H-1769.1		

## SUBSTITUTE HOUSE BILL 1423

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State of Washington 63rd Legislature 2013 Regular Session

By House Education (originally sponsored by Representatives Haigh, Fagan, Seaquist, Magendanz, and Hargrove)

READ FIRST TIME 02/22/13.

- 1 AN ACT Relating to online learning; amending RCW 28A.150.325,
- 2 28A.150.262, 28A.250.010, 28A.250.020, 28A.250.050, 28A.250.070,
- 3 28A.225.225, 28A.150.100, 28A.520.020, 28A.525.162, and 28A.525.166;
- 4 reenacting and amending RCW 28A.225.220; adding new sections to chapter
- 5 28A.250 RCW; creating a new section; and recodifying RCW 28A.150.262.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1.

- is subject to two forms of state oversight in addition to the standard oversight of public schools: The state approval process established in 2009 through the office of the superintendent of public instruction, and also the regulations and stipulations directed at alternative learning experience programs. The legislature finds that such duplicative regulation is unnecessary and confusing for schools and school districts seeking to offer online learning for students. A
- 15 single, consistent set of laws, rules, and procedures should suffice to
- 16 assure accountability while encouraging innovation and opportunities.
- 17 **Sec. 2.** RCW 28A.150.325 and 2011 1st sp.s. c 34 s 2 are each
- 18 amended to read as follows:

NEW SECTION.

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The legislature finds that online learning

1 (1) For purposes of this chapter, "alternative learning experience program" means a course or set of courses that is:

- (a) Provided in whole or in part independently from a regular classroom setting or schedule, but may include some components of direct instruction;
- (b) Supervised, monitored, assessed, evaluated, and documented by a certificated teacher employed by the school district or under contract as permitted by applicable rules; and
- (c) Provided in accordance with a written student learning plan that is implemented pursuant to the school district's policy and rules adopted by the superintendent of public instruction for alternative learning experiences.
- 13 (2) The broad categories of alternative learning experience 14 programs include, but are not limited to((÷
  - (a) Online programs as defined in RCW 28A.150.262;
  - $\frac{(b)}{(b)}$ ), parent partnership programs that include significant participation and partnership by parents and families in the design and implementation of a student's learning experience( $(\div)$ ) and
  - ((<del>c)</del>)) contract-based learning programs. Online courses and online school programs as defined in RCW 28A.250.010 that are delivered by an online provider approved under RCW 28A.250.020 are not considered alternative learning experience programs. A parent partnership program or contract-based learning program may include online courses as part of the program as long as the course is delivered by an online provider approved under RCW 28A.250.020. Inclusion of online courses does not by itself make a parent partnership program or contract-based learning program an online school program as defined in RCW 28A.250.010.
  - (3) School districts that offer alternative learning experience programs may not provide any compensation, reimbursement, gift, reward, or gratuity to any parents, guardians, or students for participation. School district employees are prohibited from receiving any compensation or payment as an incentive to increase student enrollment of out-of-district students in an alternative learning experience program. This prohibition includes, but is not limited to, providing funds to parents, guardians, or students for the purchase of educational materials, supplies, experiences, services, or technological equipment. A district may purchase educational materials, equipment, or other nonconsumable supplies for students' use

in alternative learning experience programs if the purchase 1 2 consistent with the district's approved curriculum, conforms applicable laws and rules, and is made in the same manner as such 3 purchases are made for students in the district's regular instructional 4 program. Items so purchased remain the property of the school district 5 6 upon program completion. School districts may not purchase or contract for instructional or cocurricular experiences and services that are 7 included in an alternative learning experience written student learning 8 9 including but not limited to lessons, trips, and other activities, unless substantially similar experiences and services are 10 11 available to students enrolled in the district's regular instructional 12 School districts that purchase or contract for such 13 experiences and services for students enrolled in an alternative learning experience program must submit an annual report to the office 14 of the superintendent of public instruction detailing the costs and 15 purposes of the expenditures. These requirements extend to contracted 16 providers of alternative learning experience programs, 17 district shall be responsible for monitoring the compliance of its 18 19 providers with these requirements. ((However, nothing in this section 20 shall prohibit school districts from contracting with online providers 21 approved by the office of the superintendent of public instruction 22 pursuant to chapter 28A.250 RCW.))

- 23 (4) Part-time enrollment in alternative learning experiences is 24 subject to the provisions of RCW 28A.150.350.
- 25 (5) The superintendent of public instruction shall adopt rules 26 defining minimum requirements and accountability for alternative 27 learning experience programs.
- 28 **Sec. 3.** RCW 28A.150.262 and 2011 1st sp.s. c 34 s 3 are each 29 amended to read as follows:

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Under RCW 28A.150.260, the superintendent of public instruction shall revise the definition of a full-time equivalent student to include students who receive instruction through ((alternative learning experience)) online courses or online school programs. ((As used in this section and RCW 28A.150.325, an "alternative learning experience online program" is a set of online courses or an online school program as defined in RCW 28A.250.010 that is delivered to students in whole or in part independently from a regular classroom schedule.)) Beginning

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in the 2013-14 school year, ((alternative learning experience)) online courses and online school programs must be offered by an online provider approved by the superintendent of public instruction under RCW 28A.250.020 to meet the definition in this section. The rules shall include but not be limited to the following:

- (1) Defining a full-time equivalent student under RCW 28A.150.260 or part-time student under RCW 28A.150.350 based upon the district's estimated average weekly hours of learning activity as identified in the student's learning plan, as long as the student is found, through monthly evaluation, to be making satisfactory progress( $(\dot{\tau})$ ). The monthly progress evaluation must be conducted as provided under section 4 of this act. The rules shall ((require districts providing programs under this section to nonresident students to)) establish procedures that address((, at a minimum, the coordination of student counting)) how the counting of students must be coordinated by resident and nonresident districts for state funding so that no student is counted for more than one full-time equivalent in the aggregate;
  - (2) Requiring the board of directors of a school district offering, or contracting under RCW 28A.150.305 to offer, an ((alternative learning experience)) online course or online school program to adopt and annually review written policies for each ((program and program)) course, program, and online provider and to receive an annual report on its ((digital alternative learning experience online)) courses and programs from its staff;
  - (3) Requiring each school district offering or contracting to offer an ((alternative learning experience)) online course or online school program to report annually to the superintendent of public instruction on the types of programs and course offerings, and number of students participating;
    - (4) Requiring completion of a program self-evaluation;
  - (5) Requiring documentation of the district of the student's physical residence;
    - (6) Requiring that supervision, monitoring, assessment, and evaluation of the ((alternative learning experience)) online course or online school program be provided by a certificated teacher;
  - (7) Requiring each school district offering <u>online</u> courses or <u>online school</u> programs to identify the ratio of certificated instructional staff to full-time equivalent students enrolled in such

courses or programs, and to include a description of their ratio as part of the reports required under subsections (2) and (3) of this section;

- (8) Requiring reliable methods to verify a student is doing his or her own work; the methods may include proctored examinations or projects, including the use of web cams or other technologies. "Proctored" means directly monitored by an adult authorized by the school district;
- (9) Requiring, for each student receiving instruction in an ((alternative learning experience)) online course or online school program, a learning plan that includes a description of course objectives and information on the requirements a student must meet to successfully complete the program or courses. The rules shall allow course syllabi and other additional information to be used to meet the requirement for a learning plan;
- (10) Requiring that the district assess the educational progress of enrolled students at least annually, using, for full-time students, the state assessment for the student's grade level and using any other annual assessments required by the school district. Part-time students shall also be assessed at least annually. However, part-time students who are either receiving home-based instruction under chapter 28A.200 RCW or who are enrolled in an approved private school under chapter 28A.195 RCW are not required to participate in the assessments required under chapter 28A.655 RCW. The rules shall address how students who reside outside the geographic service area of the school district are to be assessed;
- (11) Requiring that each student enrolled in the program have direct personal contact with a certificated teacher at least weekly until the student completes the course objectives or the requirements in the learning plan. Direct personal contact is for the purposes of instruction, review of assignments, testing, evaluation of student progress, or other learning activities. Direct personal contact may include the use of telephone, e-mail, instant messaging, interactive video communication, or other means of digital communication. The superintendent may not adopt a rule specifying a minimum duration of weekly personal contact;
- (12) Requiring state-funded public schools or public school programs whose primary purpose is to provide ((alternative learning

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experience online learning)) online courses or online school programs to receive accreditation through the Northwest accreditation commission or another national, regional, or state accreditation program listed by the office of the superintendent of public instruction after consultation with the ((Washington coalition for)) online learning advisory committee;

- (13) Requiring state-funded public schools or public school programs whose primary purpose is to provide ((alternative learning experience online learning)) online courses or online school programs to provide information to students and parents on whether or not the courses or programs: Cover one or more of the school district's learning goals or of the state's essential academic learning requirements or whether they permit the student to meet one or more of the state's or district's graduation requirements; and
- (14) Requiring that a school district that provides one or more ((alternative learning experience)) online courses to a student provide the parent or guardian of the student, prior to the student's enrollment, with a description of any difference between home-based education as described in chapter 28A.200 RCW and the enrollment option selected by the student. The parent or guardian shall sign documentation attesting to his or her understanding of the difference and the documentation shall be retained by the district and made available for audit.
- NEW SECTION. Sec. 4. A new section is added to chapter 28A.250 RCW to read as follows:
  - (1) For students whose previous monthly evaluation indicated satisfactory progress and who are meeting the requirement for weekly personal contact, a progress evaluation may be based only on the student's performance on the learning goals and performance objectives defined in the written student learning plan.
  - (2) For students whose previous monthly evaluation did not indicate satisfactory progress or who are not meeting the requirement for weekly personal contact, a progress evaluation must include the student's performance on the learning goals and performance objectives defined in the written student learning plan, a documented conference based on direct personal contact between the teacher and the student about what

- action or achievement by the student is needed to demonstrate satisfactory progress, and at least one of the following items to be included in an intervention plan:
  - (a) A plan for increased frequency and duration of communication between the teacher and the student;
    - (b) A change in the prescribed manner of direct personal contact;
- 7 (c) Modification of the goals and objectives of the student 8 learning plan;
- 9 (d) A requirement that the student engage in synchronous learning; 10 or
- 11 (e) Modification of course work or course content, as long as the 12 content remains aligned to state learning standards.
- 13 **Sec. 5.** RCW 28A.250.010 and 2011 1st sp.s. c 34 s 5 are each 14 amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
  - (1)(a) "Multidistrict online provider" means:

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- (i) A private or nonprofit organization that enters into a contract with a school district to provide online courses or programs to K-12 students from more than one school district;
- 21 (ii) A private or nonprofit organization that enters into contracts 22 with multiple school districts to provide online courses or programs to 23 K-12 students from those districts; or
  - (iii) Except as provided in (b) of this subsection, a school district that provides online courses or programs to students who reside outside the geographic boundaries of the school district.
  - (b) "Multidistrict online provider" does not include a school district online learning program in which fewer than ten percent of the students enrolled in the program are from other districts under the interdistrict student transfer provisions of RCW 28A.225.225. "Multidistrict online provider" also does not include regional online learning programs that are jointly developed and implemented by two or more school districts or an educational service district through an interdistrict cooperative program agreement that addresses, at minimum, how the districts share student full-time equivalency for state basic education funding purposes and how categorical education programs, including special education, are provided to eligible students.

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1 (2)(a) "Online course" means a course where:

- 2 (i) More than half of the course content is delivered 3 electronically using the internet or other computer-based methods; 4 ((and))
  - (ii) More than half of the teaching is conducted from a remote location through an online course learning management system or other online or electronic tools;
  - (iii) A certificated teacher is responsible for providing direct instruction, reviewing and grading assignments, testing, monitoring of student progress, and facilitating other interaction as necessary for the student's educational program.
    - (b) "Online school program" means a school program that:
  - (i) Offers courses or grade-level coursework that is delivered primarily electronically using the internet or other computer-based methods;
    - (ii) Offers courses or grade-level coursework that is ((taught)) facilitated by a teacher primarily from a remote location using online or other electronic tools. Students enrolled in an online program may have access to the teacher synchronously, asynchronously, or both;
    - (iii) Offers a sequential set of online courses or grade-level coursework that may be taken in a single school term or throughout the school year in a manner that could provide a full-time basic education program if so desired by the student. Students may enroll in the program as part-time or full-time students; and
    - (iv) Has an online component of the program with online lessons and tools for student and data management.
    - (c) An online course or online school program may be delivered to students at school as part of the regularly scheduled school day. An online course or online school program also may be delivered to students, in whole or in part, independently from a regular classroom schedule, but such courses or programs must comply with RCW 28A.150.262 (as recodified by this act) to qualify for state basic education funding.
- 34 (3) "Online provider" means any provider of an online course or 35 program, including multidistrict online providers, all school district 36 online learning programs, and all regional online learning programs.

Sec. 6. RCW 28A.250.020 and 2011 1st sp.s. c 34 s 6 are each amended to read as follows:

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- (1) The superintendent of public instruction, in collaboration with the state board of education, shall develop and implement approval criteria and a process for approving online providers; a process for monitoring and if necessary rescinding the approval of courses or programs offered by an online provider; and an appeals process. The criteria and processes for multidistrict online providers shall be adopted by rule by December 1, 2009.
- (2) When developing the approval criteria, the superintendent of public instruction shall require that providers offering online courses or programs have accreditation, or are candidates for accreditation, through the Northwest accreditation commission or another national, regional, or state accreditation program listed by the office of the superintendent of public instruction ((after consultation with the Washington coalition for)) online learning advisory committee. addition to other criteria, the approval criteria shall include the degree of alignment with state academic standards and require that all teachers be certificated in accordance with Washington state law. When reviewing online providers that offer high school courses, the superintendent of public instruction shall assure that the courses offered by the provider are eligible for high school credit. However, final decisions regarding whether credit meets the school district's graduation requirements shall remain the responsibility of the school districts.
- (3) Initial approval of online providers by the superintendent of public instruction shall be for four years. The superintendent of public instruction shall develop a process for the renewal of approvals and for rescinding approvals based on noncompliance with approval requirements. Any multidistrict online provider that was approved by the digital learning commons or accredited by the Northwest association of accredited schools before July 26, 2009, and that meets the teacher certification requirements of subsection (2) of this section, is exempt from the initial approval process under this section until August 31, 2012, but must comply with the process for renewal of approvals and must comply with approval requirements.
- (4) The superintendent of public instruction shall make the first round of decisions regarding approval of multidistrict online providers

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by April 1, 2010. The first round of decisions regarding approval of online providers that are not multidistrict online providers shall be made by April 1, 2013. Thereafter, the superintendent of public instruction shall make annual approval decisions no later than November 1st of each year.

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(5) The superintendent of public instruction shall establish an online learning advisory committee within existing resources that shall provide advice to the superintendent regarding the approval criteria, major components of the web site, the model school district policy, model agreements, and other related matters. The committee shall include a representative of each of the following groups: Private and public online providers, parents of online students, accreditation organizations, educational service districts, school principals, teachers, school administrators, school board members, institutions of higher education, and other individuals as determined by the superintendent. Members of the advisory committee shall be selected by the superintendent based on nominations from statewide organizations, three-year terms, and may be reappointed. shall serve The superintendent shall select the chair of the committee.

## 20 **Sec. 7.** RCW 28A.250.050 and 2011 1st sp.s. c 34 s 11 are each 21 amended to read as follows:

(1) By August 31, 2010, all school district boards of directors shall develop policies and procedures regarding student access to online courses and online learning programs. The policies and procedures shall include but not be limited to: Student eligibility criteria; the types of online courses available to students through the school district; the methods districts will use to support student success, which may include a local advisor; when the school district will and will not pay course fees and other costs; the granting of high school credit; and a process for students and parents or guardians to formally acknowledge any course taken for which no credit is given. The policies and procedures shall take effect beginning with the 2010-11 school year. School districts shall submit their policies to the superintendent of public instruction by September 15, 2010. December 1, 2010, the superintendent of public instruction shall summarize the school district policies regarding student access to online courses and submit a report to the legislature.

(2) School districts must award credit <u>and grades</u> for online high school courses successfully completed by a student that meet the school district's graduation requirements and are provided by an approved online provider.

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- (3) School districts shall provide students with information regarding online courses that are available through the school district. The information shall include the types of information described in subsection (1) of this section.
- 9 (4) When developing local or regional online learning programs, 10 school districts shall incorporate into the program design the approval 11 criteria developed by the superintendent of public instruction under 12 RCW 28A.250.020.
- NEW SECTION. Sec. 8. A new section is added to chapter 28A.250 RCW to read as follows:
  - (1) School districts that offer or contract to offer online courses school programs may not provide any compensation, reimbursement, gift, reward, or gratuity to any parents, guardians, or students for participation. School district employees are prohibited from receiving any compensation or payment as an incentive to increase student enrollment of out-of-district students in an online course or online school program. This prohibition includes, but is not limited to, providing funds to parents, guardians, or students for the purchase educational materials, supplies, experiences, services, technological equipment. A district may purchase educational materials, equipment, or other nonconsumable supplies for students' use in online courses or online school programs if the purchase is consistent with the district's approved curriculum, conforms applicable laws and rules, and is made in the same manner as such purchases are made for students in the district's regular instructional program. Items so purchased remain the property of the school district upon program completion.
  - (2) School districts may not purchase or contract for instructional or cocurricular experiences and services that are included in an online student's written student learning plan, including but not limited to lessons, trips, and other activities, unless substantially similar experiences and services are available to students enrolled in the district's regular instructional program. School districts that

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- 1 purchase or contract for such experiences and services for students
- 2 enrolled in online courses or online school programs must submit an
- 3 annual report to the office of the superintendent of public instruction
- 4 detailing the costs and purposes of the expenditures. These
- 5 requirements extend to contracted providers of online courses and
- 6 online school programs, and each district shall be responsible for
- 7 monitoring the compliance of its providers with these requirements.
- 8 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 28A.250 9 RCW to read as follows:
- An online school program may request a waiver from the office of the superintendent of public instruction to administer one or more
- sections of the statewide student assessment for grades three through
- 13 eight for some or all students enrolled in the program on alternate
- 14 days or on an alternate schedule, as long as the administration is
- within the testing period established by the office. The office may deny a request for a waiver if the online school program's proposal
- deny a request for a waiver if the online school program's proposal does not maintain adequate test security or would reduce the
- 18 reliability of the assessment results by providing an inequitable
- 19 advantage for some students.
- 20 **Sec. 10.** RCW 28A.250.070 and 2009 c 542 s 8 are each amended to read as follows:
- Nothing in this chapter is intended to diminish the rights of
- 23 students to attend a nonresident school district in accordance with RCW
- 24 28A.225.220 through 28A.225.230 for the purposes of enrolling in online
- 25 courses or <u>online school</u> programs. <u>The office of online learning under</u>
- 26 RCW 28A.250.030 shall develop a standard form, which must be used by
- 27 <u>all school districts, for releasing a student to a nonresident school</u>
- 28 <u>district for the purposes of enrolling in an online course or online</u>
- 29 school program.
- 30 **Sec. 11.** RCW 28A.225.220 and 1995 c 335 s 602 and 1995 c 52 s 2
- are each reenacted and amended to read as follows:
- 32 (1) Any board of directors may make agreements with adults choosing 33 to attend school, and may charge the adults reasonable tuition.
- 34 (2) A district is strongly encouraged to honor the request of a

parent or guardian for his or her child to attend a school in another district or the request of a parent or guardian for his or her child to transfer as a student receiving home-based instruction.

- (3) A district shall release a student to a nonresident district that agrees to accept the student if:
- (a) A financial, educational, safety, or health condition affecting the student would likely be reasonably improved as a result of the transfer; or
- (b) Attendance at the school in the nonresident district is more accessible to the parent's place of work or to the location of child care; or
  - (c) There is a special hardship or detrimental condition; or
- 13 (d) The purpose of the transfer is for the student to enroll in an 14 online course or online school program offered by an online provider 15 approved under RCW 28A.250.020.
  - (4) A district may deny the request of a resident student to transfer to a nonresident district if the release of the student would adversely affect the district's existing desegregation plan.
  - (5) For the purpose of helping a district assess the quality of its education program, a resident school district may request an optional exit interview or questionnaire with the parents or guardians of a child transferring to another district. No parent or guardian may be forced to attend such an interview or complete the questionnaire.
  - (6) Beginning with the 1993-94 school year, school districts may not charge transfer fees or tuition for nonresident students enrolled under subsection (3) of this section and RCW 28A.225.225. Reimbursement of a high school district for cost of educating high school pupils of a nonhigh school district shall not be deemed a transfer fee as affecting the apportionment of current state school funds.
  - Sec. 12. RCW 28A.225.225 and 2009 c 380 s 7 are each amended to read as follows:
  - (1) Except for students who reside out-of-state and students under RCW 28A.225.217, a district shall accept applications from nonresident students who are the children of full-time certificated and classified school employees, and those children shall be permitted to enroll:
    - (a) At the school to which the employee is assigned;

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1 (b) At a school forming the district's K through 12 continuum which includes the school to which the employee is assigned; or

- (c) At a school in the district that provides early intervention services pursuant to RCW 28A.155.065 or preschool services pursuant to RCW 28A.155.070, if the student is eligible for such services.
  - (2) A district may reject applications under this section if:
- (a) The student's disciplinary records indicate a history of convictions for offenses or crimes, violent or disruptive behavior, or gang membership;
- (b) The student has been expelled or suspended from a public school for more than ten consecutive days. Any policy allowing for readmission of expelled or suspended students under this subsection (2)(b) must apply uniformly to both resident and nonresident applicants;  $((\frac{\partial r}{\partial r}))$
- (c) Enrollment of a child under this section would displace a child who is a resident of the district, except that if a child is admitted under subsection (1) of this section, that child shall be permitted to remain enrolled at that school, or in that district's kindergarten through twelfth grade continuum, until he or she has completed his or her schooling; or
- (d) The student has repeatedly failed to comply with requirements for participation in an online school program, such as participating in weekly direct contact with the teacher or monthly progress evaluations.
- (3) Except as provided in subsection (1) of this section, all districts accepting applications from nonresident students or from students receiving home-based instruction for admission to the district's schools shall consider equally all applications received. Each school district shall adopt a policy establishing rational, fair, and equitable standards for acceptance and rejection of applications by June 30, 1990. The policy may include rejection of a nonresident student if:
- (a) Acceptance of a nonresident student would result in the district experiencing a financial hardship;
- 34 (b) The student's disciplinary records indicate a history of 35 convictions for offenses or crimes, violent or disruptive behavior, or 36 gang membership; or
- 37 (c) The student has been expelled or suspended from a public school 38 for more than ten consecutive days. Any policy allowing for

readmission of expelled or suspended students under this subsection (3)(c) must apply uniformly to both resident and nonresident applicants.

For purposes of subsections (2)(a) and (3)(b) of this section, "gang" means a group which: (i) Consists of three or more persons; (ii) has identifiable leadership; and (iii) on an ongoing basis, regularly conspires and acts in concert mainly for criminal purposes.

- (4) The district shall provide to applicants written notification of the approval or denial of the application in a timely manner. If the application is rejected, the notification shall include the reason or reasons for denial and the right to appeal under RCW 28A.225.230(3).
- **Sec. 13.** RCW 28A.150.100 and 2011 1st sp.s. c 34 s 10 are each 13 amended to read as follows:
  - (1) For the purposes of this section and RCW 28A.150.410 and 28A.400.200, "basic education certificated instructional staff" means all full-time equivalent classroom teachers, teacher librarians, guidance counselors, certificated student health services staff, and other certificated instructional staff in the following programs as defined for statewide school district accounting purposes: Basic education, secondary vocational education, general instructional support, and general supportive services.
  - (2) Each school district shall maintain a ratio of at least forty-six basic education certificated instructional staff to one thousand annual average full-time equivalent students. This requirement does not apply to that portion of a district's annual average full-time equivalent enrollment that is enrolled in alternative learning experience programs as defined in RCW 28A.150.325 or in online courses or online school programs as provided in RCW 28A.150.262 (as recodified by this act).
- **Sec. 14.** RCW 28A.520.020 and 2011 c 278 s 1 are each amended to read as follows:
- 32 (1) There shall be a fund known as the federal forest revolving 33 account. The state treasurer, who shall be custodian of the revolving 34 account, shall deposit into the revolving account the funds for each 35 county received by the state in accordance with Title 16, section 500, 36 United States Code. The state treasurer shall distribute these moneys

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- to the counties according to the determined proportional area. county legislative authority shall expend fifty percent of the money for the benefit of the public roads and other public purposes as authorized by federal statute or public schools of such county and not Disbursements by the counties of the remaining fifty otherwise. percent of the money shall be as authorized by the superintendent of public instruction, or the superintendent's designee, and shall occur in the manner provided in subsection (2) of this section.
  - (2) No later than thirty days following receipt of the funds from the federal government, the superintendent of public instruction shall apportion moneys distributed to counties for schools to public school districts in the respective counties in proportion to the number of resident full-time equivalent students enrolled in each public school district to the number of resident full-time equivalent students enrolled in public schools in the county. In apportioning these funds, the superintendent of public instruction shall utilize the October enrollment count.
  - (3) If the amount received by any public school district pursuant to subsection (2) of this section is less than the basic education allocation to which the district would otherwise be entitled, the superintendent of public instruction shall apportion to the district, in the manner provided by RCW 28A.510.250, an amount which shall be the difference between the amount received pursuant to subsection (2) of this section and the basic education allocation to which the district would otherwise be entitled.
  - (4) All federal forest funds shall be expended in accordance with the requirements of Title 16, section 500, United States Code, as now existing or hereafter amended.
  - (5) The definition of resident student for purposes of this section shall be based on rules adopted by the superintendent of public instruction, which shall consider and address the impact of alternative learning experience students and students enrolled in online courses or online school programs as provided in RCW 28A.150.262 (as recodified by this act) on federal forest funds distribution.
- **Sec. 15.** RCW 28A.525.162 and 2012 c 244 s 2 are each amended to read as follows:

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(1) Funds appropriated to the superintendent of public instruction from the common school construction fund shall be allotted by the superintendent of public instruction in accordance with this chapter.

- (2) No allotment shall be made to a school district until such district has provided local funds equal to or greater than the difference between the total approved project cost and the amount of state funding assistance to the district for financing the project computed pursuant to RCW 28A.525.166, with the following exceptions:
- (a) The superintendent of public instruction may waive the local requirement for state funding assistance for districts which have provided funds for school building construction purposes through the authorization of bonds or through the authorization of excess tax levies or both in an amount equivalent to two and one-half percent of the value of its taxable property, as defined in RCW 39.36.015.
- (b) No such local funds shall be required as a condition to the allotment of funds from the state for the purpose of making major or minor structural changes to existing school facilities in order to bring such facilities into compliance with the barrier free access requirements of section 504 of the federal rehabilitation act of 1973 (29 U.S.C. Sec. 706) and rules implementing the act.
- (3) For the purpose of computing the state funding assistance percentage under RCW 28A.525.166 when a school district is granted authority to enter into contracts, adjusted valuation per pupil shall be calculated using headcount student enrollments from the most recent October enrollment reports submitted by districts to the superintendent of public instruction, adjusted as follows:
- (a) In the case of projects for which local bonds were approved after May 11, 1989:
- (i) For districts which have been designated as serving high school districts under RCW 28A.540.110, students residing in the nonhigh district so designating shall be excluded from the enrollment count if the student is enrolled in any grade level not offered by the nonhigh district;
- (ii) The enrollment of nonhigh school districts shall be increased by the number of students residing within the district who are enrolled in a serving high school district so designated by the nonhigh school district under RCW 28A.540.110, including only students who are

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enrolled in grade levels not offered by the nonhigh school district; and

- (iii) The number of preschool students with disabilities included in the enrollment count shall be multiplied by one-half;
- (b) In the case of construction or modernization of high school facilities in districts serving students from nonhigh school districts, the adjusted valuation per pupil shall be computed using the combined adjusted valuations and enrollments of each district, each weighted by the percentage of the district's resident high school students served by the high school district;
- (c) The number of kindergarten students included in the enrollment count shall be counted as one headcount student; and
- (d) The number of students residing outside the school district who are enrolled in alternative learning experience programs under RCW 28A.150.325 or are enrolled in online courses or online school programs as provided in RCW 28A.150.262 (as recodified by this act) shall be excluded from the total.
- (4) In lieu of the exclusion in subsection (3)(d) of this section, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience programs. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for a regular duration by out-of-district alternative learning experience program students subtracted by the headcount of in-district alternative learning experience program students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."
- (5) The superintendent of public instruction, considering policy recommendations from the school facilities citizen advisory panel, shall prescribe such rules as are necessary to equate insofar as possible the efforts made by school districts to provide capital funds by the means aforesaid.
- (6) For the purposes of this section, "preschool students with disabilities" means children of preschool age who have developmental disabilities who are entitled to services under RCW 28A.155.010 through

28A.155.100 and are not included in the kindergarten enrollment count of the district.

Sec. 16. RCW 28A.525.166 and 2012 c 244 s 3 are each amended to read as follows:

Allocations to school districts of state funds provided by RCW 28A.525.162 through 28A.525.180 shall be made by the superintendent of public instruction and the amount of state funding assistance to a school district in financing a school plant project shall be determined in the following manner:

- (1) The boards of directors of the districts shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architects' fees, and a reasonable amount for contingencies and for other necessary incidental expenses: PROVIDED, That the total cost of the project shall be subject to review and approval by the superintendent.
- (2) The state funding assistance percentage for a school district shall be computed by the following formula:

The ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil).

27		District adjusted	Total state	
28		3-valuation	÷ adjusted valuation	
29	Computed	per pupil	per pupil	State
30	State =	: <u>.</u>	= - 9	% Funding
31	Ratio	District adjusted	Total state	Assistance
32		3+valuation	÷ adjusted valuation	
33		per pupil	per pupil	

PROVIDED, That in the event the state funding assistance percentage to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state funding assistance under RCW 28A.525.162 through 28A.525.180, the

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superintendent may establish for such district a state funding assistance percentage not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

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- (3) In addition to the computed state funding assistance percentage developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed state funding assistance percentage for each percent of growth, with a maximum of twenty percent.
- (4) In computing the state funding assistance percentage in subsection (2) of this section and adjusting the percentage under subsection (3) of this section, students residing outside the school district who are enrolled in alternative learning experience programs under RCW 28A.150.325 or are enrolled in online courses or online school programs as provided in RCW 28A.150.262 (as recodified by this act) shall be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience programs. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for reasonable duration by out-of-district alternative experience program students subtracted by the headcount of in-district alternative learning experience program students not using district classroom facilities on a regular basis for a reasonable duration. alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."
- (5) The approved cost of the project determined in the manner prescribed in this section multiplied by the state funding assistance percentage derived as provided for in this section shall be the amount of state funding assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction of the superintendent: PROVIDED, FURTHER, That additional state funding assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school

facilities citizen advisory panel that such assistance is necessary in 1 2 order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school 3 4 building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other 5 6 conditions similarly emergent in nature; or (b) a special school housing burden resulting from projects of statewide significance or 7 imposed by virtue of the admission of nonresident students into 8 9 educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds 10 11 of the district resulting from financing, subsequent to April 1, 1969, 12 and without benefit of the state funding assistance provided by prior 13 state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of 14 15 such programs, after having first applied for and been denied state funding assistance because of the inadequacy of state funds available 16 for the purpose, or (d) a condition created by the fact that an 17 excessive number of students live in state owned housing, or (e) a need 18 for the construction of a school building to provide for improved 19 20 school district organization or racial balance, or (f) conditions 21 similar to those defined under (a), (b), (c), (d), and (e) of this 22 subsection, creating a like emergency.

NEW SECTION. Sec. 17. RCW 28A.150.262 is recodified as a section in chapter 28A.250 RCW.

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