BILL REQ. #: Z-0204.5/09 5th draft
ATTY/TYPIST: SCG:1el
BRIEF DESCRIPTION: Attaining a world class K-12 educational system.
AN ACT Relating to education; amending RCW 28A.150.210, 28A.150.220, 28A.150.315, 28A.150.250, 28A.150.260, 28A.150.380, 28A.150.410, 28A.160.150, 28A.180.080, 84.52.043, 84.55.005, 84.52.0531, and 84.52.0531; reenacting and amending RCW 28A.150.370; adding new sections to chapter 28A.150 RCW; adding new sections to chapter 43.79 RCW; creating new sections; providing an effective date; and providing expiration dates.

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

PART 1

BASIC EDUCATION

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

The state's funding is not ample. In 2005, Washington ranked forty-sixth in the nation in largest class size, forty-fifth for per
student spending adjusted for cost-of-living, and below the national average on teacher salaries. The state salary allocation for all categories of K-12 employees does not reflect districts' actual costs.

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

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

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

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

The goal of the basic education act for the schools of the state of Washington set forth in this chapter shall be to provide students with the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives. Additionally, the state of Washington intends to provide for a public school system that is able
to evolve and adapt in order to better focus on strengthening the
educational achievement of all students, which includes high
expectations for all students and gives all students the opportunity to
achieve personal and academic success. To these ends, the goals of
each school district and each school, with the involvement of parents
and community members, shall be to provide opportunities for every
student to develop the knowledge and skills essential to:

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

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

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

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

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

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

(a) Until the 2013-14 school year, each school district not
receiving allocations for full-day kindergarten pursuant to RCW
28A.150.315 shall make available to students enrolled in kindergarten
at least a total instructional offering of four hundred fifty hours.
Districts receiving funding for full-day kindergarten pursuant to RCW
28A.150.315 shall make available to students enrolled in kindergarten
at least a total instructional offering of one thousand hours. The
program shall include instruction in the essential academic learning
requirements under RCW ((28A.630.885)) 28A.230.095 and such other
subjects and such activities as the school district shall determine to
be appropriate for the education of the school district's students enrolled in such program, and comport with the program requirements of RCW 28A.150.315;

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

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

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

(3) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half days or full days of instruction, or equivalent, in kindergarten in accordance with subsection (1)(a) of this section and RCW 28A.150.315: PROVIDED, That effective May 1, 1979, a school district may schedule the last five school days of the one hundred and eighty day school year for noninstructional purposes in the case of students who are graduating from high school, including, but not limited to, the observance of graduation and early release from school upon the request of a student, and all such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260.
(4) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

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

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

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

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

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

(ii) Developing a variety of communication skills;

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

(iv) Acquiring large and small motor skills;

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

(vi) Learning through hands-on experiences;

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

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

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

(3) During the phase-in period, funds allocated to support all-day kindergarten programs under this section shall be considered as basic education funding in the schools allocated such funds. When fully implemented in the 2012-13 school year, all-day kindergarten shall be part of basic education.

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

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

From those funds made available by the legislature for the current use of the common schools, the superintendent of public instruction shall distribute annually as provided in RCW 28A.510.250 to each school district of the state operating a program approved by the state board of education an amount which, when combined with an appropriate portion of such locally available revenues, other than receipts from federal forest revenues distributed to school districts pursuant to RCW 28A.520.010 and 28A.520.020, as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support, excluding excess property tax levies, will constitute a basic education allocation in dollars for each annual average full-time equivalent student enrolled, based upon one full school year of one hundred eighty days, except that for kindergartens one full school year shall be one hundred eighty full or half days of
Basic education shall be considered to be fully funded by those amounts of dollars appropriated by the legislature pursuant to RCW 28A.150.250 and 28A.150.260 to fund those program requirements identified in RCW 28A.150.220 in accordance with the formula and ratios provided in RCW 28A.150.260 and those amounts of dollars appropriated by the legislature to fund the salary requirements of RCW 28A.150.100 and 28A.150.410.)

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

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

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

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

(a) Certificated instructional staff and their related costs;
(b) Certificated administrative staff and their related costs;
(c) Classified staff and their related costs;
(d) Nonsalary costs;
(e) Extraordinary costs, including school facilities, of remote and necessary schools as judged by the superintendent of public instruction, with recommendations from the school facilities citizen advisory panel under RCW 28A.525.025, and small high schools, including costs of additional certificated and classified staff; and
(f) The attendance of students pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district.

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

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


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

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

(d) The distribution formula developed pursuant to this section shall be for state apportionment and equalization purposes only and shall not be construed as mandating specific operational functions of local school districts other than those program requirements identified in RCW 28A.150.220 and 28A.150.100. The enrollment of any district shall be the annual average number of full-time equivalent students and part time students as provided in RCW 28A.150.350, enrolled on the first school day of each month and shall exclude full-time equivalent students with disabilities recognized for the purposes of allocation of state funds for programs under RCW 28A.155.010 through 28A.155.100. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction: PROVIDED, That the definition shall be included as part of the superintendent's biennial budget request: PROVIDED, FURTHER, That any revision of the present definition shall not take effect until approved by the house appropriations committee and the senate ways and means committee: PROVIDED, FURTHER, That the office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.
(3)(a) Certificated instructional staff shall include those persons employed by a school district who are nonsupervisory employees within the meaning of RCW 41.59.020(8): PROVIDED, That in exceptional cases, people of unusual competence but without certification may teach students so long as a certificated person exercises general supervision: PROVIDED, FURTHER, That the hiring of such classified people shall not occur during a labor dispute and such classified people shall not be hired to replace certificated employees during a labor dispute.

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

(4) This section expires August 31, 2011.

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

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

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

In addition to those state funds provided to school districts for the regular basic education of students under RCW 28A.150.260, the legislature shall appropriate ancillary basic education funds for: Pupil transportation, in accordance with this chapter, RCW 28A.160.210, 28A.300.035, 28A.300.170, and 28A.500.010(, and for) special education programs for students with disabilities, in accordance with RCW 28A.155.010 through 28A.155.100; learning assistance in accordance with RCW 28A.165.005 through 28A.165.900; and bilingual instruction in accordance with RCW 28A.180.080. The legislature may appropriate funds to be distributed to school districts for population factors such as urban costs, enrollment fluctuations,
and for special programs including, but not limited to, compensatory programs, bilingual education, urban, rural, racial, and disadvantaged programs, programs for gifted students, and other special programs. **Beginning with the 2011-12 school year and thereafter, allocations for the purposes and programs in this section may be made as separate categorical program appropriations or combined in a foundation formula that also includes the basic education allocation in accordance with RCW 28A.150.260.**

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

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

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

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

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

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

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

(a) The employee has a masters degree; or

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

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

(b) A school district is eligible for the learning improvement day
funds only if the learning improvement days have been added to the one
hundred eighty-day contract year. If fewer days are added, the
additional learning improvement allocation shall be adjusted
accordingly. The additional days shall be limited to specific
activities identified in the state-required school improvement plan
related to improving student learning that are consistent with
education reform implementation and shall be considered part of the
basic education allocation. The principal in each school shall assure
that the days are used to provide the necessary school-wide, all-staff
professional development that is tied directly to the school
improvement plan. The school principal and the district superintendent
shall maintain documentation as to their approval of these activities.
The length of a learning improvement day shall not be less than the
length of a full day under the base contract. The superintendent of
public instruction shall ensure that school districts adhere to the
intent and purposes of this subsection.
Beginning in the 2007-08 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool position counts as one year of service for purposes of this chapter, up to a limit of two years of nonschool service. Nonschool years of service included in calculations under this subsection shall not be applied to service credit totals for purposes of any retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement system benefits.

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

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

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

The superintendent of public instruction shall prepare and submit biennially to the governor and the legislature a budget request for bilingual instruction programs. Through the 2010-11 school year, moneys appropriated by the legislature for the purposes of RCW 28A.180.010 through 28A.180.080 shall be allocated by the superintendent of public instruction to school districts for the sole
purpose of operating an approved bilingual instruction program; priorities for funding shall exist for the early elementary grades. Beginning with the 2011-12 school year, funding for bilingual instruction programs may be combined into a foundation formula pursuant to RCW 28A.150.370. No moneys shall be allocated pursuant to this section to fund more than three school years of bilingual instruction for each eligible pupil within a district: PROVIDED, That such moneys may be allocated to fund more than three school years of bilingual instruction for any pupil who fails to demonstrate improvement in English language skills adequate to remove impairment of learning when taught only in English. The superintendent of public instruction shall set standards and approve a test for the measurement of such English language skills.

PART 2
TWO-WAY ACCOUNTABILITY AND THE COMMISSION FOR QUALITY EDUCATION IN WASHINGTON

NEW SECTION. Sec. 201. A new section is added to chapter 28A.150 RCW to read as follows:
State funding formulas have evolved over time to accommodate a variety of factors but have not been updated routinely based on changes in current conditions including changes in the cost-of-living, economic circumstances, or findings on best practices of student instruction, and school management and leadership. Regular updates would reflect new data aligning state funding with the resources students and schools need to meet state standards.
A system in which the state and school districts share accountability for achieving state educational standards requires new mechanisms that will clearly define the relationship of expectations for the state, school districts, and schools.
A commission is established, pursuant to section 202 of this act, that is accountable to the legislature and the governor with duties and responsibilities as specified in section 203 of this act. This commission will devote the necessary time and energy to making reasoned and rational determinations of educational needs and expected performance, make budget and policy recommendations to the legislature
and governor, and evaluate the overall functioning of the public
schools to optimize system efficiency and effectiveness.

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

(1) The commission for quality education in Washington is created.
(2) The commission shall be composed of eleven members who are
residents of the state of Washington as follows:
(a) Five shall be members representing the educational system
appointed by the governor;
(b) The superintendent of public instruction; and
(c) Five other members appointed by the governor.
(3)(a) In order to establish staggered terms, initial appointments
shall be for terms from one to four years in length, with the terms
expiring on the second Monday of January of the applicable year. As
the terms of the first appointees expire or vacancies on the commission
occur, the governor shall appoint or reappoint members of the
commission to complete the initial terms or to four-year terms, as
appropriate.
(b) Appointees must be individuals who have demonstrated interest
in public schools and are supportive of educational improvement, have
a positive record of service, and who will devote sufficient time to
the responsibilities of the commission.
(c) All gubernatorial appointments to the commission are subject to
confirmation by the senate.
(d) With the exception of the superintendent of public instruction,
no person may serve as a member of the commission for more than two
consecutive full four-year terms.
(4) The governor may remove an appointed member of the commission
for neglect of duty, misconduct, malfeasance, or misfeasance in office,
or for incompetent or unprofessional conduct as defined in chapter
18.130 RCW. In such a case, the governor shall file with the secretary
of state a statement of the causes for and the order of removal from
office, and the secretary of state shall send a certified copy of the
statement of causes for and order of removal to the last known post
office address of the member.
(5)(a) The chair of the commission shall be elected by a majority
vote of the members of the commission. The chair of the commission
shall serve a term of two years, and may be reelected to an additional term. A member of the commission may not serve as chair for more than two consecutive terms.

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

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

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

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

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

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

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

(d) Identify a comprehensive set of performance indicators that can be quantified and collected longitudinally in order to track the performance of Washington schools along a number of key dimensions that represent basic education standards for schooling, including but not necessarily limited to student performance, and review the results from
the data collected on each of the performance indicators and issue a report to the governor and the legislature by December 1st of each year assessing the performance of Washington schools relative to basic education standards. The assessment shall take into account the resources provided in relation to the performance achieved;

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

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

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

(h) By December 1, 2010, and each year thereafter, issue a technical report to the governor, the superintendent of public instruction, and appropriate legislative committees. This report shall document the level of funding necessary to meet all state and federal
standards and basic education requirements and related mandates, compare this to the current and projected levels of funding for education, and consider scenarios that describe the impact of various funding levels on the performance of the educational system;

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

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

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

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

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

(2) The office of the superintendent of public instruction shall provide staff for the commission. The office of the superintendent of public instruction shall maintain web pages for the commission.
NEW SECTION. Sec. 204. A new section is added to chapter 28A.150 RCW to read as follows:

The legislature may fund K-12 at levels other than those identified by the commission for quality education in Washington. The legislature must issue a report not later than August 1st of each year, detailing the degree to which appropriated amounts for public schools differ from recommendation of the commission for quality education in Washington and the implications and ramifications of the differences on the performance of students, schools, and school districts.

PART 3

ACCOUNTABILITY AND EXPECTATIONS OF A SUCCESSFULLY FUNCTIONING FULLY FUNDED K-12 EDUCATION SYSTEM

NEW SECTION. Sec. 301. State expectations of school districts need to transition from input and seat time variables to accountability for performance based on multiple measures of achievement, including assessment results, on-time graduation rates, grade progression, and attendance. Districts would then be responsible for providing effective educational opportunities to students in proportion to the state funding provided. Districts exercise local control over how to best meet the state's performance objectives and accountability requirements.

Struggling schools and school districts should receive progressive levels of support and assistive measures after a thorough diagnosis is undertaken to determine the reasons they are struggling. The objective is to improve these schools and districts so that they are capable of meeting state standards.

By December 1, 2010, the state board of education, the superintendent of public instruction, and the professional educator standards board shall report to the governor and the legislature on ways to measure and implement the following accountability measures:

(1) Students:
   (a) Should enter kindergarten and each subsequent grade level ready to learn;
   (b) Are connected to school and engaged in academics and extracurricular programs;
(c) Should reach designated performance standards through successful completion of academic programs as measured by multiple assessments at rates established by the commission for quality education in Washington; and

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

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

(3) Teachers:
(a) Should possess the content knowledge base, technical skills, and human relations capabilities to enable students to meet specified learning requirements; and
(b) Are responsible for addressing student learning needs.

(4) Schools:
(a) Are organized in ways that facilitate student learning;
(b) Involve parents and community members;
(c) Demonstrate the ability to adapt to changes in the characteristics of the student population;
(d) Create a culture based on the belief that all students can learn and that all willing students can achieve state learning requirements;
(e) Provide a safe and orderly learning environment;
(f) Use data and analysis to improve instructional programs; and
(g) Address the needs of the support staff.

(5) Central administration:
(a) Is accountable to the school board for management and operation of the district and for achievement of specified performance standards related to student learning;
(b) Supports student learning needs by making strategic and operational decisions based on improving student learning;
(c) Manages long-range strategic and operational plans;
(d) Ensures that laws, policies, procedures, and contracts are followed; and
(e) Advocates for student and staff needs.

(6) Local school boards:
(a) Set long-range policy strategies and purposes;
(b) Hold school administrators accountable for achieving designated goals;
(c) Set policies that establish the conditions under which learning can take place and performance standards can be achieved; and
(d) Monitor district operation and adherence to state, state board of education, and office of the superintendent of public instruction policies.

(7) Executive branch:
(a) Appoints and provides resources for the commission for quality education in Washington;
(b) Develops a biennial education budget consistent with commission for quality education in Washington guidelines; and
(c) Forwards recommendations for revisions and adjustments to basic education definition to the legislature.

(8) Legislative branch:
(a) Supports basic education by providing ample, stable, and equitable funding;
(b) Reviews its definition of basic education to maintain currency;
(c) Establishes state education performance standards; and
(d) Sets accountability expectations for schools.

PART 4
RESOURCES FOR IMPLEMENTING FULL FUNDING OF BASIC EDUCATION

NEW SECTION. Sec. 401. A new section is added to chapter 43.79 RCW to read as follows:
(1) The full funding of basic education account is created in the state treasury. Moneys in the account may be spent only after appropriation. All receipts from section 402 of this act and RCW 84.52.043(1)(b) shall be deposited into the account. The funds may be expended only for the following purposes:
(a) To improve certificated instructional and classified staff per-student ratios in state basic education allocation formulas above maintenance levels in each succeeding school year;
(b) To increase funding for nonemployee-related costs in basic education formulas above maintenance level amounts in each succeeding school year;
(c) To phase-in full-day kindergarten for additional schools above levels funded in the 2008-09 school year in the omnibus appropriations act, chapter 329, Laws of 2008;

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

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

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

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

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

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

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

(1) Levies of the senior taxing districts shall be as follows: (a) The levy by the state shall not exceed three dollars and ((sixty)) thirty-five cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the full funding for basic education levy by the state shall not exceed twenty-five cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively to support the purposes in section 401
of this act; (c) the levy by any county shall not exceed one dollar and eighty cents per thousand dollars of assessed value; ((c)) (d) the levy by any road district shall not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and ((d)) (e) the levy by any city or town shall not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

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

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

As used in this chapter:

(1) "Inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as
published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce in September of the year before the taxes are payable;

(2) "Limit factor" means:
   (a) For taxing districts with a population of less than ten thousand in the calendar year prior to the assessment year, one hundred one percent;
   (b) For taxing districts for which a limit factor is authorized under RCW 84.55.0101, the lesser of the limit factor authorized under that section or one hundred one percent;
   (c) For all other districts, the lesser of one hundred one percent or one hundred percent plus inflation; and

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

PART 5

MISCELLANEOUS PROVISIONS

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

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

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

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

   (a) The district's levy base as defined in subsections (3) and (4) of this section multiplied by the district's maximum levy percentage as defined in subsection (5) of this section;
   (b) For districts in a high/nonhigh relationship, the high school district's maximum levy amount shall be decreased and the nonhigh school district's maximum levy amount shall be increased by an amount equal to the estimated amount of the nonhigh payment due to the high school
district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy;

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

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

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

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

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

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

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

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

(i) Pupil transportation;

(ii) Special education;
(iii) **Bilingual education**;

(iv) Education of highly capable students;

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

((vi)) (vi) Food services; and

((vii)) (vii) Statewide block grant programs; and

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

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

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

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

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

(a) For 1997, the difference between the district's 1993 maximum levy percentage and twenty percent; and
(b) For 1998 and thereafter, the percentage calculated as follows:
   (i) Multiply the grandfathered percentage for the prior year times
   the district's levy base determined under subsection (3) of this
   section;
   (ii) Reduce the result of (b)(i) of this subsection by any levy
   reduction funds as defined in subsection (6) of this section that are
   to be allocated to the district for the current school year;
   (iii) Divide the result of (b)(ii) of this subsection by the
   district's levy base; and
   (iv) Take the greater of zero or the percentage calculated in
   (b)(iii) of this subsection.
(6) "Levy reduction funds" shall mean increases in state funds from
the prior school year for programs included under subsections (3) and
(4) of this section: (a) That are not attributable to enrollment
changes, compensation increases, or inflationary adjustments; and (b)
that are or were specifically identified as levy reduction funds in the
appropriations act. If levy reduction funds are dependent on formula
factors which would not be finalized until after the start of the
current school year, the superintendent of public instruction shall
estimate the total amount of levy reduction funds by using prior school
year data in place of current school year data. Levy reduction funds
shall not include moneys received by school districts from cities or
counties.
(7) For the purposes of this section, "prior school year" means the
most recent school year completed prior to the year in which the levies
are to be collected.
(8) For the purposes of this section, "current school year" means
the year immediately following the prior school year.
(9) Funds collected from transportation vehicle fund tax levies
shall not be subject to the levy limitations in this section.
(10) The superintendent of public instruction shall develop rules
and regulations and inform school districts of the pertinent data
necessary to carry out the provisions of this section.

Sec. 502. RCW 84.52.0531 and 1997 c 259 s 2 are each amended to
read as follows:
The maximum dollar amount which may be levied by or for any school
district for maintenance and operation support under the provisions of
RCW 84.52.053 shall be determined as follows:

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

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

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

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

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

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

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

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

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

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

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

(b) State and federal categorical allocations for the following
programs:
   (i) Pupil transportation;
   (ii) Special education;
   (iii) Bilingual education;
   (iv) Education of highly capable students;
   (v) Compensatory education, including but not limited to
       learning assistance, migrant education, Indian education, refugee
       programs, and bilingual education;
   (vi) Food services; and
   (vii) Statewide block grant programs; and

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

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

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

(b) For 1998 and thereafter, the percentage calculated as follows:
   (i) Multiply the grandfathered percentage for the prior year times
       the district's levy base determined under subsection (3) of this
       section;
   (ii) Reduce the result of (b)(i) of this subsection by any levy
       reduction funds as defined in subsection (5) of this section that are
to be allocated to the district for the current school year;
(iii) Divide the result of (b)(ii) of this subsection by the
district's levy base; and

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

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

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

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

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

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

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

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

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

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