
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-1664.4/17 4th draft

ATTY/TYPIST: JA:lel

BRIEF DESCRIPTION: Addressing the state's paramount duty to fully fund K-12 education by creating a new partnership between the state and local school districts.

1 AN ACT Relating to addressing the state's paramount duty to fully
2 fund K-12 education by creating a new partnership between the state
3 and local school districts; amending RCW 84.52.053, 84.52.050,
4 28A.545.030 84.36.381, 28A.545.070, 28A.500.010, 28A.500.050,
5 28A.320.330, 28A.505.140, 28A.505.100, 28A.150.200, 28A.150.410,
6 28A.400.200, 28A.400.220, 28A.150.260, 28A.150.390, and 28A.150.390;
7 reenacting and amending RCW 28A.150.260; adding new sections to
8 chapter 84.52 RCW; adding new sections to chapter 28A.500 RCW; adding
9 a new section to chapter 28A.400 RCW; adding a new section to chapter
10 43.09 RCW; creating new sections; repealing RCW 28A.500.020 and
11 28A.500.030; and providing effective dates.

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

13 NEW SECTION. **Sec. 1.** INTENT. (1) The legislature recognizes
14 that the state's paramount duty is to amply fund the program of basic
15 education for every child in Washington and acknowledges that our
16 current school funding model is not providing access to the world-
17 class education system that every child in our state deserves. It is
18 the intent of the legislature to resolve these inequities so that
19 every child has the opportunity to have success in life. It is the
20 legislature's intent to develop and support a more effective and
21 robust educational system supported by a new funding formula that

1 allocates funding on a per pupil model weighted towards those
2 students that need additional assistance and support. The legislature
3 finds that through a fully funded educational system, the state will
4 not only meet its constitutional obligation to our students but will
5 enjoy greater social and economic success and promote the creation of
6 a quality workforce with the capacity to fuel a vibrant economy.

7 (2) The legislature also recognizes that local communities have
8 played an important role in funding our schools. Communities across
9 the state take pride in their ability to raise money for their
10 schools and are proud of the responsibility and accountability that
11 entails. The legislature intends to acknowledge and build on that
12 community involvement by creating a funding model that is a
13 partnership between the state and our local school districts. With
14 this partnership, school districts with high assessed property values
15 will gain additional flexibility to raise money for their local
16 schools with the assurance that their tax dollars stay local. To
17 ensure uniform and equitable access in rural areas and districts with
18 low assessed property values, the state will guarantee additional
19 support so those districts are also able to provide a high quality
20 learning environment and offer competitive salaries.

21 **Part I**

22 **School District Levy Authority**

23 NEW SECTION. **Sec. 101.** A new section is added to chapter 84.52
24 RCW to read as follows:

25 (1) Beginning with taxes due and payable in calendar year 2018, a
26 school district must impose a regular property tax levy as provided
27 in this section. The tax rate is equal to the lesser of five dollars
28 per thousand dollars of assessed value or the tax rate imposed by the
29 school district for its enrichment levy under RCW 84.52.053 in
30 calendar year 2017 and further reduced by an amount necessary to
31 reflect all or part of the state funds provided under section 204 of
32 this act.

33 (2) The county treasurer must remit the tax to the state as
34 provided under RCW 84.56.280. Taxes required under this section must
35 be deposited in the local school district property tax account hereby
36 created in the state treasury. All taxes deposited in the local
37 school district property tax account and all earnings of investments
38 of balances in the local school district property tax account must be

1 credited to the account and distributed back to the school districts
2 on a monthly basis according to the schedule in RCW 28A.510.250. Each
3 school district must receive the portion of the local school district
4 property taxes in the account collected within the school district.

5 (3) A school district must use the proceeds under this section
6 only for expenditures related to the school district's program of
7 basic education as defined in RCW 28A.150.200.

8 NEW SECTION. **Sec. 102.** A new section is added to chapter 84.52
9 RCW to read as follows:

10 (1) Except as otherwise provided in this section, the maximum
11 dollar amount which may be levied by or for any school district for
12 an enrichment levy is the annual average full-time equivalent
13 students within the school district multiplied by the per pupil limit
14 or five hundred thousand dollars, whichever is greater.

15 (2) This section applies to school district enrichment levies due
16 and payable beginning in calendar year 2018.

17 (3) The definitions in this subsection apply throughout this
18 section unless the context clearly requires otherwise.

19 (a) "Annual average full-time equivalent students" means the
20 average annual full-time equivalent student enrollment in the
21 completed school year prior to the calendar year in which the
22 enrichment levy is due and payable.

23 (b) "Enrichment levy" means a levy imposed by a school district
24 under RCW 84.52.053.

25 (c) "Per pupil limit" means one thousand dollars, adjusted on an
26 annual basis in the same manner as school district employee salaries
27 under RCW 28A.400.205.

28 **Sec. 103.** RCW 84.52.053 and 2012 c 186 s 18 are each amended to
29 read as follows:

30 (1) The limitations imposed by RCW 84.52.050 through 84.52.056,
31 ~~((and))~~ 84.52.043 ~~((shall))~~, and section 101 of this act do not
32 prevent the levy of taxes by school districts, when authorized so to
33 do by the voters of such school district in the manner and for the
34 purposes and number of years allowable under Article VII, section
35 2(a) of the Constitution of this state. Elections for such taxes
36 ~~((shall))~~ must be held in the year in which the levy is made or, in
37 the case of propositions authorizing two-year through four-year
38 levies for ~~((maintenance and operation))~~ enrichment support of a

1 school district, authorizing two-year levies for transportation
2 vehicle funds established in RCW 28A.160.130, or authorizing two-year
3 through six-year levies to support the construction, modernization,
4 or remodeling of school facilities, which includes the purposes of
5 RCW 28A.320.330(2) (f) and (g), in the year in which the first annual
6 levy is made.

7 (2)(a) Once additional tax levies have been authorized for
8 (~~(maintenance and operation)~~) enrichment support of a school district
9 for a two-year through four-year period as provided under subsection
10 (1) of this section, no further additional tax levies for
11 (~~(maintenance and operation)~~) enrichment support of the district for
12 that period may be authorized, except for additional levies to
13 provide for subsequently enacted increases affecting the district's
14 (~~(levy base or)~~) maximum levy (~~(percentage)~~) dollar amount.

15 (b) Notwithstanding (a) of this subsection, any school district
16 that is required to annex or receive territory pursuant to a
17 dissolution of a financially insolvent school district pursuant to
18 RCW 28A.315.225 may call either a replacement or supplemental levy
19 election within the school district, including the territory annexed
20 or transferred, as follows:

21 (i) An election for a proposition authorizing two-year through
22 four-year levies for (~~(maintenance and operation)~~) enrichment support
23 of a school district may be called and held before the effective date
24 of dissolution to replace existing (~~(maintenance and operation)~~)
25 enrichment levies and to provide for increases due to the
26 dissolution.

27 (ii) An election for a proposition authorizing additional tax
28 levies may be called and held before the effective date of
29 dissolution to provide for increases due to the dissolution.

30 (iii) In the event a replacement levy election under (b)(i) of
31 this subsection is held but does not pass, the affected school
32 district may subsequently hold a supplemental levy election pursuant
33 to (b)(ii) of this subsection if the supplemental levy election is
34 held before the effective date of dissolution. In the event a
35 supplemental levy election is held under (~~(subsection)~~) (b)(ii) of
36 this subsection but does not pass, the affected school district may
37 subsequently hold a replacement levy election pursuant to (b)(i) of
38 this subsection if the replacement levy election is held before the
39 effective date of dissolution. Failure of a replacement levy or
40 supplemental levy election does not affect any previously approved

1 and existing (~~(maintenance and operation)~~) enrichment levy within the
2 affected school district or districts.

3 (c) For the purpose of applying the limitation of this subsection
4 (2), a two-year through six-year levy to support the construction,
5 modernization, or remodeling of school facilities (~~(shall)~~) may not
6 be deemed to be a tax levy for (~~(maintenance and operation)~~)
7 enrichment support of a school district.

8 (3) A special election may be called and the time therefor fixed
9 by the board of school directors, by giving notice thereof by
10 publication in the manner provided by law for giving notices of
11 general elections, at which special election the proposition
12 authorizing such excess levy (~~(shall)~~) must be submitted in such form
13 as to enable the voters favoring the proposition to vote "yes" and
14 those opposed thereto to vote "no."

15 (4) To ensure that enrichment levies are not used for basic
16 education programs, beginning with ballot propositions submitted to
17 the voters in calendar year 2018, districts must provide a report to
18 the office of the superintendent of public instruction detailing the
19 programs and activities to be funded through a proposed enrichment
20 levy. Enrichment beyond the state-provided funding in the omnibus
21 appropriations act for the basic education program components under
22 RCW 28A.150.260 shall be a permitted use of the enrichment levies.
23 The report required by this subsection must be submitted to, and
24 approved by, the office of the superintendent of public instruction
25 prior to the election for the proposition.

26 **Sec. 104.** RCW 84.52.050 and 1973 1st ex.s. c 194 s 1 are each
27 amended to read as follows:

28 (1) Except as hereinafter provided, the aggregate of all tax
29 levies upon real and personal property by the state and all taxing
30 districts, now existing or hereafter created, shall not in any year
31 exceed one percentum of the true and fair value of such property in
32 money: PROVIDED, HOWEVER, That nothing herein (~~(shall)~~) prevents
33 levies at the rates now provided by law by or for any school
34 district, port district, or public utility district. The term "taxing
35 district" for the purposes of this section shall mean any political
36 subdivision, municipal corporation, district, or other governmental
37 agency authorized by law to levy, or have levied for it, ad valorem
38 taxes on property, other than a school district, port district, or
39 public utility district. Such aggregate limitation or any specific

1 limitation imposed by law in conformity therewith may be exceeded
2 only as authorized by law and in conformity with the provisions of
3 Article VII, section 2(a), (b), or (c) of the Constitution of the
4 state of Washington.

5 (2) Nothing herein contained (~~(shall)~~) prohibits the legislature
6 from allocating or reallocating the authority to levy taxes between
7 the taxing districts of the state and its political subdivisions in a
8 manner which complies with the aggregate tax limitation set forth in
9 this section.

10 **Sec. 105.** RCW 28A.545.030 and 1990 c 33 s 488 are each amended
11 to read as follows:

12 The purposes of RCW 28A.545.030 through 28A.545.110 and
13 (~~(84.52.0531)~~) section 102 of this act are to:

14 (1) Simplify the annual process of determining and paying the
15 amounts due by nonhigh school districts to high school districts for
16 educating students residing in a nonhigh school district;

17 (2) Provide for a payment schedule that coincides to the extent
18 practicable with the ability of nonhigh school districts to pay and
19 the need of high school districts for payment; and

20 (3) Establish that the maximum amount due per annual average
21 full-time equivalent student by a nonhigh school district for each
22 school year is no greater than the (~~(maintenance and operation)~~)
23 enrichment excess tax levy rate per annual average full-time
24 equivalent student levied upon the taxpayers of the high school
25 district.

26 **Sec. 106.** RCW 84.36.381 and 2015 3rd sp.s. c 30 s 2 are each
27 amended to read as follows:

28 A person is exempt from any legal obligation to pay all or a
29 portion of the amount of excess and regular real property taxes due
30 and payable in the year following the year in which a claim is filed,
31 and thereafter, in accordance with the following:

32 (1) The property taxes must have been imposed upon a residence
33 which was occupied by the person claiming the exemption as a
34 principal place of residence as of the time of filing. However, any
35 person who sells, transfers, or is displaced from his or her
36 residence may transfer his or her exemption status to a replacement
37 residence, but no claimant may receive an exemption on more than one
38 residence in any year. Moreover, confinement of the person to a

1 hospital, nursing home, assisted living facility, or adult family
2 home does not disqualify the claim of exemption if:

3 (a) The residence is temporarily unoccupied;

4 (b) The residence is occupied by a spouse or a domestic partner
5 and/or a person financially dependent on the claimant for support; or

6 (c) The residence is rented for the purpose of paying nursing
7 home, hospital, assisted living facility, or adult family home costs;

8 (2) The person claiming the exemption must have owned, at the
9 time of filing, in fee, as a life estate, or by contract purchase,
10 the residence on which the property taxes have been imposed or if the
11 person claiming the exemption lives in a cooperative housing
12 association, corporation, or partnership, such person must own a
13 share therein representing the unit or portion of the structure in
14 which he or she resides. For purposes of this subsection, a residence
15 owned by a marital community or state registered domestic partnership
16 or owned by cotenants is deemed to be owned by each spouse or each
17 domestic partner or each cotenant, and any lease for life is deemed a
18 life estate;

19 (3)(a) The person claiming the exemption must be:

20 (i) Sixty-one years of age or older on December 31st of the year
21 in which the exemption claim is filed, or must have been, at the time
22 of filing, retired from regular gainful employment by reason of
23 disability; or

24 (ii) A veteran of the armed forces of the United States entitled
25 to and receiving compensation from the United States department of
26 veterans affairs at a total disability rating for a service-connected
27 disability.

28 (b) However, any surviving spouse or surviving domestic partner
29 of a person who was receiving an exemption at the time of the
30 person's death will qualify if the surviving spouse or surviving
31 domestic partner is fifty-seven years of age or older and otherwise
32 meets the requirements of this section;

33 (4) The amount that the person is exempt from an obligation to
34 pay is calculated on the basis of combined disposable income, as
35 defined in RCW 84.36.383. If the person claiming the exemption was
36 retired for two months or more of the assessment year, the combined
37 disposable income of such person must be calculated by multiplying
38 the average monthly combined disposable income of such person during
39 the months such person was retired by twelve. If the income of the
40 person claiming exemption is reduced for two or more months of the

1 assessment year by reason of the death of the person's spouse or the
2 person's domestic partner, or when other substantial changes occur in
3 disposable income that are likely to continue for an indefinite
4 period of time, the combined disposable income of such person must be
5 calculated by multiplying the average monthly combined disposable
6 income of such person after such occurrences by twelve. If it is
7 necessary to estimate income to comply with this subsection, the
8 assessor may require confirming documentation of such income prior to
9 May 31 of the year following application;

10 (5)(a) A person who otherwise qualifies under this section and
11 has a combined disposable income of forty thousand dollars or less is
12 exempt from all excess property taxes and a school district levy
13 imposed under section 101 of this act; and

14 (b)(i) A person who otherwise qualifies under this section and
15 has a combined disposable income of thirty-five thousand dollars or
16 less but greater than thirty thousand dollars is exempt from all
17 regular property taxes on the greater of fifty thousand dollars or
18 thirty-five percent of the valuation of his or her residence, but not
19 to exceed seventy thousand dollars of the valuation of his or her
20 residence; or

21 (ii) A person who otherwise qualifies under this section and has
22 a combined disposable income of thirty thousand dollars or less is
23 exempt from all regular property taxes on the greater of sixty
24 thousand dollars or sixty percent of the valuation of his or her
25 residence;

26 (6)(a) For a person who otherwise qualifies under this section
27 and has a combined disposable income of forty thousand dollars or
28 less, the valuation of the residence is the assessed value of the
29 residence on the later of January 1, 1995, or January 1st of the
30 assessment year the person first qualifies under this section. If the
31 person subsequently fails to qualify under this section only for one
32 year because of high income, this same valuation must be used upon
33 requalification. If the person fails to qualify for more than one
34 year in succession because of high income or fails to qualify for any
35 other reason, the valuation upon requalification is the assessed
36 value on January 1st of the assessment year in which the person
37 requalifies. If the person transfers the exemption under this section
38 to a different residence, the valuation of the different residence is
39 the assessed value of the different residence on January 1st of the
40 assessment year in which the person transfers the exemption.

1 (b) In no event may the valuation under this subsection be
2 greater than the true and fair value of the residence on January 1st
3 of the assessment year.

4 (c) This subsection does not apply to subsequent improvements to
5 the property in the year in which the improvements are made.
6 Subsequent improvements to the property must be added to the value
7 otherwise determined under this subsection at their true and fair
8 value in the year in which they are made.

9 **Sec. 107.** RCW 28A.545.070 and 1990 c 33 s 491 are each amended
10 to read as follows:

11 (1) The superintendent of public instruction (~~shall~~) must
12 annually determine the estimated amount due by a nonhigh school
13 district to a high school district for the school year as follows:

14 (a) The total of the high school district's (~~maintenance and~~
15 ~~operation~~) enrichment excess tax levy that has been authorized and
16 determined by the superintendent of public instruction to be
17 allowable pursuant to (~~RCW 84.52.0531~~) section 102 of this act, as
18 now or hereafter amended, for collection during the next calendar
19 year, (~~shall~~) must first be divided by the total estimated number
20 of annual average full-time equivalent students which the high school
21 district superintendent or the superintendent of public instruction
22 has certified pursuant to RCW 28A.545.060 will be enrolled in the
23 high school district during the school year;

24 (b) The result of the calculation provided for in (~~subsection~~
25 ~~(1)~~)(a) of this subsection (~~shall~~) must then be multiplied by the
26 estimated number of annual average full-time equivalent students
27 residing in the nonhigh school district that will be enrolled in the
28 high school district during the school year which has been
29 established pursuant to RCW 28A.545.060; and

30 (c) The result of the calculation provided for in (~~subsection~~
31 ~~(1)~~)(b) of this subsection (~~shall~~) must be adjusted upward to the
32 extent the estimated amount due by a nonhigh school district for the
33 prior school year was less than the actual amount due based upon
34 actual annual average full-time equivalent student enrollments during
35 the previous school year and the actual per annual average full-time
36 equivalent student (~~maintenance and operation~~) enrichment excess
37 tax levy rate for the current tax collection year, of the high school
38 district, or adjusted downward to the extent the estimated amount due
39 was greater than such actual amount due or greater than such lesser

1 amount as a high school district may have elected to assess pursuant
2 to RCW 28A.545.090.

3 (2) The amount arrived at pursuant to subsection (1)(c) of this
4 (~~sub~~)section (~~shall~~) constitutes the estimated amount due by a
5 nonhigh school district to a high school district for the school
6 year.

7 NEW SECTION. **Sec. 108.** Beginning in calendar year 2018, a
8 school district may not impose an enrichment levy, formerly referred
9 to as a maintenance and operation levy, authorized by the voters
10 prior to January 1, 2018. Any future enrichment levies imposed by the
11 school district must be approved by the voters in calendar year 2018,
12 or thereafter, as provided in RCW 84.52.053 and subject to the
13 limitations in RCW 84.52.0531.

14 **Part II**
15 **Reforming State Levy Equalization**

16 **Sec. 201.** RCW 28A.500.010 and 1999 c 317 s 1 are each amended to
17 read as follows:

18 Commencing with calendar year 2000, in addition to a school
19 district's other general fund allocations, each eligible district
20 shall be provided local effort assistance funds. The purpose of
21 (~~these~~) the funds under section 203 of this act is to mitigate the
22 effect that above average property tax rates might have on the
23 ability of a school district to raise local revenues to supplement
24 the state's basic program of education. These funds serve to equalize
25 the property tax rates that individual taxpayers would pay for such
26 levies and to provide tax relief to taxpayers in high tax rate school
27 districts. (~~Such~~) Funds under section 203 of this act are not part
28 of the district's basic education allocation.

29 NEW SECTION. **Sec. 202.** A new section is added to chapter
30 28A.500 RCW to read as follows:

31 The definitions in this section apply throughout this chapter
32 unless the context clearly requires otherwise.

33 (1) "Average district rate" means the school district excess levy
34 limit divided by the total assessed valuation within the school
35 district for excess levy purposes.

1 (2) "Average statewide rate" means the statewide excess levy
2 limit divided by the total statewide assessed valuation for school
3 district excess levy purposes.

4 (3) "Enrichment levy" and "per pupil limit" have the same meaning
5 as provided under section 102 of this act.

6 (4) "Excess levy limit" means the maximum dollar amount allowable
7 under section 102(1) of this act.

8 (5) "Local effort factor" means a school district's actual
9 enrichment levy divided by the product of the average statewide rate
10 and the total assessed valuation within the school district for
11 excess levy purposes. The local effort factor may not exceed one.

12 (6) "Regular levy adjustment factor" means the difference of the
13 average district rate and average statewide rate, divided by the
14 average district rate.

15 (7) "School district's excess cost" means the school district's
16 adjusted assessed valuation multiplied by the difference of the
17 average district rate and the average statewide rate.

18 NEW SECTION. **Sec. 203.** A new section is added to chapter
19 28A.500 RCW to read as follows:

20 (1) Beginning in calendar year 2018, and each calendar year
21 thereafter, the state must provide matching funds for school district
22 enrichment levies as provided in this section.

23 (2) Only districts with an average district rate above the
24 average statewide rate are eligible for state matching funds under
25 this section.

26 (3) The amount of matching funds is equal to fifty percent of the
27 school district's excess cost multiplied by the local effort factor.

28 (4) The state matching funds under subsection (1) of this section
29 are not part of the funding of the program of basic education under
30 Article IX of the state Constitution.

31 NEW SECTION. **Sec. 204.** A new section is added to chapter
32 28A.500 RCW to read as follows:

33 (1) Beginning in calendar year 2018, and each calendar year
34 thereafter, the state must provide matching funds for school district
35 regular levies under section 101 of this act as provided in this
36 section.

1 (2) Only districts with an average district rate above the
2 average statewide rate are eligible for state matching funds under
3 this section.

4 (3)(a) The amount of state matching funds is equal to the maximum
5 levy a school district may impose under section 101 of this act
6 multiplied by the regular levy adjustment factor.

7 (b) In addition to the funds provided in (a) of this subsection
8 (3), an additional amount of state funds is provided each calendar
9 year for school districts with an enrichment levy rate in calendar
10 year 2017 in excess of five dollars per thousand dollars of assessed
11 value. The amount is equal to the enrichment property tax rate in
12 calendar year 2017 in excess of five dollars per thousand dollars of
13 assessed value multiplied by the assessed value of property in the
14 school district for the current calendar year.

15 (4) The state matching funds under subsection (1) of this section
16 are part of the funding of the program of basic education under
17 Article IX of the state Constitution.

18 **Sec. 205.** RCW 28A.500.050 and 2009 c 548 s 301 are each amended
19 to read as follows:

20 (1) The legislature finds that while the state has the
21 responsibility to provide for a general and uniform system of public
22 schools, there is also a need for some diversity in the public school
23 system. A successful system of public education must permit some
24 variation among school districts outside the basic education provided
25 for by the state to respond to and reflect the unique desires of
26 local communities. The opportunity for local communities to invest in
27 enriched education programs promotes support for local public
28 schools. Further, the ability of local school districts to experiment
29 with enriched programs can inform the legislature's long-term
30 evolution of the definition of basic education. Therefore, local levy
31 authority remains an important component of the overall finance
32 system in support of the public schools even though it is outside the
33 state's obligation for basic education.

34 (2) However, the value of permitting local levies must be
35 balanced with the value of equity and fairness to students and to
36 taxpayers, neither of whom should be unduly disadvantaged due to
37 differences in the tax bases used to support local levies. Equity and
38 fairness require both an equitable basis for supplemental funding
39 outside basic education and a mechanism for property tax-poor school

1 districts to fairly access supplemental funding. As such, local
2 effort assistance under section 203 of this act, while also outside
3 the state's obligation for basic education, is another important
4 component of school finance.

5 NEW SECTION. **Sec. 206.** The following acts or parts of acts as
6 now existing or hereafter amended, are each repealed, effective
7 January 1, 2018:

8 (1) RCW 28A.500.020 (Definitions) and 2013 2nd sp.s. c 4 s 957,
9 2010 c 237 s 5, 2004 c 21 s 1, & 1999 c 317 s 2; and

10 (2) RCW 28A.500.030 (Allocation of state matching funds—
11 Determination) and 2010 c 237 s 6, 2006 c 372 s 904, 2006 c 119 s 1,
12 2005 c 518 s 914, 2003 1st sp.s. c 25 s 912, 2002 c 317 s 4, & 1999 c
13 317 s 3.

14 **Part III**
15 **Improving Fiscal Accountability and Transparency**

16 NEW SECTION. **Sec. 301.** The legislature intends to provide
17 additional procedural safeguards to eliminate the use of local excess
18 levies to fund basic education.

19 **Sec. 302.** RCW 28A.320.330 and 2009 c 460 s 1 are each amended to
20 read as follows:

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

23 (1)(a) A general fund for (~~maintenance and operation of~~) the
24 school district to account for all financial operations of the school
25 district except those required to be accounted for in another fund or
26 subfund.

27 (b) By the 2018-19 school year, a local revenue subfund of the
28 general fund must be established for the purpose of accounting for
29 the financial operations of a school district that are paid from
30 local revenues, except the local school district property tax under
31 section 101 of this act, which must be deposited in the school
32 district's general fund. Money deposited into the local revenue
33 subfund must include proceeds from school district enrichment excess
34 levies as authorized by RCW 84.52.053 and state funds distributed
35 under section 203 of this act. Expenditures from this subfund must be

1 tracked separately to account for the expenditure of each of these
2 streams of funds by revenue sources within a school district.

3 (2) A capital projects fund shall be established for major
4 capital purposes. All statutory references to a "building fund" shall
5 mean the capital projects fund so established. Money to be deposited
6 into the capital projects fund shall include, but not be limited to,
7 bond proceeds, proceeds from excess levies authorized by RCW
8 84.52.053, state apportionment proceeds as authorized by RCW
9 28A.150.270, earnings from capital projects fund investments as
10 authorized by RCW 28A.320.310 and 28A.320.320, and state forest
11 revenues transferred pursuant to subsection (3) of this section.

12 Money derived from the sale of bonds, including interest earnings
13 thereof, may only be used for those purposes described in RCW
14 28A.530.010, except that accrued interest paid for bonds shall be
15 deposited in the debt service fund.

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

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

23 (a) Major renovation and replacement of facilities and systems
24 where periodical repairs are no longer economical or extend the
25 useful life of the facility or system beyond its original planned
26 useful life. Such renovation and replacement shall include, but shall
27 not be limited to, major repairs, exterior painting of facilities,
28 replacement and refurbishment of roofing, exterior walls, windows,
29 heating and ventilating systems, floor covering in classrooms and
30 public or common areas, and electrical and plumbing systems.

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

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

35 (i) "Preliminary energy audits" means a determination of the
36 energy consumption characteristics of a building, including the size,
37 type, rate of energy consumption, and major energy using systems of
38 the building.

39 (ii) "Energy audit" means a survey of a building or complex which
40 identifies the type, size, energy use level, and major energy using

1 systems; which determines appropriate energy conservation maintenance
2 or operating procedures and assesses any need for the acquisition and
3 installation of energy conservation measures, including solar energy
4 and renewable resource measures.

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

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

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

14 (f)(i) Costs associated with implementing technology systems,
15 facilities, and projects, including acquiring hardware, licensing
16 software, and online applications and training related to the
17 installation of the foregoing. However, the software or applications
18 must be an integral part of the district's technology systems,
19 facilities, or projects.

20 (ii) Costs associated with the application and modernization of
21 technology systems for operations and instruction including, but not
22 limited to, the ongoing fees for online applications, subscriptions,
23 or software licenses, including upgrades and incidental services, and
24 ongoing training related to the installation and integration of these
25 products and services. However, to the extent the funds are used for
26 the purpose under this subsection (2)(f)(ii), the school district
27 shall transfer to the district's general fund the portion of the
28 capital projects fund used for this purpose. The office of the
29 superintendent of public instruction shall develop accounting
30 guidelines for these transfers in accordance with internal revenue
31 service regulations.

32 (g) Major equipment repair, painting of facilities, and other
33 major preventative maintenance purposes. However, to the extent the
34 funds are used for the purpose under this subsection (2)(g), the
35 school district shall transfer to the district's general fund the
36 portion of the capital projects fund used for this purpose. The
37 office of the superintendent of public instruction shall develop
38 accounting guidelines for these transfers in accordance with internal
39 revenue service regulations. Based on the district's most recent two-
40 year history of general fund maintenance expenditures, funds used for

1 this purpose may not replace routine annual preventive maintenance
2 expenditures made from the district's general fund.

3 (3) A debt service fund to provide for tax proceeds, other
4 revenues, and disbursements as authorized in chapter 39.44 RCW. State
5 forestland revenues that are deposited in a school district's debt
6 service fund pursuant to RCW 79.64.110 and to the extent not
7 necessary for payment of debt service on school district bonds may be
8 transferred by the school district into the district's capital
9 projects fund.

10 (4) An associated student body fund as authorized by RCW
11 28A.325.030.

12 (5) Advance refunding bond funds and refunded bond funds to
13 provide for the proceeds and disbursements as authorized in chapter
14 39.53 RCW.

15 **Sec. 303.** RCW 28A.505.140 and 2006 c 263 s 202 are each amended
16 to read as follows:

17 (1) Notwithstanding any other provision of law, the
18 superintendent of public instruction shall adopt such rules as will
19 ensure proper budgetary procedures and practices, including monthly
20 financial statements consistent with the provisions of RCW 43.09.200,
21 and this chapter. By the 2018-19 school year, the rules must require
22 school districts to provide separate accounting of state, federal,
23 and local revenues under sections 101 and 102 of this act to
24 expenditures, including the identification and separate accounting of
25 basic education and nonbasic education expenditures by revenue
26 source.

27 (2) If the superintendent of public instruction determines upon a
28 review of the budget of any district that said budget does not comply
29 with the budget procedures established by this chapter or by rules
30 adopted by the superintendent of public instruction, or the
31 provisions of RCW 43.09.200, the superintendent shall give written
32 notice of this determination to the board of directors of the local
33 school district.

34 (3) The local school district, notwithstanding any other
35 provision of law, shall, within thirty days from the date the
36 superintendent of public instruction issues a notice pursuant to
37 subsection (2) of this section, submit a revised budget which meets
38 the requirements of RCW 43.09.200, this chapter, and the rules of the
39 superintendent of public instruction.

1 **Sec. 304.** RCW 28A.505.100 and 1990 c 33 s 420 are each amended
2 to read as follows:

3 (1) The budget (~~shall~~) must set forth the estimated revenues
4 from all sources for the ensuing fiscal year, the estimated revenues
5 for the fiscal year current at the time of budget preparation, the
6 actual revenues for the last completed fiscal year, and the reserved
7 and unreserved fund balances for each year. The estimated revenues
8 from all sources for the ensuing fiscal year shall not include any
9 revenue not anticipated to be available during that fiscal year(~~+~~
10 ~~PROVIDED, That~~). However, school districts, pursuant to RCW
11 28A.505.110, can be granted permission by the superintendent of
12 public instruction to include as revenues in their budgets,
13 receivables collectible in future fiscal years.

14 (2) The budget (~~shall~~) must set forth by detailed items or
15 classes the estimated expenditures for the ensuing fiscal year, the
16 estimated expenditures for the fiscal year current at the time of
17 budget preparation, and the actual expenditures for the last
18 completed fiscal year. Total salary amounts, full-time equivalents,
19 and the high, low, and average annual salaries(~~7~~) shall be
20 displayed by job classification within each budget classification. If
21 individual salaries within each job classification are not displayed,
22 districts shall provide the individual salaries together with the
23 title or position of the recipient and the total amounts of salary
24 under each budget class upon request. Salary schedules shall be
25 displayed.

26 (3) In districts where negotiations have not been completed, the
27 district may budget the salaries at the current year's rate and
28 restrict fund balance for the amount of anticipated increase in
29 salaries, so long as an explanation (~~shall be~~) is attached to the
30 budget on such restriction of fund balance.

31 NEW SECTION. **Sec. 305.** A new section is added to chapter
32 28A.400 RCW to read as follows:

33 School districts must report, in accordance with the timeline of
34 personal reporting due dates as determined by the superintendent of
35 public instruction, for all employees under contract as of October
36 1st of any given school year:

- 37 (1) The state-funded salary amounts;
- 38 (2) Locally funded salary amounts;
- 39 (3) Total salary amounts; and

1 (4) The full-time equivalents for each individual certificated
2 instructional staff, certificated administrative staff, and
3 classified staff.

4 NEW SECTION. **Sec. 306.** A new section is added to chapter 43.09
5 RCW to read as follows:

6 (1) To ensure that school district excess levy funds authorized
7 under RCW 84.52.053 are not being expended for basic education
8 purposes, the state auditor's regular financial audits of school
9 districts must include a review of the expenditure of school district
10 excess levy funds to ensure that such excess levy funds are not
11 expended for any basic education purpose.

12 (2) As part of the regular financial audits of school districts,
13 the state auditor must audit the supplemental contracts under RCW
14 28A.400.200 to ensure compliance with the limitations and conditions
15 provided in that section.

16 **Part IV**
17 **Compensation**

18 **Sec. 401.** RCW 28A.150.200 and 2009 c 548 s 101 are each amended
19 to read as follows:

20 (1) The program of basic education established under this chapter
21 is deemed by the legislature to comply with the requirements of
22 Article IX, section 1 of the state Constitution, which states that
23 "It is the paramount duty of the state to make ample provision for
24 the education of all children residing within its borders, without
25 distinction or preference on account of race, color, caste, or sex,"
26 and is adopted pursuant to Article IX, section 2 of the state
27 Constitution, which states that "The legislature shall provide for a
28 general and uniform system of public schools."

29 (2) The legislature defines the program of basic education under
30 this chapter as that which is necessary to provide the opportunity to
31 develop the knowledge and skills necessary to meet the state-
32 established high school graduation requirements that are intended to
33 allow students to have the opportunity to graduate with a meaningful
34 diploma that prepares them for postsecondary education, gainful
35 employment, and citizenship. Basic education by necessity is an
36 evolving program of instruction intended to reflect the changing

1 educational opportunities that are needed to equip students for their
2 role as productive citizens and includes the following:

3 (a) The instructional program of basic education the minimum
4 components of which are described in RCW 28A.150.220;

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

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

11 (d) Transportation and transportation services to and from school
12 for eligible students as provided under RCW 28A.160.150 through
13 28A.160.180; and

14 (e) Statewide salary allocations sufficient to recruit and retain
15 competent teachers, administrators, and other staff to implement the
16 program of basic education as defined in this section.

17 **Sec. 402.** RCW 28A.150.410 and 2010 c 236 s 10 are each amended
18 to read as follows:

19 (1) The legislature shall establish for each school year in the
20 appropriations act a statewide salary allocation schedule, for
21 allocation purposes only, to be used to distribute funds for basic
22 education certificated instructional staff salaries under RCW
23 28A.150.260. For the purposes of this section, the staff allocations
24 for classroom teachers, teacher librarians, guidance counselors, and
25 student health services staff under RCW 28A.150.260 are considered
26 allocations for certificated instructional staff.

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

34 (3) Beginning January 1, 1992, and until the 2018-19 school year,
35 no more than ninety college quarter-hour credits received by any
36 employee after the baccalaureate degree may be used to determine
37 compensation allocations under the state salary allocation schedule
38 and LEAP documents referenced in the omnibus appropriations act, or
39 any replacement schedules and documents, unless:

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

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

4 (4) Beginning in the 2018-19 school year and each year
5 thereafter, the state salary allocation schedule for certificated
6 instructional staff must be specified in the omnibus appropriations
7 act and must contain:

8 (a) Salary allocations based on ten months of usual and customary
9 work during the school year;

10 (b) Different levels of salary allocations for residency
11 certificate holders and second tier certificate holders, each further
12 differentiated by baccalaureate degree and advanced degree. For
13 purposes of this subsection, "residency certificate" refers to the
14 certification aligned with the rules adopted by the professional
15 educator standards board pursuant to RCW 28A.410.040 and "second tier
16 certificate" refers to the certification aligned with the rules
17 adopted by the professional educator standards board pursuant to RCW
18 28A.410.250 and also includes individuals qualifying for an initial-
19 level teaching certificate before August 31, 1992; and

20 (c) Periodic differential salary allocations for years of
21 service.

22 (5) Beginning in the 2018-19 school year, the minimum salary for
23 beginning certificated instructional staff in the basic education
24 program must be forty-five thousand dollars. This minimum salary may
25 be from a combination of state revenue, including state matching
26 funds provided under section 204 of this act, or levy revenue
27 collected under section 101 of this act. The minimum salary must be
28 adjusted annually by the same inflationary measure as provided in RCW
29 28A.400.205.

30 (6) Beginning in the 2007-08 school year, the calculation of
31 years of service for occupational therapists, physical therapists,
32 speech-language pathologists, audiologists, nurses, social workers,
33 counselors, and psychologists regulated under Title 18 RCW may
34 include experience in schools and other nonschool positions as
35 occupational therapists, physical therapists, speech-language
36 pathologists, audiologists, nurses, social workers, counselors, or
37 psychologists. The calculation shall be that one year of service in a
38 nonschool position counts as one year of service for purposes of this
39 chapter, up to a limit of two years of nonschool service. Nonschool
40 years of service included in calculations under this subsection shall

1 not be applied to service credit totals for purposes of any
2 retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any
3 other state retirement system benefits.

4 **Sec. 403.** RCW 28A.400.200 and 2010 c 235 s 401 are each amended
5 to read as follows:

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

9 (2)(a) Salaries for full-time certificated instructional staff
10 shall not be less than the salary provided in the appropriations act
11 in the statewide salary allocation schedule for an employee with a
12 baccalaureate degree and zero years of service, which beginning in
13 the 2018-19 school year shall not be less than forty-five thousand
14 dollars, to be adjusted annually by the same inflationary measure as
15 provided in RCW 28A.400.205; and

16 (b) Salaries for all full-time certificated instructional staff
17 with a master's degree shall not be less than the salary provided in
18 the appropriations act in the statewide salary allocation schedule
19 for an employee with a master's degree and zero years of service.

20 ~~(3)((a) The actual average salary paid to certificated~~
21 ~~instructional staff shall not exceed the district's average~~
22 ~~certificated instructional staff salary used for the state basic~~
23 ~~education allocations for that school year as determined pursuant to~~
24 ~~RCW 28A.150.410.~~

25 ~~(b) Fringe benefit contributions for certificated instructional~~
26 ~~staff shall be included as salary under (a) of this subsection only~~
27 ~~to the extent that the district's actual average benefit contribution~~
28 ~~exceeds the amount of the insurance benefits allocation provided per~~
29 ~~certificated instructional staff unit in the state operating~~
30 ~~appropriations act in effect at the time the compensation is payable.~~
31 ~~For purposes of this section, fringe benefits shall not include~~
32 ~~payment for unused leave for illness or injury under RCW 28A.400.210;~~
33 ~~employer contributions for old age survivors insurance, workers'~~
34 ~~compensation, unemployment compensation, and retirement benefits~~
35 ~~under the Washington state retirement system; or employer~~
36 ~~contributions for health benefits in excess of the insurance benefits~~
37 ~~allocation provided per certificated instructional staff unit in the~~
38 ~~state operating appropriations act in effect at the time the~~

1 ~~compensation is payable. A school district may not use state funds to~~
2 ~~provide employer contributions for such excess health benefits.~~

3 ~~(e))~~ Salary and benefits for certificated instructional staff in
4 programs other than basic education ~~((shall))~~ must be consistent with
5 the salary and benefits paid to certificated instructional staff in
6 the basic education program.

7 (4) Salaries and benefits for certificated instructional staff
8 ~~((may exceed the limitations in subsection (3) of this section only))~~
9 for activities not related to the state's program of basic education
10 as defined in RCW 28A.150.200 may only be provided by separate
11 contract for additional time, for additional responsibilities, for
12 incentives, or for implementing specific measurable innovative
13 activities, including professional development, specified by the
14 school district to: (a) Close one or more achievement gaps, (b) focus
15 on development of science, technology, engineering, and mathematics
16 (STEM) learning opportunities, or (c) provide arts education.
17 Beginning September 1, 2011, school districts ~~((shall))~~ must annually
18 provide a brief description of the innovative activities included in
19 any supplemental contract to the office of the superintendent of
20 public instruction. The office of the superintendent of public
21 instruction ~~((shall))~~ must summarize the district information and
22 submit an annual report to the education committees of the house of
23 representatives and the senate. Supplemental contracts ~~((shall))~~ may
24 not cause the state to incur any present or future funding
25 obligation. Supplemental contracts ~~((shall be))~~ are subject to the
26 collective bargaining provisions of chapter 41.59 RCW and the
27 provisions of RCW 28A.405.240, ~~((shall))~~ may not exceed one year, and
28 if not renewed ~~((shall))~~ may not constitute adverse change in
29 accordance with RCW 28A.405.300 through 28A.405.380. No district may
30 enter into a supplemental contract under this subsection for the
31 provision of services which are a part of the basic education program
32 required by Article IX, section ~~((3))~~ 1 of the state Constitution.

33 (5) Employee benefit plans offered by any district ~~((shall))~~ must
34 comply with RCW 28A.400.350 ~~((and))~~ 28A.400.275 and 28A.400.280.

35 **Sec. 404.** RCW 28A.400.220 and 1989 c 11 s 5 are each amended to
36 read as follows:

37 (1) ~~((No))~~ School district boards of directors or administrators
38 may not:

1 (a) Increase an employee's salary using school district excess
2 levy funds for the provision of services that are a part of the basic
3 education program required by Article IX, section 1 of the state
4 Constitution;

5 (b) Increase an employee's salary or compensation to include a
6 payment in lieu of providing a fringe benefit; or

7 ~~((b))~~ (c) Allow any payment to an employee which is partially
8 or fully conditioned on the termination or retirement of the
9 employee, except as provided in subsection (2) of this section.

10 (2) A school district board of directors may compensate an
11 employee for termination of the employee's contract in accordance
12 with the termination provisions of the contract. If no such
13 provisions exist the compensation must be reasonable based on the
14 proportion of the uncompleted contract. Compensation received under
15 this subsection shall not be included for the purposes of computing a
16 retirement allowance under any public retirement system in this
17 state.

18 ~~((3) Provisions of any contract in force on March 27, 1982,~~
19 ~~which conflict with the requirements of this section shall continue~~
20 ~~in effect until contract expiration. After expiration, any new~~
21 ~~contract including any renewal, extension, amendment or modification~~
22 ~~of an existing contract executed between the parties shall be~~
23 ~~consistent with this section.))~~

24 **Part V**

25 **Establishing a Per Pupil Funding Model for General Education**
26 **Expenditures**

27 **Sec. 501.** RCW 28A.150.260 and 2014 c 217 s 206 are each amended
28 to read as follows:

29 The purpose of this section is to provide for the uniform
30 allocation of state funding that the legislature deems necessary to
31 support school districts in offering the minimum instructional
32 program of basic education under RCW 28A.150.220. The allocation
33 shall be determined as follows:

34 (1) The governor shall and the superintendent of public
35 instruction may recommend to the legislature a formula for the
36 distribution of a uniform basic education instructional allocation
37 for each common school district.

1 (2)(a) The ~~((distribution))~~ formula under this section ~~((shall~~
2 ~~be))~~ must be for establishing uniform per pupil amounts for
3 allocation purposes only. Except as may be required under chapter
4 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and
5 regulations, nothing in this section requires school districts to use
6 basic education instructional funds to implement a particular
7 instructional approach or service. Nothing in this section requires
8 school districts to maintain a particular classroom teacher-to-
9 student ratio or other staff-to-student ratio or to use allocated
10 funds to pay for particular types or classifications of staff.
11 Nothing in this section entitles an individual teacher to a
12 particular teacher planning period. Excluding funding accounted for
13 in (b) of this subsection, the superintendent of public instruction
14 must determine a statewide average per pupil amount per grade for the
15 allocations under subsections (4) through (9) of this section by
16 dividing the total estimated allocations under subsections (4)
17 through (9) of this section by the annual average full-time
18 equivalent students. If one or more of the allocations in subsections
19 (4) through (9) of this section are separately addressed in the
20 omnibus appropriations act, or any enhanced allocation for the
21 program of basic education is provided in the omnibus appropriations
22 act, then such allocations must be used to determine the statewide
23 average per pupil amount.

24 (b) The superintendent of public instruction must determine a
25 separate statewide average per pupil amount for the allocations
26 provided for career and technical education and skills centers by
27 dividing the total estimated career and technical or skills center
28 allocations under subsections (4) through (9) of this section by the
29 annual average full-time equivalent students. If career and technical
30 or skills centers allocations are separately addressed or enhanced in
31 the omnibus appropriations act, then such allocations must be used to
32 determine the statewide average per pupil amount.

33 (3)(a) To the extent the technical details of the formula have
34 been adopted by the legislature and except when specifically provided
35 as a school district allocation, the distribution formula for the
36 basic education instructional allocation shall be based on minimum
37 staffing and nonstaff costs the legislature deems necessary to
38 support instruction and operations in prototypical schools serving
39 high, middle, and elementary school students as provided in this
40 section. The use of prototypical schools for the distribution formula

1 does not constitute legislative intent that schools should be
2 operated or structured in a similar fashion as the prototypes.
3 Prototypical schools illustrate the level of resources needed to
4 operate a school of a particular size with particular types and grade
5 levels of students using commonly understood terms and inputs, such
6 as class size, hours of instruction, and various categories of school
7 staff. It is the intent that the funding allocations to school
8 districts be adjusted from the school prototypes based on the actual
9 number of annual average full-time equivalent students in each grade
10 level at each school in the district and not based on the grade-level
11 configuration of the school to the extent that data is available. The
12 allocations shall be further adjusted from the school prototypes with
13 minimum allocations for small schools and to reflect other factors
14 identified in the omnibus appropriations act.

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

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

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

22 (iii) A prototypical elementary school has four hundred average
23 annual full-time equivalent students in grades kindergarten through
24 six.

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

	General education average class size
32 Grades K-3.	25.23
33 Grade 4.	27.00
34 Grades 5-6.	27.00
35 Grades 7-8.	28.53
36 Grades 9-12.	28.74

1 (ii) The minimum class size allocation for each prototypical high
 2 school shall also provide for enhanced funding for class size
 3 reduction for two laboratory science classes within grades nine
 4 through twelve per full-time equivalent high school student
 5 multiplied by a laboratory science course factor of 0.0833, based on
 6 the number of full-time equivalent classroom teachers needed to
 7 provide instruction over the minimum required annual instructional
 8 hours in RCW 28A.150.220, and providing at least one teacher planning
 9 period per school day:

	Laboratory science	
	average class size	
12	Grades 9-12.	19.98

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

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

	Career and technical	
	education average	
	class size	
26	Approved career and technical education offered at	
27	the middle school and high school level.	26.57
28	Skill center programs meeting the standards established	
29	by the office of the superintendent of public	
30	instruction.	22.76

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

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

36 (ii) A specialty average class size for advanced placement and
 37 international baccalaureate courses.

1 (5) The minimum allocation for each level of prototypical school
 2 shall include allocations for the following types of staff in
 3 addition to classroom teachers:

	Elementary School	Middle School	High School
6 Principals, assistant principals, and other certificated building-level 7 administrators.	1.253	1.353	1.880
8 Teacher librarians, a function that includes information literacy, technology, 9 and media to support school library media programs.	0.663	0.519	0.523
10 Health and social services:			
11 School nurses.	0.076	0.060	0.096
12 Social workers.	0.042	0.006	0.015
13 Psychologists.	0.017	0.002	0.007
14 Guidance counselors, a function that includes parent outreach and graduation 15 advising.	0.493	1.116	2.539
16 Teaching assistance, including any aspect of educational instructional services 17 provided by classified employees.	0.936	0.700	0.652
18 Office support and other noninstructional aides.	2.012	2.325	3.269
19 Custodians.	1.657	1.942	2.965
20 Classified staff providing student and staff safety.	0.079	0.092	0.141
21 Parent involvement coordinators.	0.00	0.00	0.00

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

	Staff per 1,000 K-12 students
28 Technology.	0.628
29 Facilities, maintenance, and grounds.	1.813
30 Warehouse, laborers, and mechanics.	0.332

31 (b) The minimum allocation of staff units for each school
 32 district to support certificated and classified staffing of central
 33 administration shall be 5.30 percent of the staff units generated
 34 under subsections (4)(a) and (b) and (5) of this section and (a) of
 35 this subsection.

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

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

	Per annual average full-time equivalent student in grades K-12
10	
11	
12	
13	Technology. \$54.43
14	Utilities and insurance. \$147.90
15	Curriculum and textbooks. \$58.44
16	Other supplies and library materials. \$124.07
17	Instructional professional development for certified and
18	classified staff. \$9.04
19	Facilities maintenance. \$73.27
20	Security and central office. \$50.76

21 (b) During the 2011-2013 biennium, the minimum allocation for
22 maintenance, supplies, and operating costs shall be increased as
23 specified in the omnibus appropriations act. The following
24 allocations, adjusted for inflation from the 2007-08 school year, are
25 provided in the 2015-16 school year, after which the allocations
26 shall be adjusted annually for inflation as specified in the omnibus
27 appropriations act:

	Per annual average full-time equivalent student in grades K-12
28	
29	
30	
31	Technology. \$113.80
32	Utilities and insurance. \$309.21
33	Curriculum and textbooks. \$122.17
34	Other supplies and library materials. \$259.39
35	Instructional professional development for certificated and
36	classified staff. \$18.89
37	Facilities maintenance. \$153.18
38	Security and central office administration. \$106.12

1 (c) In addition to the amounts provided in (a) and (b) of this
2 subsection, beginning in the 2014-15 school year, the omnibus
3 appropriations act shall provide the following minimum allocation for
4 each annual average full-time equivalent student in grades nine
5 through twelve for the following materials, supplies, and operating
6 costs, to be adjusted annually for inflation:

	Per annual average full-time equivalent student in grades 9-12
7	
8	
9	
10 Technology.	\$36.35
11 Curriculum and textbooks.	\$39.02
12 Other supplies and library materials.	\$82.84
13 Instructional professional development for certificated and 14 classified staff.	\$6.04

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

- 18 (a) Exploratory career and technical education courses for
19 students in grades seven through twelve;
- 20 (b) Preparatory career and technical education courses for
21 students in grades nine through twelve offered in a high school; and
- 22 (c) Preparatory career and technical education courses for
23 students in grades eleven and twelve offered through a skill center.

24 (10) In addition to the allocations otherwise provided under this
25 section, amounts shall be provided to support the following programs
26 and services:

27 (a) The office of the superintendent of public instruction must
28 calculate a uniform per pupil amount based on the statewide total
29 calculated under this subsection (10)(a) to provide supplemental
30 instruction and services for underachieving students through the
31 learning assistance program under RCW 28A.165.005 through
32 28A.165.065((7)). The allocations shall be based on the district
33 percentage of students in grades K-12 who were eligible for free or
34 reduced-price meals in the prior school year. The minimum allocation
35 for the program shall provide for each level of prototypical school
36 resources to provide, on a statewide average, 1.5156 hours per week
37 in extra instruction with a class size of fifteen learning assistance
38 program students per teacher. Each school district must receive a
39 uniform per pupil distribution under this subsection (10)(a) based on

1 the percentage of students in grades K-12 eligible for free or
2 reduced-price meals in the prior school year. If the allocation under
3 this subsection (10)(a) is enhanced in the omnibus appropriations act
4 then the enhanced allocation must be used to determine the statewide
5 average per pupil amount.

6 (b) The office of the superintendent of public instruction must
7 calculate a uniform per pupil amount based on the statewide total
8 calculated under this subsection (10)(b) to provide supplemental
9 instruction and services for students whose primary language is other
10 than English((τ)). The allocations shall be based on the head count
11 number of students in each school who are eligible for and enrolled
12 in the transitional bilingual instruction program under RCW
13 28A.180.010 through 28A.180.080. The minimum allocation for each
14 level of prototypical school shall provide resources to provide, on a
15 statewide average, 4.7780 hours per week in extra instruction with
16 fifteen transitional bilingual instruction program students per
17 teacher. Notwithstanding other provisions of this subsection (10),
18 the actual per-student allocation may be scaled to provide a larger
19 allocation for students needing more intensive intervention and a
20 commensurate reduced allocation for students needing less intensive
21 intervention, as detailed in the omnibus appropriations act. Each
22 school district must receive a uniform per pupil distribution under
23 this subsection (10)(b) based on the head count number of students in
24 each school eligible for and enrolled in the transitional bilingual
25 program. If the allocation under this subsection (10)(b) is enhanced
26 in the omnibus appropriations act then the enhanced allocation must
27 be used to determine the statewide average per pupil amount.

28 (c) The office of the superintendent of public instruction must
29 calculate a uniform per pupil amount based on the statewide total
30 calculated under this subsection (10)(c) to provide additional
31 allocations to support programs for highly capable students under RCW
32 28A.185.010 through 28A.185.030((τ)). The allocations shall be based
33 on two and three hundred fourteen one-thousandths percent of each
34 school district's full-time equivalent basic education enrollment.
35 The minimum allocation for the programs shall provide resources to
36 provide, on a statewide average, 2.1590 hours per week in extra
37 instruction with fifteen highly capable program students per teacher.
38 Each school district must receive a uniform per pupil distribution
39 under this subsection (10)(c) based on two and three hundred fourteen
40 one-thousandths percent of the district's full-time equivalent basic

1 education enrollment. If the allocation under this subsection (10)(c)
2 is enhanced in the omnibus appropriations act then the enhanced
3 allocation must be used to determine the statewide average per pupil
4 amount.

5 (11) The office of the superintendent of public instruction must
6 calculate two uniform per pupil amounts based on the statewide total
7 calculated under this subsection (11). One per pupil amount must be
8 for full-time enrolled special education students that are ages birth
9 through five years of age and the second uniform per pupil
10 distribution must be for full-time enrolled special education
11 students five through twenty-one years of age. The allocations under
12 subsections (4)(a) and (b), (5), (6), and (8) of this section shall
13 be enhanced as provided under RCW 28A.150.390 on an excess cost basis
14 to provide supplemental instructional resources for students with
15 disabilities. Each school district must receive a uniform per pupil
16 distribution under this subsection (11) for full-time enrolled
17 special education students that are ages birth through five years of
18 age and a separate uniform per pupil distribution for full-time
19 enrolled special education students five through twenty-one years of
20 age. If the allocation under this subsection (11) is enhanced in the
21 omnibus appropriations act then the enhanced allocation shall be used
22 to determine the statewide average per pupil amount.

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

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

35 (c) For any school district, the minimum total allocation per
36 annual average full-time equivalent student for all allocations under
37 subsections (4) through (11) of this section, section 204 of this
38 act, and the estimated levies collected under section 101 of this act
39 is eleven thousand five hundred dollars per annual average full-time
40 equivalent student, to be adjusted annually by the same inflationary

1 measure as provided in RCW 28A.400.205. If the minimum total
2 allocation is not eleven thousand five hundred dollars as established
3 in this section, the state must allocate additional funds to increase
4 the per student amount to eleven thousand five hundred dollars.

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

9 (b) In the event the legislature rejects the distribution formula
10 recommended by the governor, without adopting a new distribution
11 formula, the distribution formula for the previous school year shall
12 remain in effect.

13 (c) The enrollment of any district shall be the annual average
14 number of full-time equivalent students and part-time students as
15 provided in RCW 28A.150.350, enrolled on the first school day of each
16 month, including students who are in attendance pursuant to RCW
17 28A.335.160 and 28A.225.250 who do not reside within the servicing
18 school district. The definition of full-time equivalent student shall
19 be determined by rules of the superintendent of public instruction
20 and shall be included as part of the superintendent's biennial budget
21 request. The definition shall be based on the minimum instructional
22 hour offerings required under RCW 28A.150.220. Any revision of the
23 present definition (~~shall~~) does not take effect until approved by
24 the house ways and means committee and the senate ways and means
25 committee.

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

29 (14)(a) The superintendent of public instruction must apportion
30 to the district, in the manner provided by RCW 28A.510.250, funding
31 received by the state pursuant to section 101 of this act.

32 (b) The superintendent of public instruction must reduce the
33 enhancements to the state basic education allocation provided after
34 August 31, 2018, provided in RCW 28A.150.260 by the amounts
35 apportioned to school districts in (a) of this subsection.

36 **Sec. 502.** RCW 28A.150.260 and 2015 c 2 s 2 and 2014 c 217 s 206
37 are each reenacted and amended to read as follows:

38 The purpose of this section is to provide for the uniform
39 allocation of state funding that the legislature deems necessary to

1 support school districts in offering the minimum instructional
2 program of basic education under RCW 28A.150.220. The allocation
3 shall be determined as follows:

4 (1) The governor shall and the superintendent of public
5 instruction may recommend to the legislature a formula for the
6 distribution of a uniform basic education instructional allocation
7 for each common school district.

8 (2)(a) ~~The ((distribution))~~ formula under this section ~~((shall~~
9 ~~be))~~ must be for establishing uniform per pupil amounts for
10 allocation purposes only. Except as required for class size reduction
11 funding provided under subsection (4)(f) of this section and as may
12 be required under chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW,
13 or federal laws and regulations, nothing in this section requires
14 school districts to use basic education instructional funds to
15 implement a particular instructional approach or service. Nothing in
16 this section requires school districts to maintain a particular
17 classroom teacher-to-student ratio or other staff-to-student ratio or
18 to use allocated funds to pay for particular types or classifications
19 of staff. Nothing in this section entitles an individual teacher to a
20 particular teacher planning period. Excluding funding accounted for
21 in (b) of this subsection, the superintendent of public instruction
22 must determine a statewide average per pupil amount per grade for the
23 allocations under subsections (4) through (9) of this section by
24 dividing the total estimated allocations under subsections (4)
25 through (9) of this section by the annual average full-time
26 equivalent students. If one or more of the allocations in subsections
27 (4) through (9) of this section are separately addressed in the
28 omnibus appropriations act, or any enhanced allocation for the
29 program of basic education is provided in the omnibus appropriations
30 act, then such allocations must be used to determine the statewide
31 average per pupil amount.

32 (b) The superintendent of public instruction must determine a
33 separate statewide average per pupil amount for the allocations
34 provided for career and technical education and skills centers by
35 dividing the total estimated career and technical or skills center
36 allocations under subsections (4) through (9) of this section by the
37 annual average full-time equivalent students. If career and technical
38 or skills centers allocations are separately addressed or enhanced in
39 the omnibus appropriations act, then such allocations must be used to
40 determine the statewide average per pupil amount.

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

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

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

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

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

33 (4)(a)(i) The minimum allocation for each level of prototypical
34 school shall be based on the number of full-time equivalent classroom
35 teachers needed to provide instruction over the minimum required
36 annual instructional hours under RCW 28A.150.220 and provide at least
37 one teacher planning period per school day, and based on the
38 following general education average class size of full-time
39 equivalent students per teacher:

1		General education
2		average
3		class size
4	Grades K-3.	17.00
5	Grade 4.	25.00
6	Grades 5-6.	25.00
7	Grades 7-8.	25.00
8	Grades 9-12.	25.00

9 (ii) The minimum class size allocation for each prototypical high
10 school shall also provide for enhanced funding for class size
11 reduction for two laboratory science classes within grades nine
12 through twelve per full-time equivalent high school student
13 multiplied by a laboratory science course factor of 0.0833, based on
14 the number of full-time equivalent classroom teachers needed to
15 provide instruction over the minimum required annual instructional
16 hours in RCW 28A.150.220, and providing at least one teacher planning
17 period per school day:

18		Laboratory science
19		average class size
20	Grades 9-12.	19.98

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

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

31		Career and technical
32		education average
33		class size
34	Approved career and technical education offered at	
35	the middle school and high school level.	19.0
36	Skill center programs meeting the standards established	
37	by the office of the superintendent of public	
38	instruction.	16.0

1 (d) In addition, the omnibus appropriations act shall at a
2 minimum specify a specialty average class size for advanced placement
3 and international baccalaureate courses.

4 (e) For each level of prototypical school at which more than
5 fifty percent of the students were eligible for free and reduced-
6 price meals in the prior school year, the superintendent shall
7 allocate funding based on the following average class size of full-
8 time equivalent students per teacher:

	General education average class size in high poverty
9	
10	
11	
12	Grades K-3. 15.0
13	Grade 4. 22.0
14	Grades 5-6. 23.0
15	Grades 7-8. 23.0
16	Grades 9-12. 23.0

17 (f)(i) Funding for average class sizes in this subsection (4)
18 shall be provided only to the extent of, and proportionate to, the
19 school district's demonstrated actual average class size, up to the
20 funded class sizes.

21 (ii) Districts that demonstrate capital facility needs that
22 prevent them from reducing actual class sizes to funded levels, may
23 use funding in this subsection (4) for school-based personnel who
24 provide direct services to students. Districts that use this funding
25 for purposes other than reducing actual class sizes must annually
26 report the number and dollar value for each type of personnel funded
27 by school and grade level.

28 (iii) The office of the superintendent of public instruction
29 shall develop rules to implement this subsection (4).

30 (5) The minimum allocation for each level of prototypical school
31 shall include allocations necessary for the safe and effective
32 operation of a school, to meet individual student needs, and to
33 ensure all required school functions can be performed by
34 appropriately trained personnel, for the following types of staff in
35 addition to classroom teachers:

36	Elementary	Middle	High
37	School	School	School

1	Principals, assistant principals, and other certificated building-level			
2	administrators.	1.3	1.4	1.9
3	Teacher librarians, a function that includes information literacy, technology,			
4	and media to support school library media programs.	1.0	1.0	1.0
5	Health and social services:			
6	School nurses.	0.585	0.888	0.824
7	Social workers.	0.311	0.088	0.127
8	Psychologists.	0.104	0.024	0.049
9	Guidance counselors, a function that includes parent outreach and graduation			
10	advising.	0.50	2.0	3.5
11	Teaching assistance, including any aspect of educational instructional services			
12	provided by classified employees.	2.0	1.0	1.0
13	Office support and other noninstructional aides.	3.0	3.5	3.5
14	Custodians.	1.7	2.0	3.0
15	Classified staff providing student and staff safety.	0.0	0.7	1.3
16	Parent involvement coordinators.	1.0	1.0	1.0

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

21		Staff per 1,000
22		K-12 students
23	Technology.	2.8
24	Facilities, maintenance, and grounds.	4.0
25	Warehouse, laborers, and mechanics.	1.9

26 (b) The minimum allocation of staff units for each school
27 district to support certificated and classified staffing of central
28 administration shall be 5.30 percent of the staff units generated
29 under subsections (4)(a) and (b) and (5) of this section and (a) of
30 this subsection.

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

35 (8)(a) Except as provided in (b) and (c) of this subsection, the
36 minimum allocation for each school district shall include allocations

1 per annual average full-time equivalent student for the following
2 materials, supplies, and operating costs, to be adjusted for
3 inflation from the 2008-09 school year:

	Per annual average full-time equivalent student in grades K-12
4	
5	
6	
7	Technology. \$54.43
8	Utilities and insurance. \$147.90
9	Curriculum and textbooks. \$58.44
10	Other supplies and library materials. \$124.07
11	Instructional professional development for certified and
12	classified staff. \$9.04
13	Facilities maintenance. \$73.27
14	Security and central office. \$50.76

15 (b) During the 2011-2013 biennium, the minimum allocation for
16 maintenance, supplies, and operating costs shall be increased as
17 specified in the omnibus appropriations act. The following
18 allocations, adjusted for inflation from the 2007-08 school year, are
19 provided in the 2015-16 school year, after which the allocations
20 shall be adjusted annually for inflation as specified in the omnibus
21 appropriations act:

	Per annual average full-time equivalent student in grades K-12
22	
23	
24	
25	Technology. \$113.80
26	Utilities and insurance. \$309.21
27	Curriculum and textbooks. \$122.17
28	Other supplies and library materials. \$259.39
29	Instructional professional development for certificated and
30	classified staff. \$18.89
31	Facilities maintenance. \$153.18
32	Security and central office administration. \$106.12

33 (c) In addition to the amounts provided in (a) and (b) of this
34 subsection, beginning in the 2014-15 school year, the omnibus
35 appropriations act shall provide the following minimum allocation for
36 each annual average full-time equivalent student in grades nine
37 through twelve for the following materials, supplies, and operating
38 costs, to be adjusted annually for inflation:

1		Per annual average
2		full-time equivalent student
3		in grades 9-12
4	Technology.	\$36.35
5	Curriculum and textbooks.	\$39.02
6	Other supplies and library materials.	\$82.84
7	Instructional professional development for certificated and	
8	classified staff.	\$6.04

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

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

14 (b) Preparatory career and technical education courses for
15 students in grades nine through twelve offered in a high school; and

16 (c) Preparatory career and technical education courses for
17 students in grades eleven and twelve offered through a skill center.

18 (10) In addition to the allocations otherwise provided under this
19 section, amounts shall be provided to support the following programs
20 and services:

21 (a) The office of the superintendent of public instruction must
22 calculate a uniform per pupil amount based on the statewide total
23 calculated under this subsection (10)(a) to provide supplemental
24 instruction and services for underachieving students through the
25 learning assistance program under RCW 28A.165.005 through
26 28A.165.065((7)). The allocations shall be based on the district
27 percentage of students in grades K-12 who were eligible for free or
28 reduced-price meals in the prior school year. The minimum allocation
29 for the program shall provide for each level of prototypical school
30 resources to provide, on a statewide average, 1.5156 hours per week
31 in extra instruction with a class size of fifteen learning assistance
32 program students per teacher. Each school district must receive a
33 uniform per pupil distribution under this subsection (10)(a) based on
34 the percentage of students in grades K-12 eligible for free or
35 reduced-price meals in the prior school year. If the allocation under
36 this subsection (10)(a) is enhanced in the omnibus appropriations act
37 then the enhanced allocation must be used to determine the statewide
38 average per pupil amount.

1 (b) The office of the superintendent of public instruction must
2 calculate a uniform per pupil amount based on the statewide total
3 calculated under this subsection (10)(b) to provide supplemental
4 instruction and services for students whose primary language is other
5 than English((τ)). The allocations shall be based on the head count
6 number of students in each school who are eligible for and enrolled
7 in the transitional bilingual instruction program under RCW
8 28A.180.010 through 28A.180.080. The minimum allocation for each
9 level of prototypical school shall provide resources to provide, on a
10 statewide average, 4.7780 hours per week in extra instruction with
11 fifteen transitional bilingual instruction program students per
12 teacher. Notwithstanding other provisions of this subsection (10),
13 the actual per-student allocation may be scaled to provide a larger
14 allocation for students needing more intensive intervention and a
15 commensurate reduced allocation for students needing less intensive
16 intervention, as detailed in the omnibus appropriations act. Each
17 school district must receive a uniform per pupil distribution under
18 this subsection (10)(b) based on the head count number of students in
19 each school eligible for and enrolled in the transitional bilingual
20 program. If the allocation under this subsection (10)(b) is enhanced
21 in the omnibus appropriations act then the enhanced allocation must
22 be used to determine the statewide average per pupil amount.

23 (c) The office of the superintendent of public instruction must
24 calculate a uniform per pupil amount based on the statewide total
25 calculated under this subsection (10)(c) to provide additional
26 allocations to support programs for highly capable students under RCW
27 28A.185.010 through 28A.185.030((τ)). The allocations shall be based
28 on two and three hundred fourteen one- thousandths percent of each
29 school district's full-time equivalent basic education enrollment.
30 The minimum allocation for the programs shall provide resources to
31 provide, on a statewide average, 2.1590 hours per week in extra
32 instruction with fifteen highly capable program students per teacher.
33 Each school district must receive a uniform per pupil distribution
34 under this subsection (10)(c) based on two and three hundred fourteen
35 one-thousandths percent of the district's full-time equivalent basic
36 education enrollment. If the allocation under this subsection (10)(c)
37 is enhanced in the omnibus appropriations act then the enhanced
38 allocation must be used to determine the statewide average per pupil
39 amount.

1 (11) The office of the superintendent of public instruction must
2 calculate two uniform per pupil amounts based on the statewide total
3 calculated under this subsection (11). One per pupil amount must be
4 for full-time enrolled special education students that are ages birth
5 through five years of age and the second uniform per pupil
6 distribution must be for full-time enrolled special education
7 students five through twenty-one years of age. The allocations under
8 subsections (4)(a) (~~and~~), (b), and (e), (5), (6), and (8) of this
9 section shall be enhanced as provided under RCW 28A.150.390 on an
10 excess cost basis to provide supplemental instructional resources for
11 students with disabilities. Each school district must receive a
12 uniform per pupil distribution under this subsection (11) for full-
13 time enrolled special education students that are ages birth through
14 five years of age and a separate uniform per pupil distribution for
15 full-time enrolled special education students five through twenty-one
16 years of age. If the allocation under this subsection (11) is
17 enhanced in the omnibus appropriations act then the enhanced
18 allocation shall be used to determine the statewide average per pupil
19 amount.

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

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

32 (c) For any school district, the minimum total allocation per
33 annual average full-time equivalent student for all allocations under
34 subsections (4) through (11) of this section, section 204 of this
35 act, and the estimated levies collected under section 101 of this act
36 is eleven thousand five hundred dollars per annual average full-time
37 equivalent student, to be adjusted annually by the same inflationary
38 measure as provided in RCW 28A.400.205. If the minimum total
39 allocation is not eleven thousand five hundred dollars as established

1 in this section, the state must allocate additional funds to increase
2 the per student amount to eleven thousand five hundred dollars.

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

7 (b) In the event the legislature rejects the distribution formula
8 recommended by the governor, without adopting a new distribution
9 formula, the distribution formula for the previous school year shall
10 remain in effect.

11 (c) The enrollment of any district shall be the annual average
12 number of full-time equivalent students and part-time students as
13 provided in RCW 28A.150.350, enrolled on the first school day of each
14 month, including students who are in attendance pursuant to RCW
15 28A.335.160 and 28A.225.250 who do not reside within the servicing
16 school district. The definition of full-time equivalent student shall
17 be determined by rules of the superintendent of public instruction
18 and shall be included as part of the superintendent's biennial budget
19 request. The definition shall be based on the minimum instructional
20 hour offerings required under RCW 28A.150.220. Any revision of the
21 present definition (~~shall~~) does not take effect until approved by
22 the house ways and means committee and the senate ways and means
23 committee.

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

27 (14)(a) The superintendent of public instruction must apportion
28 to the district, in the manner provided by RCW 28A.510.250, funding
29 received by the state pursuant to section 101 of this act.

30 (b) The superintendent of public instruction must reduce the
31 enhancements to the state basic education allocation provided after
32 August 31, 2018, provided in RCW 28A.150.260 by the amounts
33 apportioned to school districts in (a) of this subsection.

34 **Sec. 503.** RCW 28A.150.390 and 2010 c 236 s 3 are each amended to
35 read as follows:

36 (1) The superintendent of public instruction shall submit to each
37 regular session of the legislature during an odd-numbered year a
38 programmed budget request for special education programs for students
39 with disabilities. Funding for programs operated by local school

1 districts shall be on an excess cost basis from appropriations
2 provided by the legislature for special education programs for
3 students with disabilities and shall take account of state funds
4 accruing through RCW 28A.150.260 (4) (a) and (b), (5), (6), and (8).

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

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

12 (b) A district's annual average full-time equivalent basic
13 education enrollment, multiplied by the district's funded enrollment
14 percent, multiplied by the district's base allocation per full-time
15 equivalent student, multiplied by 0.9309.

16 (3) As used in this section:

17 (a) "Base allocation" means the ~~((total state allocation to all
18 schools in the district generated by the distribution formula under
19 RCW 28A.150.260 (4)(a) and (b), (5), (6), and (8), to be divided by
20 the district's full-time equivalent enrollment))~~ per pupil amount
21 calculated under RCW 28A.150.260(11).

22 (b) "Basic education enrollment" means enrollment of resident
23 students including nonresident students enrolled under RCW
24 28A.225.225 and students from nonhigh districts enrolled under RCW
25 28A.225.210 and excluding students residing in another district
26 enrolled as part of an interdistrict cooperative program under RCW
27 28A.225.250.

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

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

36 **Sec. 504.** RCW 28A.150.390 and 2017 c . . . s 503 (section 503 of
37 this act) are each amended to read as follows:

38 (1) The superintendent of public instruction shall submit to each
39 regular session of the legislature during an odd-numbered year a

1 programmed budget request for special education programs for students
2 with disabilities. Funding for programs operated by local school
3 districts shall be on an excess cost basis from appropriations
4 provided by the legislature for special education programs for
5 students with disabilities and shall take account of state funds
6 accruing through RCW 28A.150.260 (4) (a) (~~and~~), (b), and (e), (5),
7 (6), and (8).

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

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

15 (b) A district's annual average full-time equivalent basic
16 education enrollment, multiplied by the district's funded enrollment
17 percent, multiplied by the district's base allocation per full-time
18 equivalent student, multiplied by 0.9309.

19 (3) As used in this section:

20 (a) "Base allocation" means the per pupil amount calculated under
21 RCW 28A.150.260(11).

22 (b) "Basic education enrollment" means enrollment of resident
23 students including nonresident students enrolled under RCW
24 28A.225.225 and students from nonhigh districts enrolled under RCW
25 28A.225.210 and excluding students residing in another district
26 enrolled as part of an interdistrict cooperative program under RCW
27 28A.225.250.

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

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

1 **Part VI**

2 **Miscellaneous Provisions**

3 NEW SECTION. **Sec. 601.** (1) If, after taking into account basic
4 education funding from the state and funding provided under sections
5 101 and 204 of this act, the provisions of this act would cause any
6 school district to receive less funds than the district would receive
7 under RCW 28A.150.260, chapter 28A.500 RCW, and RCW 84.52.0531 in
8 effect on September 1, 2016, the office of the superintendent of
9 public instruction must increase the amount apportioned to the
10 district under chapter 28A.510 RCW to prevent such reduction.

11 (2) Prior to September 1, 2022, the superintendent of public
12 instruction must adjust annually the funds provided in subsection (1)
13 of this section specifically for section 501, chapter . . ., Laws of
14 2017 (section 501 of this act) by the following:

15 (a) Annual cost-of-living increases as provided by RCW
16 28A.400.205;

17 (b) Fringe and health benefits as provided in the omnibus
18 appropriations act; and

19 (c) Annual inflation for maintenance, supplies, and operating
20 costs as provided in the omnibus appropriations act.

21 (3) Beginning September 1, 2022, the superintendent of public
22 instruction must adjust annually the funds provided in subsection (1)
23 of this section specifically for section 502, chapter . . ., Laws of
24 2017 (section 502 of this act) by the following:

25 (a) Annual cost-of-living increases as provided by RCW
26 28A.400.205;

27 (b) Fringe and health benefits as provided in the omnibus
28 appropriations act; and

29 (c) Annual inflation for maintenance, supplies, and operating
30 costs as provided in the omnibus appropriations act.

31 (4) Calculations specifically for RCW 84.52.0531 as provided in
32 subsection (1) of this section may not exceed the voter-approved
33 maintenance and operations levy rate collected by the district on
34 January 1, 2017.

35 NEW SECTION. **Sec. 602.** Sections 403 and 501 of this act take
36 effect September 1, 2017.

1 NEW SECTION. **Sec. 603.** Sections 502 and 504 of this act take
2 effect September 1, 2022.

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