
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0204.5/09 5th draft

ATTY/TYPIST: SCG:lcl

BRIEF DESCRIPTION: Attaining a world class K-12 educational system.

1 AN ACT Relating to education; amending RCW 28A.150.210,
2 28A.150.220, 28A.150.315, 28A.150.250, 28A.150.260, 28A.150.380,
3 28A.150.410, 28A.160.150, 28A.180.080, 84.52.043, 84.55.005,
4 84.52.0531, and 84.52.0531; reenacting and amending RCW 28A.150.370;
5 adding new sections to chapter 28A.150 RCW; adding new sections to
6 chapter 43.79 RCW; creating new sections; providing an effective date;
7 and providing expiration dates.

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

9 **PART 1**

10 **BASIC EDUCATION**

11 NEW SECTION. **Sec. 101.** Article IX, section 1 of the state
12 Constitution states that "It is the paramount duty of the state to make
13 ample provision for the education of all children residing within its
14 borders, without distinction or preference on account of race, color,
15 caste, or sex."

16 The state's funding is not ample. In 2005, Washington ranked
17 forty-sixth in the nation in largest class size, forty-fifth for per

1 student spending adjusted for cost-of-living, and below the national
2 average on teacher salaries. The state salary allocation for all
3 categories of K-12 employees does not reflect districts' actual costs.

4 In 1993, the state enacted the education reform act. That act made
5 a significant change in educational requirements to reflect the state's
6 commitment to bring all students to higher academic standards within a
7 world-class, internationally competitive public school system.
8 Although the state set high standards for students and established an
9 assessment and accountability system for schools and districts, the
10 state did not provide the funding that districts needed to bring all
11 students to the new, higher standards.

12 The purpose of this act is to establish a new funding system for
13 the state's public schools. Under this act, over the next six years
14 the state will provide adequate resources for school districts to
15 maintain educational programs that give all students the opportunity to
16 meet the state's educational standards. The new system will be more
17 transparent and will allow greater flexibility to districts to
18 determine which educational programs best meet the needs of their
19 students. Districts will have more flexibility in spending state funds
20 but will be held accountable to meet designated performance outcomes
21 for all of their students. School districts and schools that do not
22 meet designated performance outcomes will receive progressive levels of
23 support and assistance with less flexibility as they work to improve
24 their student outcomes.

25 This act creates a permanent commission to oversee the new system
26 and make recommendations to the legislature each year on the funding
27 needed to meet the state's definition of basic education and to review
28 and update the definition of basic education as needed.

29 **Sec. 102.** RCW 28A.150.210 and 2007 c 400 s 1 are each amended to
30 read as follows:

31 The goal of the basic education act for the schools of the state of
32 Washington set forth in this chapter shall be to provide students with
33 the opportunity to become responsible and respectful global citizens,
34 to contribute to their economic well-being and that of their families
35 and communities, to explore and understand different perspectives, and
36 to enjoy productive and satisfying lives. Additionally, the state of
37 Washington intends to provide for a public school system that is able

1 to evolve and adapt in order to better focus on strengthening the
2 educational achievement of all students, which includes high
3 expectations for all students and gives all students the opportunity to
4 achieve personal and academic success. To these ends, the goals of
5 each school district and each school, with the involvement of parents
6 and community members, shall be to provide opportunities for every
7 student to develop the knowledge and skills essential to:

8 (1) Read with comprehension, write effectively, and communicate
9 successfully in a variety of ways and settings and with a variety of
10 audiences;

11 (2) Know and apply the core concepts and principles of mathematics;
12 social, physical, and life sciences; civics and history, including
13 different cultures and participation in representative government;
14 geography; arts; and health and fitness;

15 (3) Think analytically, logically, and creatively, and to integrate
16 different experiences and knowledge to form reasoned judgments and
17 solve problems; and

18 (4) Understand the importance of work and finance and how
19 performance, effort, and decisions directly affect future career and
20 educational opportunities.

21 **Sec. 103.** RCW 28A.150.220 and 1993 c 371 s 2 are each amended to
22 read as follows:

23 (1) (~~Satisfaction of the basic education program requirements~~)
24 The program established to provide the basic education for regular
25 students identified in RCW 28A.150.210 shall be (~~considered to be~~)
26 implemented by the following (~~program~~):

27 (a) Until the 2013-14 school year, each school district not
28 receiving allocations for full-day kindergarten pursuant to RCW
29 28A.150.315 shall make available to students enrolled in kindergarten
30 at least a total instructional offering of four hundred fifty hours.
31 Districts receiving funding for full-day kindergarten pursuant to RCW
32 28A.150.315 shall make available to students enrolled in kindergarten
33 at least a total instructional offering of one thousand hours. The
34 program shall include instruction in the essential academic learning
35 requirements under RCW (~~28A.630.885~~) 28A.230.095 and such other
36 subjects and such activities as the school district shall determine to

1 be appropriate for the education of the school district's students
2 enrolled in such program, and comport with the program requirements of
3 RCW 28A.150.315;

4 (b) Each school district shall make available to students enrolled
5 in grades one through twelve, at least a district-wide annual average
6 total instructional hour offering of one thousand hours. The state
7 board of education may define alternatives to classroom instructional
8 time for students in grades nine through twelve enrolled in alternative
9 learning experiences. The state board of education shall establish
10 rules to determine annual average instructional hours for districts
11 including fewer than twelve grades. The program shall include the
12 essential academic learning requirements under RCW ((~~28A.630.885~~))
13 28A.230.095 and such other subjects and such activities as the school
14 district shall determine to be appropriate for the education of the
15 school district's students enrolled in such group;

16 (c) If the essential academic learning requirements include a
17 requirement of languages other than English, the requirement may be met
18 by students receiving instruction in one or more American Indian
19 languages.

20 (2) Nothing contained in subsection (1) of this section shall be
21 construed to require individual students to attend school for any
22 particular number of hours per day or to take any particular courses.

23 (3) Each school district's kindergarten through twelfth grade basic
24 educational program shall be accessible to all students who are five
25 years of age, as provided by RCW 28A.225.160, and less than twenty-one
26 years of age and shall consist of a minimum of one hundred eighty
27 school days per school year in such grades as are conducted by a school
28 district, and one hundred eighty half days or full days of instruction,
29 or equivalent, in kindergarten in accordance with subsection (1)(a) of
30 this section and RCW 28A.150.315: PROVIDED, That effective May 1,
31 1979, a school district may schedule the last five school days of the
32 one hundred and eighty day school year for noninstructional purposes in
33 the case of students who are graduating from high school, including,
34 but not limited to, the observance of graduation and early release from
35 school upon the request of a student, and all such students may be
36 claimed as a full-time equivalent student to the extent they could
37 otherwise have been so claimed for the purposes of RCW 28A.150.250 and
38 28A.150.260.

1 (4) The state board of education shall adopt rules to implement and
2 ensure compliance with the program requirements imposed by this
3 section, RCW 28A.150.250 and 28A.150.260, and such related supplemental
4 program approval requirements as the state board may establish.

5 **Sec. 104.** RCW 28A.150.315 and 2007 c 400 s 2 are each amended to
6 read as follows:

7 (1) Beginning with the 2007-08 school year, funding for voluntary
8 all-day kindergarten programs shall be phased-in beginning with schools
9 with the highest poverty levels, defined as those schools with the
10 highest percentages of students qualifying for free and reduced-price
11 lunch support in the prior school year. The phase-in shall be
12 completed by the 2012-13 school year. Once a school receives funding
13 for the all-day kindergarten program, that school shall remain eligible
14 for funding in subsequent school years regardless of changes in the
15 school's percentage of students eligible for free and reduced-price
16 lunches as long as other program requirements are fulfilled.
17 Additionally, schools receiving all-day kindergarten program support
18 shall agree to the following conditions:

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

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

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

24 (ii) Developing a variety of communication skills;

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

27 (iv) Acquiring large and small motor skills;

28 (v) Acquiring social and emotional skills including successful
29 participation in learning activities as an individual and as part of a
30 group; and

31 (vi) Learning through hands-on experiences;

32 (c) Establish learning environments that are developmentally
33 appropriate and promote creativity;

34 (d) Demonstrate strong connections and communication with early
35 learning community providers; and

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

1 (2) Subject to funds appropriated for this purpose, the
2 superintendent of public instruction shall designate one or more school
3 districts to serve as resources and examples of best practices in
4 designing and operating a high-quality all-day kindergarten program.
5 Designated school districts shall serve as lighthouse programs and
6 provide technical assistance to other school districts in the initial
7 stages of implementing an all-day kindergarten program. Examples of
8 topics addressed by the technical assistance include strategic
9 planning, developing the instructional program and curriculum, working
10 with early learning providers to identify students and communicate with
11 parents, and developing kindergarten program readiness activities.

12 (3) ~~((Any))~~ During the phase-in period, funds allocated to support
13 all-day kindergarten programs under this section shall ~~((not))~~ be
14 considered as basic education funding in the schools allocated such
15 funds. When fully implemented in the 2012-13 school year, all-day
16 kindergarten shall be part of basic education.

17 (4) For purposes of this section, "voluntary all-day kindergarten"
18 means that in districts offering both all-day or half-day kindergarten
19 parents may choose either a half-day or all-day kindergarten program
20 for their children.

21 **Sec. 105.** RCW 28A.150.250 and 1990 c 33 s 107 are each amended to
22 read as follows:

23 From those funds made available by the legislature for the current
24 use of the common schools, the superintendent of public instruction
25 shall distribute annually as provided in RCW 28A.510.250 to each school
26 district of the state operating a program approved by the state board
27 of education an amount which, when combined with an appropriate portion
28 of such locally available revenues, other than receipts from federal
29 forest revenues distributed to school districts pursuant to RCW
30 28A.520.010 and 28A.520.020, as the superintendent of public
31 instruction may deem appropriate for consideration in computing state
32 equalization support, excluding excess property tax levies, will
33 constitute a basic education allocation in dollars for each annual
34 average full-time equivalent student enrolled, based upon one full
35 school year of one hundred eighty days, except that for kindergartens
36 one full school year shall be one hundred eighty full or half days of

1 instruction, or the equivalent as provided in RCW 28A.150.220 and
2 28A.150.315.

3 ~~((Basic education shall be considered to be fully funded by those
4 amounts of dollars appropriated by the legislature pursuant to RCW
5 28A.150.250 and 28A.150.260 to fund those program requirements
6 identified in RCW 28A.150.220 in accordance with the formula and ratios
7 provided in RCW 28A.150.260 and those amounts of dollars appropriated
8 by the legislature to fund the salary requirements of RCW 28A.150.100
9 and 28A.150.410.))~~

10 Operation of a program approved by the state board of education,
11 for the purposes of this section, shall include a finding that the
12 ratio of students per classroom teacher in grades kindergarten through
13 three is not greater than the ratio of students per classroom teacher
14 in grades four and above for such district: PROVIDED, That for the
15 purposes of this section, "classroom teacher" shall be defined as an
16 instructional employee possessing at least a provisional certificate,
17 but not necessarily employed as a certificated employee, whose primary
18 duty is the daily educational instruction of students: PROVIDED
19 FURTHER, That the state board of education shall adopt rules and
20 regulations to insure compliance with the student/teacher ratio
21 provisions of this section, and such rules and regulations shall allow
22 for exemptions for those special programs and/or school districts which
23 may be deemed unable to practicably meet the student/teacher ratio
24 requirements of this section by virtue of a small number of students.

25 If a school district's basic education program fails to meet the
26 basic education requirements enumerated in RCW 28A.150.250,
27 28A.150.260, and 28A.150.220, the state board of education shall
28 require the superintendent of public instruction to withhold state
29 funds in whole or in part for the basic education allocation until
30 program compliance is assured: PROVIDED, That the state board of
31 education may waive this requirement in the event of substantial lack
32 of classroom space.

33 **Sec. 106.** RCW 28A.150.260 and 2006 c 263 s 322 are each amended to
34 read as follows:

35 The basic education allocation for each annual average full-time
36 equivalent student shall be determined in accordance with the following
37 procedures:

1 (1) The governor shall and the superintendent of public instruction
2 may recommend to the legislature a formula based on a ratio of students
3 to staff for the distribution of a basic education allocation for each
4 annual average full-time equivalent student enrolled in a common
5 school. The distribution formula shall have the primary objective of
6 equalizing educational opportunities and shall provide appropriate
7 recognition of the following costs among the various districts within
8 the state:

9 (a) Certificated instructional staff and their related costs;

10 (b) Certificated administrative staff and their related costs;

11 (c) Classified staff and their related costs;

12 (d) Nonsalary costs;

13 (e) Extraordinary costs, including school facilities, of remote and
14 necessary schools as judged by the superintendent of public
15 instruction, with recommendations from the school facilities citizen
16 advisory panel under RCW 28A.525.025, and small high schools, including
17 costs of additional certificated and classified staff; and

18 (f) The attendance of students pursuant to RCW 28A.335.160 and
19 28A.225.250 who do not reside within the servicing school district.

20 (2)(a) (~~This formula for distribution of basic education funds~~
21 ~~shall be reviewed biennially by the superintendent and governor. The~~
22 ~~recommended formula shall be subject to approval, amendment or~~
23 ~~rejection by the legislature.)) The formula shall be for allocation
24 purposes only. While the legislature intends that the allocations for
25 additional instructional staff be used to increase the ratio of such
26 staff to students, nothing in this section shall require districts to
27 reduce the number of administrative staff below existing levels.~~

28 (b) For the 2009-10 school year, the formula adopted by the
29 legislature shall reflect the following ratios at a minimum: (i)
30 (~~Forty-nine~~) Fifty-six and thirty-seven one-hundredths certificated
31 instructional staff to one thousand annual average full-time equivalent
32 students enrolled in grades kindergarten through three; (ii) (~~forty-~~
33 ~~six~~) forty-seven and seven one-hundredths certificated instructional
34 staff to one thousand annual average full-time equivalent students in
35 grades four through twelve; (iii) four certificated administrative
36 staff to one thousand annual average full-time equivalent students in
37 grades kindergarten through twelve; and (iv) (~~sixteen and sixty-~~

1 ~~seven))~~ seventeen and twenty-one one-hundredths classified personnel to
2 one thousand annual average full-time equivalent students enrolled in
3 grades kindergarten through twelve.

4 ~~(c) ((In the event the legislature rejects the distribution formula~~
5 ~~recommended by the governor, without adopting a new distribution~~
6 ~~formula, the distribution formula for the previous school year shall~~
7 ~~remain in effect: PROVIDED, That))~~ For the 2010-11 school year, the
8 formula adopted by the legislature shall reflect the following ratios
9 at a minimum: (i) Fifty-nine and fifty-six one-hundredths certificated
10 instructional staff to one thousand annual average full-time equivalent
11 students enrolled in grades kindergarten through three; (ii) forty-
12 eight and fourteen one-hundredths certificated instructional staff to
13 one thousand annual average full-time equivalent students in grades
14 four through twelve; (iii) four certificated administrative staff to
15 one thousand annual average full-time equivalent students in grades
16 kindergarten through twelve; and (iv) seventeen and forty-one one-
17 hundredths classified personnel to one thousand annual average full-
18 time equivalent students enrolled in grades kindergarten through
19 twelve.

20 (d) The distribution formula developed pursuant to this section
21 shall be for state apportionment and equalization purposes only and
22 shall not be construed as mandating specific operational functions of
23 local school districts other than those program requirements identified
24 in RCW 28A.150.220 and 28A.150.100. The enrollment of any district
25 shall be the annual average number of full-time equivalent students and
26 part time students as provided in RCW 28A.150.350, enrolled on the
27 first school day of each month and shall exclude full-time equivalent
28 students with disabilities recognized for the purposes of allocation of
29 state funds for programs under RCW 28A.155.010 through 28A.155.100.
30 The definition of full-time equivalent student shall be determined by
31 rules of the superintendent of public instruction: PROVIDED, That the
32 definition shall be included as part of the superintendent's biennial
33 budget request: PROVIDED, FURTHER, That any revision of the present
34 definition shall not take effect until approved by the house
35 appropriations committee and the senate ways and means committee:
36 PROVIDED, FURTHER, That the office of financial management shall make
37 a monthly review of the superintendent's reported full-time equivalent
38 students in the common schools in conjunction with RCW 43.62.050.

1 (3)(a) Certificated instructional staff shall include those persons
2 employed by a school district who are nonsupervisory employees within
3 the meaning of RCW 41.59.020(8): PROVIDED, That in exceptional cases,
4 people of unusual competence but without certification may teach
5 students so long as a certificated person exercises general
6 supervision: PROVIDED, FURTHER, That the hiring of such classified
7 people shall not occur during a labor dispute and such classified
8 people shall not be hired to replace certificated employees during a
9 labor dispute.

10 (b) Certificated administrative staff shall include all those
11 persons who are chief executive officers, chief administrative
12 officers, confidential employees, supervisors, principals, or assistant
13 principals within the meaning of RCW 41.59.020(4).

14 (4) This section expires August 31, 2011.

15 NEW SECTION. Sec. 107. A new section is added to chapter 28A.150
16 RCW to read as follows:

17 For the 2011-12 school year and thereafter, it is expected that the
18 legislature will adopt a replacement basic education allocation formula
19 based on its consideration of recommendations of the commission for
20 quality education in Washington pursuant to section 203 of this act
21 that is based on prototype schools and includes funding for the regular
22 education of students, special education, bilingual, and learning
23 assistance.

24 **Sec. 108.** RCW 28A.150.370 and 1995 c 335 s 102 and 1995 c 77 s 5
25 are each reenacted and amended to read as follows:

26 In addition to those state funds provided to school districts for
27 the regular basic education of students under RCW 28A.150.260, the
28 legislature shall appropriate ancillary basic education funds for:
29 Pupil transportation, in accordance with this chapter, RCW 28A.160.150
30 through 28A.160.210, 28A.300.035, 28A.300.170, and 28A.500.010(~~and~~
31 ~~for~~); special education programs for students with disabilities, in
32 accordance with RCW 28A.155.010 through 28A.155.100; learning
33 assistance in accordance with RCW 28A.165.005 through 28A.165.900; and
34 bilingual instruction in accordance with RCW 28A.180.080. The
35 legislature may appropriate funds to be distributed to school districts
36 for population factors such as urban costs, enrollment fluctuations,

1 and for special programs(~~(7)~~) including, but not limited to,
2 (~~(vocational-technical institutes,)~~) compensatory programs, (~~(bilingual~~
3 ~~education,)~~) urban, rural, racial, and disadvantaged programs, programs
4 for gifted students, and other special programs. Beginning with the
5 2011-12 school year and thereafter, allocations for the purposes and
6 programs in this section may be made as separate categorical program
7 appropriations or combined in a foundation formula that also includes
8 the basic education allocation in accordance with RCW 28A.150.260.

9 **Sec. 109.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to
10 read as follows:

11 (1) The state legislature shall, at each regular session in an odd-
12 numbered year, appropriate from the state general fund for the current
13 use of the common schools such amounts as needed for state support to
14 the common schools during the ensuing biennium as provided in this
15 chapter, chapter 28A.165 RCW, and RCW 28A.160.150 through 28A.160.210,
16 28A.180.080, 28A.300.170, and 28A.500.010.

17 (2) Through the 2010-11 school year, the state legislature shall
18 also, at each regular session in an odd-numbered year, appropriate from
19 the student achievement fund and education construction fund solely for
20 the purposes of and in accordance with the provisions of the student
21 achievement act during the ensuing biennium. Beginning with the
22 2011-12 school year, the legislature may incorporate the student
23 achievement fund into a new foundation formula pursuant to the
24 recommendations of the commission for quality education in Washington
25 created in section 202 of this act.

26 **Sec. 110.** RCW 28A.150.410 and 2007 c 403 s 1 are each amended to
27 read as follows:

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

33 (2) Salary allocations for state-funded basic education
34 certificated instructional staff shall be calculated by the
35 superintendent of public instruction by determining the district's

1 average salary for certificated instructional staff, using the
2 statewide salary allocation schedule and related documents, conditions,
3 and limitations established by the omnibus appropriations act.

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

9 (a) The employee has a masters degree; or

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

12 (4)(a) The certificated instructional staff base salary specified
13 for each district in the omnibus appropriations act pursuant to
14 subsection (1) of this section shall include allocations for a minimum
15 of three and two-tenths learning improvement days in the 2009-10 school
16 year and a minimum of four and three-tenths learning improvement days
17 in the 2010-11 school year. It is intended that for ensuing school
18 years, additional learning improvement days, including amounts
19 available under Initiative Measure No. 728, shall be phased-in by the
20 legislature considering the recommendations of the commission for
21 quality education in Washington under section 202 of this act.

22 (b) A school district is eligible for the learning improvement day
23 funds only if the learning improvement days have been added to the one
24 hundred eighty-day contract year. If fewer days are added, the
25 additional learning improvement allocation shall be adjusted
26 accordingly. The additional days shall be limited to specific
27 activities identified in the state-required school improvement plan
28 related to improving student learning that are consistent with
29 education reform implementation and shall be considered part of the
30 basic education allocation. The principal in each school shall assure
31 that the days are used to provide the necessary school-wide, all-staff
32 professional development that is tied directly to the school
33 improvement plan. The school principal and the district superintendent
34 shall maintain documentation as to their approval of these activities.
35 The length of a learning improvement day shall not be less than the
36 length of a full day under the base contract. The superintendent of
37 public instruction shall ensure that school districts adhere to the
38 intent and purposes of this subsection.

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

15 **Sec. 111.** RCW 28A.160.150 and 1996 c 279 s 1 are each amended to
16 read as follows:

17 Funds allocated for transportation costs shall be (~~(in addition to~~
18 ~~the)) an additional basic education allocation. The distribution~~
19 formula developed in RCW 28A.160.150 through 28A.160.180 shall be for
20 allocation purposes only and shall not be construed as mandating
21 specific levels of pupil transportation services by local districts.
22 Operating costs as determined under RCW 28A.160.150 through 28A.160.180
23 shall be funded at one hundred percent or as close thereto as
24 reasonably possible for transportation of an eligible student to and
25 from school as defined in RCW 28A.160.160(3). In addition, funding
26 shall be provided for transportation services for students living
27 within one radius mile from school as determined under RCW
28 28A.160.180(2).

29 **Sec. 112.** RCW 28A.180.080 and 1995 c 335 s 601 are each amended to
30 read as follows:

31 The superintendent of public instruction shall prepare and submit
32 biennially to the governor and the legislature a budget request for
33 bilingual instruction programs. Through the 2010-11 school year,
34 moneys appropriated by the legislature for the purposes of RCW
35 28A.180.010 through 28A.180.080 shall be allocated by the
36 superintendent of public instruction to school districts for the sole

1 purpose of operating an approved bilingual instruction program;
2 priorities for funding shall exist for the early elementary grades.
3 Beginning with the 2011-12 school year, funding for bilingual
4 instruction programs may be combined into a foundation formula pursuant
5 to RCW 28A.150.370. No moneys shall be allocated pursuant to this
6 section to fund more than three school years of bilingual instruction
7 for each eligible pupil within a district: PROVIDED, That such moneys
8 may be allocated to fund more than three school years of bilingual
9 instruction for any pupil who fails to demonstrate improvement in
10 English language skills adequate to remove impairment of learning when
11 taught only in English. The superintendent of public instruction shall
12 set standards and approve a test for the measurement of such English
13 language skills.

14 **PART 2**

15 **TWO-WAY ACCOUNTABILITY AND THE COMMISSION FOR**
16 **QUALITY EDUCATION IN WASHINGTON**

17 NEW SECTION. **Sec. 201.** A new section is added to chapter 28A.150
18 RCW to read as follows:

19 State funding formulas have evolved over time to accommodate a
20 variety of factors but have not been updated routinely based on changes
21 in current conditions including changes in the cost-of-living, economic
22 circumstances, or findings on best practices of student instruction,
23 and school management and leadership. Regular updates would reflect
24 new data aligning state funding with the resources students and schools
25 need to meet state standards.

26 A system in which the state and school districts share
27 accountability for achieving state educational standards requires new
28 mechanisms that will clearly define the relationship of expectations
29 for the state, school districts, and schools.

30 A commission is established, pursuant to section 202 of this act,
31 that is accountable to the legislature and the governor with duties and
32 responsibilities as specified in section 203 of this act. This
33 commission will devote the necessary time and energy to making reasoned
34 and rational determinations of educational needs and expected
35 performance, make budget and policy recommendations to the legislature

1 and governor, and evaluate the overall functioning of the public
2 schools to optimize system efficiency and effectiveness.

3 NEW SECTION. **Sec. 202.** A new section is added to chapter 28A.150
4 RCW to read as follows:

5 (1) The commission for quality education in Washington is created.

6 (2) The commission shall be composed of eleven members who are
7 residents of the state of Washington as follows:

8 (a) Five shall be members representing the educational system
9 appointed by the governor;

10 (b) The superintendent of public instruction; and

11 (c) Five other members appointed by the governor.

12 (3)(a) In order to establish staggered terms, initial appointments
13 shall be for terms from one to four years in length, with the terms
14 expiring on the second Monday of January of the applicable year. As
15 the terms of the first appointees expire or vacancies on the commission
16 occur, the governor shall appoint or reappoint members of the
17 commission to complete the initial terms or to four-year terms, as
18 appropriate.

19 (b) Appointees must be individuals who have demonstrated interest
20 in public schools and are supportive of educational improvement, have
21 a positive record of service, and who will devote sufficient time to
22 the responsibilities of the commission.

23 (c) All gubernatorial appointments to the commission are subject to
24 confirmation by the senate.

25 (d) With the exception of the superintendent of public instruction,
26 no person may serve as a member of the commission for more than two
27 consecutive full four-year terms.

28 (4) The governor may remove an appointed member of the commission
29 for neglect of duty, misconduct, malfeasance, or misfeasance in office,
30 or for incompetent or unprofessional conduct as defined in chapter
31 18.130 RCW. In such a case, the governor shall file with the secretary
32 of state a statement of the causes for and the order of removal from
33 office, and the secretary of state shall send a certified copy of the
34 statement of causes for and order of removal to the last known post
35 office address of the member.

36 (5)(a) The chair of the commission shall be elected by a majority
37 vote of the members of the commission. The chair of the commission

1 shall serve a term of two years, and may be reelected to an additional
2 term. A member of the commission may not serve as chair for more than
3 two consecutive terms.

4 (b) Six voting members of the commission constitute a quorum for
5 the transaction of business.

6 (6) Members of the commission appointed by the governor who are not
7 public employees shall be compensated in accordance with RCW 43.03.265
8 and shall be reimbursed for travel expenses incurred in carrying out
9 the duties of the commission in accordance with RCW 43.03.050 and
10 43.03.060.

11 NEW SECTION. **Sec. 203.** A new section is added to chapter 28A.150
12 RCW to read as follows:

13 (1) In addition to any other powers and duties as provided by law,
14 the commission shall:

15 (a) Determine annually the resources necessary to make ample
16 provision for the education of all Washington public education students
17 by creating and updating prototype schools that represent hypothetical
18 models of schools that could achieve all basic education standards
19 effectively and at specified levels. These prototypes shall contain
20 detailed specifications of the programs, staffing, and resources
21 sufficient to enable all students to meet state and federal standards
22 and to offer a program of education consistent with state and federal
23 mandates, rules, and regulations;

24 (b) Review the results of each legislative session pertaining to
25 actions that have a potential fiscal impact on public schools. For
26 each such action, the commission shall determine the fiscal impact and
27 incorporate into the prototype schools sufficient resources to comply
28 with all enacted laws, regulations, and rules;

29 (c) Apply a set of adjustments to the prototype schools that take
30 into account variations in the cost of educating students to basic
31 education standards by school size, region, family income level, and
32 other relevant student demographic factors;

33 (d) Identify a comprehensive set of performance indicators that can
34 be quantified and collected longitudinally in order to track the
35 performance of Washington schools along a number of key dimensions that
36 represent basic education standards for schooling, including but not
37 necessarily limited to student performance, and review the results from

1 the data collected on each of the performance indicators and issue a
2 report to the governor and the legislature by December 1st of each year
3 assessing the performance of Washington schools relative to basic
4 education standards. The assessment shall take into account the
5 resources provided in relation to the performance achieved;

6 (e) Develop a means to calculate expected performance of Washington
7 schools relative to basic education standards when provided full
8 funding at the level identified by the prototype schools and at funding
9 levels below full funding. The purpose is to establish appropriate
10 performance expectations for schools in relation to funding provided.
11 If funding provided is less than that identified as necessary to
12 accomplish basic education standards, the expectations for schools
13 shall be adjusted accordingly;

14 (f) Determine annually the projected performance of Washington
15 schools in relation to the proportion of full funding provided to
16 schools for basic education and forecast future expected performance of
17 Washington schools at varying funding levels from less than full
18 funding sufficient to meet basic education standards to full funding.
19 By December 1, 2010, and each year thereafter, the commission shall
20 submit a report of the findings to the governor, legislature, the
21 superintendent of public instruction, and the state board of education;

22 (g) Review existing data sources and identify additional data
23 necessary to determine the relation between funding and achievement of
24 basic education standards. In the process of developing this
25 relational model, the commission shall identify areas where additional
26 data are necessary and make recommendations to the governor and
27 legislature regarding the nature and functioning of a comprehensive
28 data system to support accurate determinations of school funding needs
29 and projected performance expectations. By December 1, 2010, and each
30 year thereafter, the commission shall recommend new data sources
31 necessary to improve the accuracy of resource and performance estimates
32 along with ways to improve existing data sources so that they yield
33 more precise, useful information that improves the descriptive and
34 predictive capabilities of commission models;

35 (h) By December 1, 2010, and each year thereafter, issue a
36 technical report to the governor, the superintendent of public
37 instruction, and appropriate legislative committees. This report shall
38 document the level of funding necessary to meet all state and federal

1 standards and basic education requirements and related mandates,
2 compare this to the current and projected levels of funding for
3 education, and consider scenarios that describe the impact of various
4 funding levels on the performance of the educational system;

5 (i) Conduct feasibility studies and analyses to determine the
6 proportion of the student population that can be expected to achieve
7 any given performance standard in order to establish the performance
8 levels schools are expected to meet.

9 (i) The studies in this subsection (1)(i) shall take into account
10 factors beyond the school's ability to control that might prevent a
11 student from reaching a performance level or achieving a performance
12 standard. Examples include students who may have physiological or
13 cognitive limitations not amenable to instructional intervention, the
14 proportion of students who at any given time may be unable to engage in
15 schooling for any of a range of reasons, or any groups of students that
16 could not be expected to reach a performance standard for reasons such
17 as having not attended school in Washington long enough to have learned
18 any of the tested material or to have learned English well enough to
19 understand material being tested or the test questions themselves.

20 (ii) Before each legislative session, the commission shall review
21 and update the identified assumptions about the structural limitations
22 inherent in the student population that prevent all students from
23 achieving target performance levels based on any new evidence or
24 examples of programs that demonstrated actual performance of students
25 with special conditions;

26 (j) By December 1, 2010, and each year thereafter, prepare and
27 release a nontechnical report to the general public highlighting
28 progress or issues in funding to the level identified by the commission
29 as necessary to fulfill constitutional obligations. This report shall
30 contain analyses of the potential reasons Washington schools were
31 achieving expected performance levels or failing to do so; and

32 (k) To assist in preparing the various reports, use advisory
33 committees and technical panels composed of educators and members of
34 the private and public sector with expertise on systems analysis and
35 data-driven outcomes measurement systems.

36 (2) The office of the superintendent of public instruction shall
37 provide staff for the commission. The office of the superintendent of
38 public instruction shall maintain web pages for the commission.

1 (c) Should reach designated performance standards through
2 successful completion of academic programs as measured by multiple
3 assessments at rates established by the commission for quality
4 education in Washington; and

5 (d) Should progress from grade to grade and graduate on time from
6 high school at least at rates predicted by the commission for quality
7 education in Washington based on state funding levels.

8 (2) Classroom practices: Whether curricula and instruction are
9 aligned with state education standards and are designed to incorporate
10 effective instructional methods.

11 (3) Teachers:

12 (a) Should possess the content knowledge base, technical skills,
13 and human relations capabilities to enable students to meet specified
14 learning requirements; and

15 (b) Are responsible for addressing student learning needs.

16 (4) Schools:

17 (a) Are organized in ways that facilitate student learning;

18 (b) Involve parents and community members;

19 (c) Demonstrate the ability to adapt to changes in the
20 characteristics of the student population;

21 (d) Create a culture based on the belief that all students can
22 learn and that all willing students can achieve state learning
23 requirements;

24 (e) Provide a safe and orderly learning environment;

25 (f) Use data and analysis to improve instructional programs; and

26 (g) Address the needs of the support staff.

27 (5) Central administration:

28 (a) Is accountable to the school board for management and operation
29 of the district and for achievement of specified performance standards
30 related to student learning;

31 (b) Supports student learning needs by making strategic and
32 operational decisions based on improving student learning;

33 (c) Manages long-range strategic and operational plans;

34 (d) Ensures that laws, policies, procedures, and contracts are
35 followed; and

36 (e) Advocates for student and staff needs.

37 (6) Local school boards:

38 (a) Set long-range policy strategies and purposes;

1 (b) Hold school administrators accountable for achieving designated
2 goals;

3 (c) Set policies that establish the conditions under which learning
4 can take place and performance standards can be achieved; and

5 (d) Monitor district operation and adherence to state, state board
6 of education, and office of the superintendent of public instruction
7 policies.

8 (7) Executive branch:

9 (a) Appoints and provides resources for the commission for quality
10 education in Washington;

11 (b) Develops a biennial education budget consistent with commission
12 for quality education in Washington guidelines; and

13 (c) Forwards recommendations for revisions and adjustments to basic
14 education definition to the legislature.

15 (8) Legislative branch:

16 (a) Supports basic education by providing ample, stable, and
17 equitable funding;

18 (b) Reviews its definition of basic education to maintain currency;

19 (c) Establishes state education performance standards; and

20 (d) Sets accountability expectations for schools.

21 **PART 4**

22 **RESOURCES FOR IMPLEMENTING FULL FUNDING OF BASIC EDUCATION**

23 NEW SECTION. **Sec. 401.** A new section is added to chapter 43.79
24 RCW to read as follows:

25 (1) The full funding of basic education account is created in the
26 state treasury. Moneys in the account may be spent only after
27 appropriation. All receipts from section 402 of this act and RCW
28 84.52.043(1)(b) shall be deposited into the account. The funds may be
29 expended only for the following purposes:

30 (a) To improve certificated instructional and classified staff per-
31 student ratios in state basic education allocation formulas above
32 maintenance levels in each succeeding school year;

33 (b) To increase funding for nonemployee-related costs in basic
34 education formulas above maintenance level amounts in each succeeding
35 school year;

1 (c) To phase-in full-day kindergarten for additional schools above
2 levels funded in the 2008-09 school year in the omnibus appropriations
3 act, chapter 329, Laws of 2008;

4 (d) To fund the increased costs above maintenance level of
5 implementing a new pupil transportation formula;

6 (e) To increase the percentage of local school district maintenance
7 and operation levy revenue equalized through local effort assistance
8 above the twelve percent rate specified in RCW 28A.500.020.

9 (2) Full funding of basic education account funds shall not be used
10 for state maintenance level budget adjustments from one school year to
11 the next and shall be used only for formula improvements in each
12 succeeding year as specified in subsection (1)(a) through (e) of this
13 section.

14 NEW SECTION. **Sec. 402.** A new section is added to chapter 43.79
15 RCW to read as follows:

16 By September 30, 2009, and by September 30th of each odd-numbered
17 year thereafter, if the prior fiscal biennium's general state revenues
18 exceed the previous fiscal biennium's revenues by more than five
19 percent, subject to appropriation by the legislature, the state
20 treasurer shall transfer fifty percent of the amount over five percent
21 to the full funding of basic education account.

22 **Sec. 403.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to
23 read as follows:

24 Within and subject to the limitations imposed by RCW 84.52.050 as
25 amended, the regular ad valorem tax levies upon real and personal
26 property by the taxing districts hereafter named shall be as follows:

27 (1) Levies of the senior taxing districts shall be as follows: (a)
28 The levy by the state shall not exceed three dollars and (~~sixty~~)
29 thirty-five cents per thousand dollars of assessed value adjusted to
30 the state equalized value in accordance with the indicated ratio fixed
31 by the state department of revenue to be used exclusively for the
32 support of the common schools; (b) the full funding for basic education
33 levy by the state shall not exceed twenty-five cents per thousand
34 dollars of assessed value adjusted to the state equalized value in
35 accordance with the indicated ratio fixed by the state department of
36 revenue to be used exclusively to support the purposes in section 401

1 of this act; (c) the levy by any county shall not exceed one dollar and
2 eighty cents per thousand dollars of assessed value; (~~(e)~~) (d) the
3 levy by any road district shall not exceed two dollars and twenty-five
4 cents per thousand dollars of assessed value; and (~~(d)~~) (e) the levy
5 by any city or town shall not exceed three dollars and thirty-seven and
6 one-half cents per thousand dollars of assessed value. However any
7 county is hereby authorized to increase its levy from one dollar and
8 eighty cents to a rate not to exceed two dollars and forty-seven and
9 one-half cents per thousand dollars of assessed value for general
10 county purposes if the total levies for both the county and any road
11 district within the county do not exceed four dollars and five cents
12 per thousand dollars of assessed value, and no other taxing district
13 has its levy reduced as a result of the increased county levy.

14 (2) The aggregate levies of junior taxing districts and senior
15 taxing districts, other than the state, shall not exceed five dollars
16 and ninety cents per thousand dollars of assessed valuation. The term
17 "junior taxing districts" includes all taxing districts other than the
18 state, counties, road districts, cities, towns, port districts, and
19 public utility districts. The limitations provided in this subsection
20 shall not apply to: (a) Levies at the rates provided by existing law
21 by or for any port or public utility district; (b) excess property tax
22 levies authorized in Article VII, section 2 of the state Constitution;
23 (c) levies for acquiring conservation futures as authorized under RCW
24 84.34.230; (d) levies for emergency medical care or emergency medical
25 services imposed under RCW 84.52.069; (e) levies to finance affordable
26 housing for very low-income housing imposed under RCW 84.52.105; (f)
27 the portions of levies by metropolitan park districts that are
28 protected under RCW 84.52.120; (g) levies imposed by ferry districts
29 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
30 84.52.135; and (i) the portions of levies by fire protection districts
31 that are protected under RCW 84.52.125.

32 **Sec. 404.** RCW 84.55.005 and 2007 sp.s. c 1 s 1 are each amended to
33 read as follows:

34 As used in this chapter:

35 (1) "Inflation" means the percentage change in the implicit price
36 deflator for personal consumption expenditures for the United States as

1 published for the most recent twelve-month period by the bureau of
2 economic analysis of the federal department of commerce in September of
3 the year before the taxes are payable;

4 (2) "Limit factor" means:

5 (a) For taxing districts with a population of less than ten
6 thousand in the calendar year prior to the assessment year, one hundred
7 one percent;

8 (b) For taxing districts for which a limit factor is authorized
9 under RCW 84.55.0101, the lesser of the limit factor authorized under
10 that section or one hundred one percent;

11 (c) For all other districts, the lesser of one hundred one percent
12 or one hundred percent plus inflation; and

13 (3) "Regular property taxes" has the meaning given it in RCW
14 84.04.140, except that it does not include tax levies under RCW
15 84.52.043(1)(b).

16 **PART 5**

17 **MISCELLANEOUS PROVISIONS**

18 **Sec. 501.** RCW 84.52.0531 and 2006 c 119 s 2 are each amended to
19 read as follows:

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

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

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

29 (a) The district's levy base as defined in subsections (3) and (4)
30 of this section multiplied by the district's maximum levy percentage as
31 defined in subsection (5) 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 school
34 district's maximum levy amount shall be increased by an amount equal to
35 the estimated amount of the nonhigh payment due to the high school

1 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
2 commencing the year of the levy;

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

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

11 (ii) The serving district's maximum levy percentage determined
12 under subsection (5) of this section; increased by:

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

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

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

32 (a) The district's basic education allocation for the regular
33 education of students as determined pursuant to RCW 28A.150.250,
34 28A.150.260, and 28A.150.350;

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

37 (i) Pupil transportation;

38 (ii) Special education;

1 (iii) Bilingual education;
2 (iv) Education of highly capable students;
3 ~~((iv))~~ (v) Compensatory education, including but not limited to
4 learning assistance, migrant education, Indian education, refugee
5 programs, and bilingual education;
6 ~~((v))~~ (vi) Food services; and
7 ~~((vi))~~ (vii) Statewide block grant programs; and
8 (c) Any other federal allocations for elementary and secondary
9 school programs, including direct grants, other than federal impact aid
10 funds and allocations in lieu of taxes.

11 (4) For levy collections in calendar years 2005 through 2011, in
12 addition to the allocations included under subsection (3)(a) through
13 (c) of this section, a district's levy base shall also include the
14 following:

15 (a) The difference between the allocation the district would have
16 received in the current school year had RCW 84.52.068 not been amended
17 by chapter 19, Laws of 2003 1st sp. sess. and the allocation the
18 district received in the current school year pursuant to RCW 84.52.068.
19 The office of the superintendent of public instruction shall offset the
20 amount added to a district's levy base pursuant to this subsection
21 (4)(a) by any additional per student allocations included in a
22 district's levy base pursuant to the enactment of an initiative to the
23 people subsequent to June 10, 2004; and

24 (b) The difference between the allocations the district would have
25 received the prior school year had RCW 28A.400.205 not been amended by
26 chapter 20, Laws of 2003 1st sp. sess. and the allocations the district
27 actually received the prior school year pursuant to RCW 28A.400.205.
28 The office of the superintendent of public instruction shall offset the
29 amount added to a district's levy base pursuant to this subsection
30 (4)(b) by any additional salary increase allocations included in a
31 district's levy base pursuant to the enactment of an initiative to the
32 people subsequent to June 10, 2004.

33 (5) A district's maximum levy percentage shall be twenty-two
34 percent in 1998 and twenty-four percent in 1999 and every year
35 thereafter; plus, for qualifying districts, the grandfathered
36 percentage determined as follows:

37 (a) For 1997, the difference between the district's 1993 maximum
38 levy percentage and twenty percent; and

1 (b) For 1998 and thereafter, the percentage calculated as follows:

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

5 (ii) Reduce the result of (b)(i) of this subsection by any levy
6 reduction funds as defined in subsection (6) of this section that are
7 to be allocated to the district for the current school year;

8 (iii) Divide the result of (b)(ii) of this subsection by the
9 district's levy base; and

10 (iv) Take the greater of zero or the percentage calculated in
11 (b)(iii) of this subsection.

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

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

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

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

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

34 **Sec. 502.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to
35 read as follows:

36 The maximum dollar amount which may be levied by or for any school

1 district for maintenance and operation support under the provisions of
2 RCW 84.52.053 shall be determined as follows:

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

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

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

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

18 (c) For districts in an interdistrict cooperative agreement, the
19 nonresident school district's maximum levy amount shall be reduced and
20 the resident school district's maximum levy amount shall be increased
21 by an amount equal to the per pupil basic education allocation included
22 in the nonresident district's levy base under subsection (3) of this
23 section multiplied by:

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

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

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

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

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

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

8 (a) The district's basic education allocation for the regular
9 education of students as determined pursuant to RCW 28A.150.250,
10 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) Bilingual education;

16 (iv) Education of highly capable students;

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

20 ~~((v))~~ (vi) Food services; and

21 ~~((vi))~~ (vii) Statewide block grant programs; and

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

25 (4) A district's maximum levy percentage shall be twenty-two
26 percent in 1998 and twenty-four percent in 1999 and every year
27 thereafter; plus, for qualifying districts, the grandfathered
28 percentage determined as follows:

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

31 (b) For 1998 and thereafter, the percentage calculated as follows:

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

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

1 (iii) Divide the result of (b)(ii) of this subsection by the
2 district's levy base; and

3 (iv) Take the greater of zero or the percentage calculated in
4 (b)(iii) of this subsection.

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

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

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

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

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

27 NEW SECTION. **Sec. 503.** Section 501 of this act expires January 1,
28 2012.

29 NEW SECTION. **Sec. 504.** Section 502 of this act takes effect
30 January 1, 2012.

31 NEW SECTION. **Sec. 505.** Part headings used in this act are not any
32 part of the law.

--- END ---