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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: S-0678.1/13

ATTY/TYPIST: SCG:eab

BRIEF DESCRIPTION: Creating the transformation zone school district.

1 AN ACT Relating to creating the transformation zone school  
2 district; amending RCW 28A.310.140; adding a new section to chapter  
3 41.56 RCW; adding a new section to chapter 41.59 RCW; adding a new  
4 section to chapter 28A.315 RCW; adding a new section to chapter 28A.323  
5 RCW; adding a new section to chapter 28A.343 RCW; and adding a new  
6 chapter to Title 28A RCW.

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

8 NEW SECTION. **Sec. 1.** FINDING. The legislature finds that despite  
9 efforts to identify and provide various forms of assistance to schools  
10 and school districts that are struggling to improve student  
11 achievement, there remain a small number of schools that are  
12 persistently lowest-achieving and not making progress. Incremental  
13 change has not been a successful strategy to turn around the  
14 performance of these schools. Rather, a more dramatic transformation  
15 of school governance, staffing, leadership, and management is necessary  
16 to allow these schools first to recover, and then to be successful on  
17 an ongoing basis. Transformation requires innovation and leadership  
18 from the state level, along with the structures, resources, and

1 expertise to implement change that will quickly improve student  
2 performance.

3 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
4 section apply throughout this chapter unless the context clearly  
5 requires otherwise.

6 (1) "Learning management organization" means a nonprofit  
7 corporation with expertise in managing both the daily operations and  
8 the academic and instructional learning environment of a school under  
9 a contract with the governing authority of the school. A learning  
10 management organization must be either a public benefit nonprofit  
11 corporation as defined in RCW 24.03.490, or a nonprofit corporation as  
12 defined in RCW 24.03.005 that has applied for tax-exempt status under  
13 section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec.  
14 501(c)(3)).

15 (2) "Original school district" means the school district within  
16 whose boundaries a school is located and does not include the  
17 transformation zone district.

18 (3) "Transformation zone district" means an office within the  
19 office of the superintendent of public instruction that has been  
20 assigned the powers and responsibilities of a school district as  
21 provided under this chapter.

22 (4) "Transformation zone school" means a school that has been  
23 temporarily transferred from its original school district to the  
24 jurisdiction of the transformation zone district as provided under this  
25 chapter.

26 NEW SECTION. **Sec. 3.** TRANSFORMATION ZONE DISTRICT. (1) The  
27 transformation zone district is hereby established as a statewide  
28 school district within the state of Washington. The superintendent of  
29 public instruction shall exercise all powers and responsibilities  
30 assigned under this title to a school district board of directors for  
31 the governance and oversight of the transformation zone district,  
32 including under RCW 28A.150.230 and 28A.320.015, except as otherwise  
33 provided in this chapter.

34 (2) The transformation zone district and the superintendent of  
35 public instruction as the governing authority of the district have

1 jurisdiction over all transformation zone schools that have been  
2 temporarily transferred to the district under section 4 of this act.

3 (3) The transformation zone district is not a local taxing district  
4 and the superintendent of public instruction may not levy taxes under  
5 RCW 84.52.053. The superintendent of public instruction may not buy or  
6 sell real property under RCW 28A.335.120 or incur bonded indebtedness  
7 under RCW 28A.530.010 or 28A.530.080, and does not have the power of  
8 eminent domain under RCW 28A.335.220. The state treasurer shall act as  
9 the treasurer for the transformation zone district, with the same  
10 responsibilities for transformation zone district funds as are assigned  
11 by law to the county treasurer for local school district funds.

12 (4) The transformation zone district shall be designated as a local  
13 education agency of the state under applicable federal laws and rules  
14 and is responsible for meeting the requirements of local education  
15 agencies under those laws and rules, including those regarding the  
16 receipt and expenditure of federal funds.

17 NEW SECTION. **Sec. 4.** TRANSFORMATION ZONE SCHOOLS--TRANSFER. (1)  
18 Beginning in January 2014, the superintendent of public instruction  
19 shall annually recommend to the state board of education schools for  
20 temporary transfer to the jurisdiction of the transformation zone  
21 district.

22 (2) The superintendent of public instruction shall adopt criteria  
23 for the recommendation, including:

24 (a) The school has been identified under RCW 28A.657.020 as a  
25 persistently lowest-achieving school and is furthermore among the  
26 persistently lowest-achieving of these schools;

27 (b) The school is not the subject of a required action plan in a  
28 required action district under chapter 28A.657 RCW, except that a  
29 school that has been the subject of a required action plan for at least  
30 three years and has not been released from required action under RCW  
31 28A.657.100 may be recommended for transfer to the transformation zone  
32 district; and

33 (c) The school is not the subject of a currently active federal  
34 school improvement grant.

35 (3) No more than twenty schools that meet the superintendent's  
36 criteria may be transferred to the transformation zone district each  
37 single year.

1 (4) The superintendent of public instruction shall provide a school  
2 district superintendent with written notice of the recommendation for  
3 transfer of a school to the transformation zone district by certified  
4 mail or personal service. A school district superintendent may request  
5 reconsideration of the superintendent of public instruction's  
6 recommendation. The reconsideration is limited to a determination of  
7 whether the school met the criteria for being recommended for transfer  
8 to the transformation zone district. A request for reconsideration  
9 must be in writing and served on the superintendent of public  
10 instruction within ten days of service of the notice of the  
11 superintendent's recommendation.

12 (5) The state board of education must consider the recommendations  
13 of the superintendent of public instruction under subsection (1) of  
14 this section at a public meeting. The state board of education may  
15 modify the superintendent's recommendations before directing the annual  
16 transfer of schools to the jurisdiction of the transformation zone  
17 district. The transfer shall take effect on September 1st following  
18 the board's decision.

19 (6) During the period of time between the board's decision and the  
20 effective date of the transfer of a school under this section, the  
21 original school district must cooperate with the superintendent of  
22 public instruction in developing a transfer plan, including but not  
23 limited to providing necessary financial and staffing information to  
24 the superintendent.

25 NEW SECTION. **Sec. 5.** LEARNING MANAGEMENT ORGANIZATION CONTRACTS.

26 (1) The superintendent of public instruction shall contract with a  
27 learning management organization for the management and operation of  
28 each transformation zone school. A learning management organization  
29 may manage more than one transformation zone school, but each school  
30 shall be the subject of a separate contract. The term of a contract  
31 under this section shall be no more than three years. A learning  
32 management organization may apply for renewal of a contract. The  
33 superintendent of public instruction shall use the performance  
34 framework established under this section as a primary determining  
35 factor in awarding or denying a contract renewal.

36 (2) The superintendent's requests for proposals for learning  
37 management organizations must require an applicant to provide:

1 (a) The applicant's strategic vision for operation, management, and  
2 transformation of a persistently lowest-achieving school;

3 (b) A plan to support the vision presented, including explanation  
4 and evidence of the applicant's budget and personnel capacity and  
5 commitment to execute the responsibilities of school operation and  
6 management;

7 (c) A draft of the performance framework that the applicant would  
8 use to guide the transformation of the school; and

9 (d) A statement of assurance that the applicant will provide public  
10 accountability and transparency in all matters concerning practices,  
11 decisions, and expenditures related to its management of a  
12 transformation zone school.

13 (3) A contract with a learning management organization must contain  
14 a performance framework that clearly sets forth the academic and  
15 operational performance indicators, measures, and metrics for the  
16 improvement of student learning in the transformation zone school.  
17 Annual performance targets must be established under the contract. The  
18 learning management organization must develop, oversee, and implement  
19 a school transformation plan based on the performance framework.

20 (4) At a minimum, the performance framework must include  
21 indicators, measures, and metrics for:

22 (a) Student academic proficiency;

23 (b) Student academic growth;

24 (c) Achievement gaps in both proficiency and growth between major  
25 student subgroups;

26 (d) Attendance;

27 (e) Recurrent enrollment from year to year;

28 (f) Graduation rates and postsecondary readiness, for high schools;

29 (g) Financial performance and sustainability; and

30 (h) Performance and stewardship by the learning management  
31 organization, including compliance with all applicable laws, rules, and  
32 terms of the contract with the superintendent of public instruction.

33 (5) The superintendent of public instruction and the learning  
34 management organization may also include additional rigorous, valid,  
35 and reliable indicators in the performance framework to augment  
36 external evaluations of the performance of the transformation zone  
37 school.

1 (6) The performance framework must require the disaggregation of  
2 all student performance data by major student subgroups, including  
3 gender, race and ethnicity, poverty status, special education status,  
4 English learner status, and highly capable status.

5 (7) A contract with a learning management organization must include  
6 expectations and indicators for parent and community involvement in the  
7 transformation zone school. The learning management organization must  
8 establish and hold regular public meetings with a standing parent and  
9 community advisory committee.

10 (8) A learning management organization may contract with  
11 individuals, organizations, educational service districts, and school  
12 districts including the original school district to provide goods and  
13 services to a transformation zone school.

14 NEW SECTION. **Sec. 6.** TRANSFORMATION ZONE DISTRICT EMPLOYEES. (1)

15 The original school district must notify all certificated and  
16 classified employees assigned to a school that is scheduled to be  
17 transferred to the transformation zone district under section 4 of this  
18 act that their employment contracts shall be nonrenewed at the end of  
19 the school year before the transfer takes effect. The transfer of the  
20 school of assignment to the jurisdiction of the transformation zone  
21 district where the superintendent of public instruction has governing  
22 authority, including over the employment of necessary staff,  
23 constitutes probable cause for contract nonrenewal. For certificated  
24 employees, the notice must comply with the provisions of RCW  
25 28A.405.210 and 28A.405.220.

26 (2) Certificated and classified employees assigned to a school that  
27 is scheduled to be transferred to the transformation zone district may  
28 apply to the original school district for a transfer of assignment  
29 within the original district, which request must be considered  
30 according to the policies and procedures of the district regarding  
31 transfers of assignment.

32 (3) The superintendent of public instruction shall exercise the  
33 powers of a school district board of directors under RCW 28A.400.300  
34 with regard to employment of certificated and classified employees who  
35 shall be considered employees of the transformation zone district.

36 (4) Under the terms of the contracts executed under section 5 of

1 this act, the superintendent must delegate to the learning management  
2 organization the responsibility to hire, assign, evaluate, and dismiss  
3 all staff of a transformation zone school.

4 (5) Classified and certificated staff previously assigned to a  
5 school that is transferred to the transformation zone district may  
6 apply to the learning management organization to become employees of  
7 the transformation zone district assigned to that school.

8 (6) Years of service in a transformation zone school by  
9 certificated instructional staff shall be included in the years of  
10 service calculation for purposes of the statewide salary allocation  
11 schedule under RCW 28A.150.410.

12 NEW SECTION. **Sec. 7.** TRANSFORMATION ZONE STUDENTS. (1) The  
13 original school district must notify all parents of students attending  
14 a school scheduled to be transferred to the transformation zone  
15 district of the state board of education's decision to transfer the  
16 school.

17 (2) A parent of a student scheduled to attend a transformation zone  
18 school must be permitted to transfer the student to another school  
19 within the original school district, but may be required to follow  
20 other school assignment policies of the original school district.

21 (3) Except for transfers requested by a parent under this section,  
22 assignment of students to a transformation zone school must be based on  
23 the same policies for student assignment to other schools in the  
24 original school district.

25 (4) Students enrolled in a transformation zone school may  
26 participate in interscholastic and extracurricular activities offered  
27 by the original school district in the same manner as other students  
28 enrolled in the original school district, including being required to  
29 pay fees to participate in extracurricular activities.

30 NEW SECTION. **Sec. 8.** TRANSFORMATION ZONE SCHOOLS--APPLICABILITY  
31 OF STATE LAWS. (1) The superintendent of public instruction, as the  
32 governing authority of the transformation zone district, and the  
33 schools transferred to its jurisdiction are exempt from all state  
34 statutes and rules applicable to school districts and school district  
35 boards of directors, except those statutes and rules made applicable  
36 under this chapter.

1 (2) The transformation zone district and all transformation zone  
2 schools must:

3 (a) Comply with state and federal health, safety, parents' rights,  
4 civil rights, and nondiscrimination laws applicable to school districts  
5 and to the same extent as school districts, including but not limited  
6 to chapter 28A.642 RCW (discrimination prohibition) and chapter 28A.640  
7 RCW (sexual equality);

8 (b) Provide instruction in the essential academic learning  
9 requirements and participate in the statewide student assessment system  
10 as provided under RCW 28A.655.070;

11 (c) Employ certificated instructional staff as required in RCW  
12 28A.410.025, however the transformation zone district may hire  
13 noncertificated instructional staff of unusual competence and in  
14 exceptional cases as specified in RCW 28A.150.203(7);

15 (d) Comply with the employee record check requirements in RCW  
16 28A.400.303;

17 (e) Adhere to generally accepted accounting principles and be  
18 subject to financial examinations and audits as determined by the state  
19 auditor, including annual audits for legal and fiscal compliance;

20 (f) Comply with the annual performance report under RCW  
21 28A.655.110;

22 (g) Be subject to the performance improvement goals adopted by the  
23 state board of education under RCW 28A.305.130;

24 (h) Comply with the open public meetings act in chapter 42.30 RCW  
25 and open public records requirements in RCW 42.56.040; and

26 (i) Be subject to and comply with legislation enacted after the  
27 effective date of this section governing the operation and management  
28 of the transformation zone district.

29 NEW SECTION. **Sec. 9.** FUNDING. (1) According to the schedule  
30 established under RCW 28A.510.250, the superintendent of public  
31 instruction shall deduct from the apportionment payments due to an  
32 original school district funding for each annual average full-time  
33 equivalent student enrolled in a transformation zone school, including  
34 general apportionment, special education, categorical, and other  
35 nonbasic education moneys including local effort assistance.  
36 Categorical funding must be deducted for a transformation zone school

1 based on the same funding criteria used for other public schools,  
2 except that the superintendent of public instruction is exempt from  
3 rules and statutes regarding the expenditure of these funds.

4 (2) The superintendent of public instruction shall place the  
5 deducted funds in a separate account for each transformation zone  
6 school, and funds in such an account may be spent only in support of  
7 that school. Any unspent funds at the end of a school fiscal year  
8 remain in the account to be used in future years for the benefit of  
9 that school.

10 (3) Federal funds that are made available to the transformation  
11 zone district as a local education agency must be apportioned among the  
12 transformation zone schools by the superintendent of public instruction  
13 based on the programs and criteria that generated the funds.

14 (4) State funds deducted from the apportionment of an original  
15 school district under subsection (1) of this section and federal funds  
16 apportioned to a transformation zone school under subsection (3) of  
17 this section must be included in the levy base of the school's original  
18 school district under RCW 84.52.0531.

19 (5) If an original school district has a local levy for maintenance  
20 and operations, the district must transmit to the superintendent of  
21 public instruction a per-student amount of the levy for each annual  
22 average full-time equivalent student enrolled in a transformation zone  
23 school in that district. The superintendent of public instruction must  
24 place the funds in the separate account under subsection (2) of this  
25 section and spend the funds only in support of that school. For levies  
26 submitted to voters after the transfer of a school to the  
27 transformation zone district, the school must be included in levy  
28 planning, budgets, and funding distribution in the same manner as other  
29 schools in the original school district.

30 (6) Notwithstanding the transfer of a school to the transformation  
31 zone district, the original school district must continue to receive  
32 applicable state and federal funds for pupil transportation under  
33 chapter 28A.160 RCW and for food services under chapter 28A.235 RCW for  
34 students enrolled in a transformation zone school and shall continue to  
35 provide transportation services and food services to the students  
36 enrolled in that school in the same manner as such services would be  
37 provided absent the transfer of the school.

1           NEW SECTION.   **Sec. 10.**   FACILITIES.   (1) A transformation zone  
2 school is entitled to the continued rent free use of its existing  
3 facility. The original school district remains responsible for major  
4 repairs and safety upgrades that may be required, as well as continued  
5 payment for any outstanding bonds or capital projects associated with  
6 the school. The transformation zone district is responsible for  
7 routine maintenance of the facility, including but not limited to,  
8 cleaning, painting, gardening, and landscaping.

9           (2) The original school district retains ownership of and legal  
10 title to the land, building, and equipment of a transformation zone  
11 school. After the decision is made by the state board of education to  
12 transfer a school to the transformation zone district, the original  
13 school district may not remove supplies or equipment from the  
14 transformation zone school without written authorization from the  
15 superintendent of public instruction or the contracted learning  
16 management organization for the school.

17           (3) The superintendent of public instruction may negotiate with the  
18 original school district for payment of the school's share of  
19 insurance, utilities, or other similar shared overhead associated with  
20 the operation of a transformation zone school.

21           NEW SECTION.   **Sec. 11.**   TRANSFORMATION ZONE SCHOOLS--RETURN TO  
22 ORIGINAL DISTRICT.   (1) The state board of education must establish  
23 criteria for measuring the improvement of each transformation zone  
24 school, based on the performance framework and performance targets  
25 established under section 5 of this act.

26           (2) A transformation zone school is eligible to be returned to the  
27 jurisdiction of its original school district after the school has met  
28 the performance improvement criteria of the state board of education  
29 for three consecutive years.

30           (3) The state board of education must notify the superintendent of  
31 public instruction by January of the year after which a transformation  
32 zone school becomes eligible to be returned to its original school  
33 district. The superintendent of public instruction shall negotiate  
34 with the original school district for the return of the transformation  
35 zone school, including addressing the employment status of employees of  
36 the transformation zone school. Any notices of nonrenewal of contracts  
37 for certificated instructional staff of the transformation zone school

1 must comply with RCW 28A.405.210 and 28A.405.220. The return of a  
2 transformation zone school to its original school district takes effect  
3 September 1st after the board's decision.

4 (4) Any unspent balances in the account associated with the  
5 transformation zone school must be credited to the original school  
6 district.

7 (5) The board of directors of the original school district may  
8 negotiate a new contract with the learning management organization to  
9 continue oversight and management of a returned transformation zone  
10 school.

11 NEW SECTION. **Sec. 12.** A new section is added to chapter 41.56 RCW  
12 to read as follows:

13 Notwithstanding RCW 41.56.060 and 41.56.070, the bargaining units  
14 of classified employees of the transformation zone district established  
15 under section 3 of this act must be limited to the employees of each  
16 transformation zone school within the district and must be separate  
17 from other bargaining units in the district. The superintendent of  
18 public instruction must consult with the learning management  
19 organizations that are under contract to manage and operate  
20 transformation zone schools when fulfilling the responsibilities of a  
21 public employer under this chapter.

22 NEW SECTION. **Sec. 13.** A new section is added to chapter 41.59 RCW  
23 to read as follows:

24 Notwithstanding RCW 41.59.070 and 41.59.080, the bargaining units  
25 of certificated employees of the transformation zone district  
26 established under section 3 of this act must be limited to the  
27 employees of each transformation zone school within the district and  
28 must be separate from other bargaining units in the district. The  
29 superintendent of public instruction must consult with the learning  
30 management organizations that are under contract to manage and operate  
31 transformation zone schools when fulfilling the responsibilities of an  
32 employer under this chapter.

33 **Sec. 14.** RCW 28A.310.140 and 2006 c 263 s 608 are each amended to  
34 read as follows:

35 Every school district must be included entirely within a single

1 educational service district. If the boundaries of any school district  
2 within an educational service district are changed in any manner so as  
3 to extend the school district beyond the boundaries of that educational  
4 service district, the superintendent of public instruction shall change  
5 the boundaries of the educational service districts so affected in a  
6 manner consistent with the purposes of RCW 28A.310.010 and this  
7 section. This section does not apply to the transformation zone  
8 district established under section 3 of this act.

9 NEW SECTION. **Sec. 15.** A new section is added to chapter 28A.315  
10 RCW to read as follows:

11 The provisions of this chapter do not apply to the transformation  
12 zone district established under section 3 of this act.

13 NEW SECTION. **Sec. 16.** A new section is added to chapter 28A.323  
14 RCW to read as follows:

15 The provisions of this chapter do not apply to the transformation  
16 zone district established under section 3 of this act.

17 NEW SECTION. **Sec. 17.** A new section is added to chapter 28A.343  
18 RCW to read as follows:

19 The provisions of this chapter do not apply to the transformation  
20 zone district established under section 3 of this act.

21 NEW SECTION. **Sec. 18.** Sections 1 through 11 of this act  
22 constitute a new chapter in Title 28A RCW.

23 NEW SECTION. **Sec. 19.** If any provision of this act or its  
24 application to any person or circumstance is held invalid, the  
25 remainder of the act or the application of the provision to other  
26 persons or circumstances is not affected.

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