the per pupil~~
39 ~~levy rate at one dollar is less than one thousand five hundred~~

1 dollars adjusted for inflation as determined by the implicit price
2 deflator from the 2023 calendar year.

3 (2) Levy rates calculated in this section shall be calculated
4 using the assessed value of all taxable property within the school
5 district adjusted to the state equalized value in accordance with the
6 indicated ratio fixed by the department.

7 (3)(a) School districts may receive additional levy capacity with
8 approval from the superintendent of public instruction if (i)
9 additional levy funds are needed to preserve the level of locally
10 provided salaries under section 304(3) of this act; and (ii) the
11 district is expending at least fifty percent of the maximum authority
12 provided in subsection (1) of this section for locally provided
13 salaries as allowed under section 304(3) of this act. The minimum
14 expenditure under (a)(ii) of this subsection shall be increased to
15 sixty percent in calendar year 2024, seventy percent in calendar year
16 2025, eighty percent in calendar year 2026, and ninety percent in
17 calendar year 2027. No additional levy capacity will be granted after
18 calendar year 2027.

19 (b) The superintendent of public instruction shall provide
20 additional levy capacity to school districts only to the extent that
21 the state basic education salary allocation and the local levy
22 expenditure required under (a)(ii) of this subsection are
23 insufficient to fund the salaries allowed under section 304(3) of
24 this act.

25 (4) Levy funds collected in subsection (1) of this section must
26 be used only for enhancement outside the program of basic education
27 as defined in RCW 28A.150.220 (as recodified by this act).

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

30 ~~((+9))~~ (6) Prior voter approval for school districts collecting
31 levy funds at a rate of more than one dollar per thousand dollars of
32 assessed valuation as provided in subsections (1) and (3) of this
33 section is no longer considered valid after December 31, 2022.

34 (7) For purposes of this section, "per pupil levy rate" means the
35 total estimated levy revenue calculated at a levy rate of one dollar
36 per one thousand dollars of assessed valuation within the school
37 district divided by the prior year's resident full-time equivalent
38 enrollment.

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

4 (9) This section takes effect only if a revenue source or
5 combination of revenue sources are enacted and take effect by January
6 1, 2018, that generate enough additional state revenue to fully fund
7 the increased salary allocations established in sections 302 through
8 305 of this act in a manner that meets the phase-in requirements
9 established in those sections. The office of financial management
10 shall establish the revenue values required by sections 302 through
11 305 of this act based on the fiscal analysis prepared for this act.
12 Using the values established by the office of financial management,
13 the department of revenue shall provide written notice to the
14 governor, the legislature, and the code reviser's office by December
15 1, 2017, whether the requirements of this subsection have been met.

16 **Sec. 504.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s
17 1 are each reenacted and amended to read as follows:

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

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

23 (a) The difference between the district's (~~twelve~~) thirteen
24 percent levy rate and the statewide average (~~twelve~~) thirteen
25 percent levy rate; to

26 (b) The statewide average (~~twelve~~) thirteen percent levy rate.

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

31 (a) The difference between the district's (~~twelve~~) thirteen
32 percent levy rate and the statewide average (~~twelve~~) thirteen
33 percent levy rate; divided by

34 (b) The district's (~~twelve~~) thirteen percent levy rate.

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

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

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

6 (6) For calendar years 2019 through 2022, as increased salary
7 enhancements are phased in, school districts shall receive the
8 allocation provided in calendar year 2018, instead of the
9 calculations provided in this section.

10 (7) This section takes effect only if a revenue source or
11 combination of revenue sources are enacted and take effect by January
12 1, 2018, that generate enough additional state revenue to fully fund
13 the increased salary allocations established in sections 302 through
14 305 of this act in a manner that meets the phase-in requirements
15 established in those sections. The office of financial management
16 shall establish the revenue values required by sections 302 through
17 305 of this act based on the fiscal analysis prepared for this act.
18 Using the values established by the office of financial management,
19 the department of revenue shall provide written notice to the
20 governor, the legislature, and the code reviser's office by December
21 1, 2017, whether the requirements of this subsection have been met.

22 **Sec. 505.** RCW 28A.500.020 and 1999 c 317 s 2 are each amended to
23 read as follows:

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

26 (a) (~~("Prior tax collection year" means the year immediately~~
27 ~~preceding the year in which the local effort assistance shall be~~
28 ~~allocated.))~~ "School district's prior school year's resident full-
29 time equivalent student enrollment" means the K-12 full-time
30 equivalent student enrollment of the students residing in the school
31 district as reported by the office of the superintendent of public
32 instruction in the prior school year to include resident charter
33 school full-time equivalent student enrollments for charter schools
34 situated in the district.

35 (b) "Statewide average ((~~twelve percent~~)) per pupil levy rate"
36 means ((~~twelve percent of~~)) the total maximum levy ((~~bases as defined~~
37 in RCW 84.52.0531(3)) amount that may be levied by or for any school
38 district maintenance and operation support under the provisions of
39 RCW 84.52.0531 summed for all school districts, and divided by the

1 ~~((total assessed valuation for excess levy purposes in the prior tax~~
2 ~~collection year for all districts as adjusted to one hundred percent~~
3 ~~by the county indicated ratio established in RCW 84.48.075)) prior~~
4 ~~school year's statewide K-12 full-time equivalent student enrollment~~
5 ~~as reported by the office of the superintendent of public~~
6 ~~instruction.~~

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

12 ~~(d)) The "district's ((twelve percent)) per pupil levy rate"~~
13 ~~means the district's ((twelve percent)) total levy amount at one~~
14 ~~dollar and fifty cents per thousand dollars of the assessed valuation~~
15 ~~of all taxable property within the school district adjusted to the~~
16 ~~state equalized value in accordance with the indicated ratio fixed by~~
17 ~~the department of revenue divided by the school district's ((assessed~~
18 ~~valuation for excess levy purposes for the prior tax collection year~~
19 ~~as adjusted to one hundred percent by the county indicated ratio))~~
20 ~~prior school year's resident full-time equivalent student enrollment.~~

21 ~~((e)) (d) "Districts eligible for local effort assistance"~~
22 ~~means those districts levying one dollar and fifty cents per one~~
23 ~~thousand dollars assessed value with a ((twelve percent)) per pupil~~
24 ~~levy rate that ((exceeds)) is less than the statewide average~~
25 ~~((twelve percent)) per pupil levy rate.~~

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

29 (3) This section takes effect only if a revenue source or
30 combination of revenue sources are enacted and take effect by January
31 1, 2018, that generate enough additional state revenue to fully fund
32 the increased salary allocations established in sections 302 through
33 305 of this act in a manner that meets the phase-in requirements
34 established in those sections. The office of financial management
35 shall establish the revenue values required by sections 302 through
36 305 of this act based on the fiscal analysis prepared for this act.
37 Using the values established by the office of financial management,
38 the department of revenue shall provide written notice to the
39 governor, the legislature, and the code reviser's office by December
40 1, 2017, whether the requirements of this subsection have been met.

1 **Sec. 506.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s
2 1 are each reenacted and amended to read as follows:

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

5 (1) Funds raised by ~~((the))~~ eligible school districts through
6 maintenance and operation levies shall be matched with state funds
7 ~~((using))~~ by calculating the following ~~((ratio of state funds to levy~~
8 ~~funds))~~:

9 ~~((a))~~ The difference between the district's ~~((twelve percent))~~
10 per pupil levy rate and the ~~((statewide average twelve percent levy~~
11 ~~rate; to~~

12 ~~(b) The statewide average twelve percent levy rate))~~ average per
13 pupil levy rate, which is then multiplied by the prior year's
14 resident full-time equivalent enrollment.

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

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

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

21 ~~(3) Calendar year 2003 allocations and maximum eligibility under~~
22 ~~this chapter shall be multiplied by 0.99))~~ no more than the amount
23 calculated in subsection (1) of this section.

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

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

31 (6) This section takes effect only if a revenue source or
32 combination of revenue sources are enacted and take effect by January
33 1, 2018, that generate enough additional state revenue to fully fund
34 the increased salary allocations established in sections 302 through
35 305 of this act in a manner that meets the phase-in requirements
36 established in those sections. The office of financial management
37 shall establish the revenue values required by sections 302 through
38 305 of this act based on the fiscal analysis prepared for this act.
39 Using the values established by the office of financial management,
40 the department of revenue shall provide written notice to the

1 governor, the legislature, and the code reviser's office by December
2 1, 2017, whether the requirements of this subsection have been met.

3 **Sec. 507.** RCW 43.09.265 and 1995 c 301 s 16 are each amended to
4 read as follows:

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

7 (2) The state auditor, with the assistance of the department of
8 revenue, shall report to the office of the superintendent of public
9 instruction and the education and finance committees of the
10 legislature any findings of local school district noncompliance with
11 RCW 84.52.0531(2) within ninety days.

12 **PART VI**

13 **TEMPORARY COUNCILS AND TECHNICAL WORKING GROUPS**

14 NEW SECTION. **Sec. 601.** WASHINGTON EDUCATION FUNDING COUNCIL
15 CREATED. (1) The legislature intends to fulfill its obligations under
16 Article IX of the state Constitution by completing its implementation
17 of all aspects of chapter 548, Laws of 2009 by September 1, 2018. The
18 legislature further intends to address the unconstitutional reliance
19 on local levies and to fully fund school employee salaries under
20 chapter . . . , Laws of 2015 2nd sp. sess. (this act). The legislature
21 also intends to create a funding council to monitor the
22 implementation of chapter . . . , Laws of 2015 2nd sp. sess. (this
23 act) and make recommendations to avoid any unintended consequences
24 and may develop a better plan to meet the state's Article IX
25 constitutional obligations.

26 (2) The Washington education funding council is created to advise
27 the legislature as the state moves toward full implementation of the
28 program of basic education established pursuant to chapter 548, Laws
29 of 2009 and the financing and revenues necessary to support the
30 program. Additionally, the council must monitor the implementation of
31 chapter . . . , Laws of 2015 2nd sp. sess. (this act) and make
32 recommendations, if necessary, on any changes to be made by the
33 legislature that are necessary to avoid unintended consequences while
34 still meeting the requirements outlined in chapter 548, Laws of 2009
35 by September 1, 2018, and fulfilling the legislature's constitutional
36 obligations under Article IX of the state Constitution. The council
37 must submit to the legislature recommendations on how to transition

1 to the new salary allocation model and the new school district levy
2 laws. Additionally, the council may recommend changes, if necessary,
3 to the state salary allocation formulas, school district levy laws,
4 local effort assistance including consideration of a sliding scale,
5 state property tax laws, and other state tax laws, to support the
6 instructional program of basic education and to meet the Article IX
7 constitutional duties of the legislature.

8 (3)(a) By September 1, 2016, and every September 1st thereafter
9 until September 1, 2023, when the revised salary allocation model in
10 RCW 28A.150.410 (as recodified by this act) has been fully
11 implemented, the council shall submit reports to the governor and the
12 legislature detailing its recommendations. Each annual report must
13 include a determination of whether the level of state revenue is
14 sufficient to meet the level of the expenditures necessary to
15 implement the policies under chapter . . ., Laws of 2015 2nd sp.
16 sess. (this act) and, if necessary, recommendations to address any
17 shortfall. The recommendations must also include the technical
18 details for implementing the recommendations.

19 (b) The council's first report shall, at a minimum, include the
20 following:

21 (i) A review of the revenue sources and expenditures under
22 chapter . . ., Laws of 2015 2nd sp. sess. (this act), and the initial
23 determination of whether the level of state revenue is sufficient to
24 meet the level of the state expenditures necessary to implement the
25 policies under chapter . . ., Laws of 2015 2nd sp. sess. (this act)
26 and, if necessary, recommendations to address any shortfall;

27 (ii) A review of the revised local levy policy under sections 501
28 through 5-- of this act to determine whether the amount raised by
29 school districts can hold the school district harmless until the
30 revised salary allocation model is fully implemented in the 2021-22
31 school year; and

32 (iii) A review of the revised salary allocation model under RCW
33 28A.150.410 (as recodified by this act) and section 304 of this act
34 and how to address school districts that will still have much higher
35 salaries after the revised salary allocation model is fully
36 implemented in the 2021-22 school year.

37 (4)(a) The Washington education funding council consists of the
38 following voting members: Eight legislators, with two members from
39 each of the two largest caucuses of the senate appointed by the
40 leaders of the majority and minority caucuses and two members from

1 each of the two largest caucuses of the house of representatives
2 appointed by the speaker of the house of representatives.

3 (b) The Washington education funding council consists of the
4 following nonvoting members:

5 (i) The governor, or the governor's designee;

6 (ii) The state superintendent of public instruction, or the
7 superintendent's designee; and

8 (iii) The director of revenue, or the director's designee.

9 (c) The governor shall convene the first meeting of the council
10 by September 1, 2015.

11 (d) The council shall select cochairs from among its legislative
12 members.

13 (e) The council is staffed by the house of representatives office
14 of program research, senate committee services, and the office of
15 financial management, with additional staff support provided by the
16 state entities with representatives on the council.

17 (5) Legislative members of the council must be reimbursed for
18 travel expenses in accordance with RCW 44.04.120. Nonlegislative
19 members, except those representing an employer or organization, are
20 entitled to be reimbursed for travel expenses in accordance with RCW
21 43.03.050 and 43.03.060.

22 (6) The expenses of the council must be paid jointly by the
23 senate and the house of representatives. Council expenditures are
24 subject to approval by the senate facilities and operations committee
25 and the house of representatives executive rules committee, or their
26 successor committees.

27 (7) This section expires September 1, 2024.

28 NEW SECTION. **Sec. 602.** COUNCIL MAY ESTABLISH TECHNICAL WORKING
29 GROUPS. (1) The Washington education funding council may also
30 establish technical working groups to advise the task force on
31 technical and practical aspects of proposed policies and formulas.

32 (2) The technical working group or groups may include
33 representatives of the legislative evaluation and accountability
34 program committee, school district and educational service district
35 financial managers, the Washington association of school business
36 officers, the Washington education association, the Washington
37 association of school administrators, the association of Washington
38 school principals, the Washington state school directors'
39 association, the public school employees of Washington, the

1 educational opportunity gap oversight and accountability committee,
2 and other interested stakeholders with expertise in education finance
3 or state revenue.

4 NEW SECTION. **Sec. 603.** SMALL SCHOOLS FACTOR—JLARC REVIEW. The
5 joint legislative audit and review committee shall review the small
6 schools factor used by the legislature to fund additional teachers in
7 small schools and school districts in the state. The review shall
8 identify options for break points for providing the small schools
9 factor for schools and districts with the goal of ensuring the
10 practical use of full and part-time employees funded by the small
11 schools factor. The review must include information on each district
12 using the small schools factor, whether actual staffing patterns and
13 nonstaff-related costs reflect the small schools factor funding
14 assumptions, and the impacts of break point options. The committee
15 shall provide a final report to the governor, the Washington
16 education funding council created in section 601 of this act, and the
17 legislature by December 1, 2016.

18 NEW SECTION. **Sec. 604.** CASELOAD FORECAST COUNCIL TECHNICAL
19 WORKING GROUP. (1) The caseload forecast council shall convene a
20 technical working group with at least one representative from the
21 council's staff, school district business officers, the office of the
22 superintendent of public instruction, and educational service
23 districts.

24 (2) The caseload forecast council, with input from the technical
25 working group, shall explore the feasibility of developing a generic
26 model for school districts to use in the school district four-year
27 budget outlook as required by RCW 28A.505.040. A potential model must
28 consider the ability to look at trends over time and to permit local
29 school districts to include local impacts of business growth and loss
30 and other local factors that could impact student enrollment.

31 (3) No later than June 30, 2016, the caseload forecast council,
32 with input from the technical working group, shall report the results
33 of this effort to the governor and the appropriate committees of the
34 legislature. The report shall, at a minimum, include:

35 (a) An assessment of the feasibility of development of a generic
36 model to be used for these purposes;

37 (b) An assessment of the processes needed to develop and maintain
38 a generic model including, but not limited to:

- 1 (i) The availability and quality of data needed for a generic
2 model;
- 3 (ii) The potential statistical methodologies that could inform a
4 generic model; and
- 5 (iii) The potential risks involved in the use of a generic model;
6 and
- 7 (c) Recommendations for the legislature to consider should
8 development of a generic model be pursued in the future.

9 **PART VII**

10 **TAX PROVISIONS**

11 NEW SECTION. **Sec. 701.** The legislature recognizes that to
12 accomplish all of the actions laid out in the plan under this act
13 requires additional sources of revenue and should not be accomplished
14 through reductions to other parts of the state budget.

15 **PART VIII**

16 **ELIMINATING AND CORRECTING REFERENCES TO THE QUALITY EDUCATION**

17 **COUNCIL**

18 **Sec. 801.** RCW 28A.175.075 and 2013 c 23 s 46 are each amended to
19 read as follows:

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

1 institutions of higher education; the educational service districts;
2 the area workforce development councils; parent and educator
3 associations; educational opportunity gap oversight and
4 accountability committee; office of the education ombuds; local
5 school districts; agencies or organizations that provide services to
6 special education students; community organizations serving youth;
7 federally recognized tribes and urban tribal centers; each of the
8 major political caucuses of the senate and house of representatives;
9 and the minority commissions.

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

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

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

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

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

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

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

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

37 (iii) Recommended funding for supporting career guidance and the
38 planning and implementation of K-12 dropout prevention, intervention,
39 and reengagement systems in school districts and a plan for phasing

1 the funding into the program of basic education, beginning in the
2 2011-2013 biennium; and

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

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

12 (a) Providing opportunities for coordination and flexibility of
13 program eligibility and funding criteria;

14 (b) Providing joint funding;

15 (c) Developing protocols and templates for model agreements on
16 sharing records and data;

17 (d) Providing joint professional development opportunities that
18 provide knowledge and training on:

19 (i) Research-based and promising practices;

20 (ii) The availability of programs and services for vulnerable
21 youth; and

22 (iii) Cultural competence.

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

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

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

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

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

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

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

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

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

10 (f) Developing a statewide database of available services for
11 vulnerable youth.

12 **Sec. 802.** RCW 28A.230.090 and 2014 c 217 s 202 are each amended
13 to read as follows:

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

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

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

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

35 (d)(i) The state board of education shall adopt rules to
36 implement the career and college ready graduation requirement
37 proposal adopted under board resolution on November 10, 2010, and
38 revised on January 9, 2014, to take effect beginning with the
39 graduating class of 2019 or as otherwise provided in this subsection

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

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

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

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

36 (c) The state board shall forward any proposed changes to the
37 high school graduation requirements to the education committees of
38 the legislature for review (~~and to the quality education council~~
39 ~~established under RCW 28A.290.010)). The legislature shall have the~~
40 opportunity to act during a regular legislative session before the

1 changes are adopted through administrative rule by the state board.
2 Changes that have a fiscal impact on school districts, as identified
3 by a fiscal analysis prepared by the office of the superintendent of
4 public instruction, shall take effect only if formally authorized and
5 funded by the legislature through the omnibus appropriations act or
6 other enacted legislation.

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

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

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

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

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

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

36 **Sec. 803.** RCW 28A.300.136 and 2013 c 23 s 49 are each amended to
37 read as follows:

38 (1) An educational opportunity gap oversight and accountability
39 committee is created to synthesize the findings and recommendations

1 from the 2008 achievement gap studies into an implementation plan,
2 and to recommend policies and strategies to the superintendent of
3 public instruction, the professional educator standards board, and
4 the state board of education to close the achievement gap.

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

7 (a) Supporting and facilitating parent and community involvement
8 and outreach;

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

11 (c) Expanding pathways and strategies to prepare and recruit
12 diverse teachers and administrators;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 **Sec. 804.** RCW 28A.400.201 and 2011 1st sp.s. c 43 s 468 are each
24 amended to read as follows:

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

38 (2) Beginning July 1, 2011, the office of the superintendent of
39 public instruction, in collaboration with the human resources

1 director in the office of financial management, shall convene a
2 technical working group to recommend the details of an enhanced
3 salary allocation model that aligns state expectations for educator
4 development and certification with the compensation system and
5 establishes recommendations for a concurrent implementation schedule.
6 In addition to any other details the technical working group deems
7 necessary, the technical working group shall make recommendations on
8 the following:

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

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

12 (c) How to account for different geographic regions of the state
13 where districts may encounter difficulty recruiting and retaining
14 teachers;

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

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

18 (f) Initial fiscal estimates for implementing the recommendations
19 including a recognition that staff on the existing salary allocation
20 model would have the option to grandfather in permanently to the
21 existing schedule.

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

30 (4) The analysis required under subsection (1) of this section
31 must:

32 (a) Examine salaries and other compensation for teachers, other
33 certificated instructional staff, principals, and other building-
34 level certificated administrators, and the types of classified
35 employees for whom salaries are allocated;

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

39 (c) Include a comparison of salaries and other compensation to
40 the appropriate labor market for at least the following subgroups of

1 educators: Beginning teachers and types of educational staff
2 associates.

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

14 (6) The working group shall be monitored and overseen by the
15 legislature (~~and the quality education council created in RCW~~
16 ~~28A.290.010~~). The working group shall make an initial report to the
17 legislature by June 30, 2012, and shall include in its report
18 recommendations for whether additional further work of the group is
19 necessary.

20 NEW SECTION. **Sec. 805.** The following acts or parts of acts are
21 each repealed:

22 (1) RCW 28A.290.010 (Quality education council—Purpose—
23 Membership and staffing—Reports) and 2013 2nd sp.s. c 25 s 7 & 2011
24 1st sp.s. c 21 s 54; and

25 (2) RCW 28A.290.020 (Funding formulas to support instructional
26 program—Technical working group) and 2010 c 236 s 5 & 2009 c 548 s
27 112.

28 **PART IX**
29 **MISCELLANEOUS**

30 NEW SECTION. **Sec. 901.** (1) Sections 102, 302, 304, and 306 of
31 this act constitute a new chapter in Title 28A RCW.

32 (2)(a) Section 102 of this act shall be codified under the
33 subchapter heading "State Definitions and Formulas."

34 (b) Sections 302, 304, and 306 of this act shall be codified
35 under the subchapter heading "Program Administration."

1 NEW SECTION. **Sec. 902.** The following RCW sections are each
2 recodified in the following order with the subchapter headings in
3 this section as sections in the new chapter created in section 901 of
4 this act:

5 State Definitions and Formulas
6 RCW 28A.150.010, 28A.150.020, 28A.150.100, 28A.150.198,
7 28A.150.1981, 28A.150.200, 28A.150.203, 28A.150.205, 28A.150.210,
8 28A.150.220, 28A.150.260, 28A.150.261, 28A.150.315, and 28A.150.392.
9 Program Administration
10 RCW 28A.150.070, 28A.150.270, 28A.150.275, 28A.150.290,
11 28A.150.310, 28A.150.390, 28A.150.400, and 28A.150.410.

12 NEW SECTION. **Sec. 903.** Sections 601 and 602 of this act are
13 each added to chapter 28A.630 RCW.

14 NEW SECTION. **Sec. 904.** Sections 204 through 209 of this act
15 take effect September 1, 2016.

16 NEW SECTION. **Sec. 905.** Sections 301 through 305 of this act
17 take effect January 1, 2018.

18 NEW SECTION. **Sec. 906.** Sections 402 and 403 of this act take
19 effect January 1, 2018.

20 NEW SECTION. **Sec. 907.** Section 501 of this act takes effect
21 January 1, 2016.

22 NEW SECTION. **Sec. 908.** Sections 502, 504, and 505 of this act
23 take effect January 1, 2018.

24 NEW SECTION. **Sec. 909.** Section 507 of this act takes effect
25 January 1, 2019.

26 NEW SECTION. **Sec. 910.** Section 401 of this act takes effect
27 January 1, 2022.

28 NEW SECTION. **Sec. 911.** Sections 503 and 506 of this act take
29 effect January 1, 2023.

1 NEW SECTION. **Sec. 912.** Section 501 of this act expires January
2 1, 2018.

3 NEW SECTION. **Sec. 913.** Sections 502 and 504 of this act expire
4 January 1, 2023.

5 **Sec. 914.** 2013 2nd sp.s. c 4 s 1905 (uncodified) is amended to
6 read as follows:

7 Section 957 of this act expires (~~August~~) January 1, 2018.

8 NEW SECTION. **Sec. 915.** Sections 302 through 305, 402, 403, and
9 502 through 506 of this act take effect only if a revenue source or
10 combination of revenue sources are enacted and take effect by January
11 1, 2018, that generate enough additional state revenue to fully fund
12 the increased salary allocations established in sections 302 through
13 305 of this act in a manner that meets the phase-in requirements
14 established in those sections. The office of financial management
15 shall establish the revenue values required by sections 302 through
16 305 of this act based on the fiscal analysis prepared for this act.
17 Using the values established by the office of financial management,
18 the department of revenue shall provide written notice to the
19 governor, the legislature, and the code reviser's office by December
20 1, 2017, whether the requirements of this section have been met.

21 NEW SECTION. **Sec. 916.** Sections 306 and 601 through 603 of this
22 act are necessary for the immediate preservation of the public peace,
23 health, or safety, or support of the state government and its
24 existing public institutions, and take effect immediately.

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