
ENGROSSED SUBSTITUTE HOUSE BILL 2239

State of Washington 64th Legislature 2015 2nd Special Session

By House Appropriations (originally sponsored by Representatives Hunter, Lytton, Sullivan, and Carlyle)

READ FIRST TIME 06/24/15.

1 AN ACT Relating to implementation of a plan for fulfilling
2 Article IX obligations; amending RCW 28A.175.075, 28A.230.090,
3 28A.300.136, and 28A.400.201; adding a new chapter to Title 28A RCW;
4 repealing RCW 28A.290.010 and 28A.290.020; providing an expiration
5 date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** INTENT. (1) In its January 2012 ruling in
8 *McCleary v. State*, the state supreme court declared that Engrossed
9 Substitute House Bill No. 2261 (2009) (chapter 548, Laws of 2009),
10 "if fully funded," constituted a "promising reform" that would remedy
11 deficiencies in the state's compliance with its paramount duty to
12 make ample provision for the education of its children. In Engrossed
13 Substitute House Bill No. 2261, the legislature revised its previous
14 formulas to establish the prototypical school model, and it directed
15 the quality education council and its technical working groups to
16 recommend the details of necessary formula enhancements to the
17 prototypical school model. The following year, the legislature
18 enacted Substitute House Bill No. 2776 (2010), which provided in
19 statute quantification of the formula enhancements and established
20 statutory deadlines for funding and implementation of these
21 deadlines. Specifically, Substitute House Bill No. 2776 called for

1 (a) full funding of the expected cost transportation formula by the
2 2013-2015 biennium, which the legislature implemented in the budget
3 for the 2013-2015 biennium, fully funding the model in the 2014-15
4 school year; (b) full funding of the enhanced formula for materials,
5 supplies, and operating costs by the 2015-16 school year, which both
6 houses of the legislature have funded in the respective 2015-2017
7 proposed budgets that have passed each chamber; (c) full funding for
8 all-day kindergarten by the 2017-18 school year, which both houses of
9 the legislature have funded in the respective 2015-2017 budgets that
10 have passed each chamber, one year ahead of the statutory deadline;
11 and (d) full funding for K-3 class size reduction by the 2017-18
12 school year, which both houses of the legislature have funded in a
13 phase-in schedule in the respective 2015-2017 proposed budgets that
14 have passed each chamber, with full implementation planned for the
15 2017-18 school year.

16 (2) In its September 2014 order in *McCleary*, the court indicated
17 that it expects the legislature to provide the court with a plan
18 against which to measure the state's progress toward full
19 implementation. As described in subsection (1) of this section, in
20 Substitute House Bill No. 2776 the legislature enacted a
21 comprehensive plan for funding the enhancements to the prototypical
22 school formula, and the legislature has not failed to meet a
23 statutorily prescribed deadline. These enhancements to the funding
24 formula address transportation and materials, supplies, and operating
25 costs, two of the areas identified by the court in which state
26 funding allocations were insufficient to support the state's program
27 of basic education, thereby causing school districts to rely on local
28 levies for implementation of the state's basic education program.

29 (3) The 2012 *McCleary* ruling also identified a constitutional
30 flaw in the funding formula that predated Engrossed Substitute House
31 Bill No. 2261 and Substitute House Bill No. 2776: State allocations
32 for teacher salaries were insufficient to provide districts with
33 adequate funding to hire and retain teachers for the state's program
34 of basic education. The court explained that district expenditures
35 for salaries exceed state allocations for salaries, including an
36 average difference of eight thousand dollars for certificated
37 instructional staff and forty thousand dollars for administrators.
38 The court acknowledged that some of this difference was likely due to
39 legitimate TRI contracts. Further, it is likely that some of these
40 salary expenditures are attributable to school districts' decisions

1 made at a local level to hire additional staff to supplement the
2 state's program of basic education. Even so, the legislature accepts
3 the court's conclusion that at least some of these salary
4 expenditures are properly the state's responsibility as part of its
5 duty to allocate sufficient funding to hire and retain qualified
6 staff for the state's program of basic education. The court's
7 conclusion represents a structural flaw in the way in which the state
8 allocates funding for K-12 education. To correct inadequacies of the
9 state salary allocation formulas, the legislature intends to review
10 and quantify the scope of the need for additional state allocations
11 so that the state may implement its new salary funding formula in the
12 2018-19 school year. As a starting point for this task, the
13 legislature finds that the review process should begin with the
14 assumption that a minimum of ninety percent of total statewide school
15 district actual salary expenditures for state-funded employees
16 represents the minimum salary cost of the state's program of basic
17 education.

18 (4) The legislature finds there is reason for concern that the
19 state's existing tax base will be insufficient to support the
20 additional state allocations required by the new salary formula. For
21 this reason, the legislature intends to review and quantify the need
22 for new or additional state revenue sources, including but not
23 limited to the state property tax, the state sales tax, the state
24 business and occupation tax, a capital gains tax, or a carbon
25 pollution tax.

26 (5) The legislature further finds that increased state salary
27 allocations, while a necessary part of the solution, are not a
28 complete solution. The legislature intends to correct the inadequate
29 state salary allocations identified by the court, but it cannot do so
30 without simultaneously addressing the use of and accountability for
31 local levies for enrichments to the state-funded program of basic
32 education. The intricacies of these entwined topics mean that a
33 piecemeal or interim solution is not feasible as a matter of law,
34 educational policy, or fiscal policy. Further, due to the complexity
35 of any plan that requires changes to property taxes, a solution
36 requires sufficient lead time to align potential local levy or other
37 property tax revisions with school year allocations in the state
38 budget, including possible transition periods.

39 (6) Finally, the legislature finds that enactment of
40 comprehensive reforms to the interrelated issues of state K-12 salary

1 allocations and local levies requires quantitative and policy
2 analysis and deliberations in a public, transparent process.

3 (7) For these reasons, the legislature intends to enact a
4 schedule for researching and enacting policies for fully funding all
5 elements of Engrossed Substitute House Bill No. 2261 on September 1,
6 2018. As set forth in this chapter, the legislature intends to review
7 and enact legislation on:

8 (a)(i) State salary allocations. The state must quantify the
9 portion of salaries for state-funded employees that is part of the
10 state's program of basic education, and it must enact a new state
11 salary model for allocating salary funding for state-funded employees
12 to school districts. The new model must include localization, and it
13 may also include simplification or elimination of the state salary
14 grid for certificated instructional staff.

15 (ii) State allocations for health insurance benefits.

16 (iii) State revenues as needed to support state salary and health
17 insurance benefits allocations.

18 (b) Enrichment and TRI. The state must enact definitions of
19 "enrichment" and authorized TRI that provide school districts with
20 sufficient flexibility to implement local education priorities beyond
21 the state's program of basic education while protecting the state's
22 ability to demonstrate that its allocations fund the state's program
23 of basic education.

24 (c) Local levies. Having established state policies on TRI and
25 enrichment, the state must enact new laws governing local levy
26 collections, including levy bases, rates, or lids. These new policies
27 may require associated revisions to the state property tax, including
28 growth limits on the state property tax, but this will require
29 additional legislative deliberation after the legislature sets new
30 local levy policies.

31 (d) State levy equalization. Under the current program of local
32 effort assistance under chapter 28A.500 RCW, the majority of school
33 districts are eligible for state levy equalization payments, and
34 state expenditures for levy equalization are growing more rapidly
35 than revenues from local levies. Though many districts rely on this
36 funding, there are policy questions about whether this type of
37 assistance should be addressed through state funding formulas or
38 state laws governing local levies.

1 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
2 section apply throughout this chapter unless the context clearly
3 requires otherwise. These definitions apply only for purposes of
4 establishing the duties of the council and the legislature under this
5 chapter. As provided elsewhere in this chapter, the legislature
6 recognizes that some of the terms defined in this section are
7 expressly intended to be redefined by the legislature in future
8 legislation.

9 (1) "Consumer price index" means the previous calendar year's
10 annual average consumer price index, using the official current base,
11 compiled by the bureau of labor statistics, United States department
12 of labor for the state of Washington. If the bureau of labor
13 statistics develops more than one consumer price index for areas
14 within the state, then "consumer price index" means the index
15 covering the greatest number of people, covering areas exclusively
16 within the boundaries of the state.

17 (2) "Council" means the Washington education funding council
18 established in section 3 of this act.

19 (3) "Enrichment" means additional services, instruction,
20 supplies, or similar expenditures that supplement and are not within
21 the state's program of basic education, and that may be funded by
22 local levies consistent with *Seattle School District v. State* (1978)
23 and *McCleary v. State* (2012).

24 (4) "Levy equalization" means a state-funded program of aid that
25 assists school districts in funding enrichment that supplements the
26 state's program of basic education, and that is intended to mitigate
27 the effect that above average local levy rates might have on the
28 ability to fund these supplements locally. The program of local
29 effort assistance established in chapter 28A.500 RCW is an example of
30 "levy equalization."

31 (5) "Local levies" means maintenance and operation levies
32 collected by school districts under RCW 84.52.053 and 84.52.0531.

33 (6) "Localization" means a methodology for adjusting state salary
34 allocations to reflect local or regional differences in the cost of
35 salaries necessary to allow school districts to hire and retain
36 state-funded employees for the state's program of basic education.

37 (7) "Ninety percent minimum" means an assumption, as a starting
38 point for further analysis and enactment, that the state's total
39 statewide salary allocations under the new formula may be no less
40 than the sum of (a) total statewide salary allocations for state-

1 funded employees in the 2014-15 school year and (b) ninety percent of
2 the portion of total statewide actual school district salary
3 expenditures for state-funded employees in the 2014-15 school year
4 that exceeds the amount in (a) of this subsection, as such sum is
5 adjusted for inflation using the consumer price index.

6 (8) "State-funded employees" means school district employees for
7 which the state allocates funding pursuant to the prototypical school
8 formula in RCW 28A.150.260 and the omnibus operating appropriations
9 act.

10 (9) "State's program of basic education" means the instructional
11 program of basic education defined in RCW 28A.150.220.

12 (10) "TRI" means separate contracts for additional time,
13 responsibility, or incentive, which pursuant to RCW 28A.400.200, may
14 not be used for the provision of services that are part of the
15 state's program of basic education.

16 NEW SECTION. **Sec. 3.** WASHINGTON EDUCATION FUNDING COUNCIL
17 ESTABLISHED. (1) The legislature intends to fulfill its obligations
18 under Article IX of the state Constitution by completing its
19 implementation of all aspects of chapter 548, Laws of 2009 by
20 September 1, 2018. The funding formulas under chapter 28A.150 RCW to
21 support the state's instructional program must be revised and fully
22 implemented by that date under the schedule of annual benchmarks
23 prescribed in this chapter.

24 (2) The Washington education funding council is created to advise
25 the legislature as the state moves toward full implementation of the
26 state's program of basic education established pursuant to chapter
27 548, Laws of 2009 and the financing and revenues necessary to support
28 such program. The council must make recommendations on how the
29 legislature should meet the requirements outlined in chapter 548,
30 Laws of 2009 by September 1, 2018, thereby fulfilling the
31 requirements of the state supreme court in *McCleary v. State*. As
32 provided in this chapter, the council must submit to the legislature
33 recommended changes to state salary allocation formulas and state tax
34 laws to support the state's program of basic education as established
35 under chapter 548, Laws of 2009, along with any corresponding
36 recommendations on local levy laws, levy equalization, or other state
37 laws.

38 (3) As provided in sections 5 and 7 of this act, the council
39 shall submit reports to the governor and the legislature detailing

1 its recommendations, including recommendations for resolving issues
2 or decisions requiring legislative action during the 2016 and 2017
3 legislative sessions, and recommendations for any funding necessary
4 to complete development and implementation of chapter 548, Laws of
5 2009. The recommendations must also include the technical details for
6 implementing the recommendations.

7 (4)(a) The council consists of the following members:

8 (i) Eight legislators, with two members from each of the two
9 largest caucuses of the senate appointed by the president of the
10 senate and two members from each of the two largest caucuses of the
11 house of representatives appointed by the speaker of the house of
12 representatives;

13 (ii) The governor, or the governor's designee;

14 (iii) The state superintendent of public instruction, or the
15 superintendent's designee; and

16 (iv) The state treasurer, or the treasurer's designee.

17 (b) The council shall select cochaIRS from among its legislative
18 members.

19 (c) The council is staffed by the house of representatives office
20 of program research, senate committee services, and the office of
21 financial management, with additional staff support provided by the
22 state entities with representatives on the council.

23 (5) Recommendations of the council require the affirmative vote
24 of eight of its members.

25 (6) Legislative members of the council must be reimbursed for
26 travel expenses in accordance with RCW 44.04.120. Nonlegislative
27 members, except those representing an employer or organization, are
28 entitled to be reimbursed for travel expenses in accordance with RCW
29 43.03.050 and 43.03.060.

30 (7) The expenses of the council must be paid jointly by the
31 senate and the house of representatives. Council expenditures are
32 subject to approval by the senate facilities and operations committee
33 and the house of representatives executive rules committee, or their
34 successor committees.

35 NEW SECTION. **Sec. 4.** WASHINGTON EDUCATION FUNDING COUNCIL MAY
36 ESTABLISH TECHNICAL WORKING GROUPS. (1) The council may also
37 establish technical working groups to advise the task force on
38 technical and practical aspects of proposed policies and formulas.

1 (2) The technical working group or groups may include
2 representatives of the legislative evaluation and accountability
3 program committee, school district and educational service district
4 financial managers, the Washington association of school business
5 officers, the Washington education association, the Washington
6 association of school administrators, the association of Washington
7 school principals, the Washington state school directors'
8 association, the public school employees of Washington, the
9 educational opportunity gap oversight and accountability committee,
10 and other interested stakeholders with expertise in education finance
11 or state revenue.

12 NEW SECTION. **Sec. 5.** WASHINGTON EDUCATION FUNDING COUNCIL
13 RECOMMENDATIONS TO THE 2016 LEGISLATURE. By December 1, 2015, the
14 council shall provide the legislature and governor with:

15 (1) Preliminary recommendations for statewide minimum and average
16 salary allocations for certificated instructional staff, certificated
17 administrative staff, and classified staff, including recommendations
18 on localization, to take effect with the 2018-19 school year. The
19 starting point for the council's recommendation must be the ninety
20 percent minimum, but the council may make a different recommendation
21 based on the research in subsection (3) of this section;

22 (2) Preliminary recommendations for amount of and mechanisms for
23 state allocations for state-funded school district employee health
24 insurance benefits. In making the recommendations, the council must
25 consider data and analysis submitted by the health care authority to
26 the legislature in June 2015 pursuant to chapter 3, Laws of 2012 2nd
27 sp. sess. to consider the adequacy of and mechanisms for these
28 allocations;

29 (3)(a) Research describing the current use of TRI and
30 supplemental contracts, broken down by use and estimated dollar
31 amount per use. This research must distinguish among (i) additional
32 services, such as coaching, or similar services rendered outside the
33 school day; (ii) additional services performed during the school day,
34 such as service as a department head; (iii) salary supplements for
35 work "deemed done" or work such as grading papers that would
36 ordinarily be considered part of the teacher's job; (iv) supplemental
37 contracts that are part of the state's program of basic education,
38 such as preparation of individualized education plans; and (v) other
39 types of supplemental contracts;

1 (b) Research describing, and quantifying if possible, other
2 factors that affect TRI and other supplemental contracts including,
3 but not limited to: Collective bargaining laws and practices, local
4 compensation philosophy, local cost-of-living differences, difficulty
5 of attracting staff to particular schools or programs, and community
6 expectations;

7 (c) Research describing local levy expenditures on items other
8 than salaries, broken down into specific categories, such as
9 technology, the transitional bilingual instruction program, special
10 education, the highly capable program, athletics, extracurricular
11 activities, other intermural activities, or equipment;

12 (4) In light of the research in subsection (3) of this section,
13 recommendations for a statutory definition of enrichment and
14 authorized TRI. The recommendations must be sufficiently specific to
15 provide guidance to school districts and auditors;

16 (5) Recommendations on protections for the state to ensure that
17 local levy funding is used only for enrichment. These may include
18 additional auditing requirements, additional requirements for school
19 district accounting, additional reporting by school districts, and
20 changes to collective bargaining laws or practices; and

21 (6) Recommendations on whether the state should continue
22 providing levy equalization, or whether state support for funding
23 enrichments beyond the state's program of basic education should be
24 addressed through state funding formulas, other state funding, or
25 levy laws. If the council recommends continued state funding for levy
26 equalization, it must recommend measures for such funding to increase
27 at a rate that is commensurate with growth in revenues from local
28 levies.

29 NEW SECTION. **Sec. 6.** LEGISLATION TO BE ENACTED DURING THE 2016
30 LEGISLATIVE SESSION. By June 30, 2016, the legislature shall enact
31 legislation that:

32 (1) Quantifies the portion of locally funded salaries that is the
33 responsibility of the state's program of basic education and
34 establishes preliminary policy guidance for the council to develop a
35 new state salary model for implementation in the 2018-19 school year,
36 which (a) must include localization, and (b) may include
37 simplification or elimination of the state certificated instructional
38 staff salary grid, or (c) includes both, or other policies;

1 (2) Establishes preliminary policy guidance for the amount of and
2 mechanisms for state allocations for health insurance benefits for
3 state-funded school district employees. The legislation must consider
4 the work of the joint legislative audit and review committee under
5 chapter 3, Laws of 2012 2nd sp. sess.;

6 (3) Effective September 1, 2018:

7 (a) Defines "enrichment";

8 (b) Defines appropriate use of local levy funding to supplement
9 salaries for state-funded employees; and

10 (c) Establishes protections that allow the state to demonstrate
11 its funding of the state's program of basic education and that
12 ensures local levy expenditures are beyond the state's program of
13 basic education;

14 (4) Establishes preliminary policy guidance for local levies for
15 collection beginning in calendar year 2018, including a combination
16 of rates, bases, or lids, or any of these. The local levy policy must
17 reflect the newly enacted definition of "enrichment" and the new
18 policies regarding use of local levies to supplement state salary
19 allocations for the state's program of basic education; and

20 (5) Establishes preliminary policy guidance for any use of state
21 funding as levy equalization beginning in calendar year 2018,
22 including whether levy equalization is more appropriately addressed
23 through state funding formulas or state laws governing local levy
24 laws rather than state assistance. If the legislature enacts
25 preliminary policy guidance that includes continued state funding for
26 levy equalization, it must also enact provisions for such funding to
27 increase at a rate commensurate with growth in revenues from local
28 levies.

29 NEW SECTION. **Sec. 7.** WASHINGTON EDUCATION FUNDING COUNCIL
30 RECOMMENDATIONS TO THE 2017 LEGISLATURE. By November 15, 2016, the
31 council and its technical working groups must make recommendations to
32 the legislature on the following:

33 (1) Quantification, including methods for future adjustment, of a
34 new salary model for implementation in the 2018-19 school year,
35 including quantification and methods for localization and
36 simplification or elimination of the existing grid;

37 (2) Recommendations on other sources of state revenue to support
38 state allocations for chapter 548, Laws of 2009, including but not
39 limited to the property taxes and growth limits; business and

1 occupation taxes; sales taxes; a capital gains tax; or a carbon
2 pollution tax;

3 (3) Quantification of appropriate local levy bases, rates, or
4 lids, or any of these, with recommended legislation for collection in
5 calendar year 2019, and local levy policies for the 2018 transition
6 year; and

7 (4) Quantification of formulas for any program of levy
8 equalization, beginning by calendar year 2019.

9 NEW SECTION. **Sec. 8.** LEGISLATION TO BE ENACTED IN THE 2017
10 LEGISLATIVE SESSION. By June 30, 2017, the legislature must enact
11 legislation that accomplishes the following:

12 (1) Enacts a new salary allocation model for the 2018-19 school
13 year, which must include localization, and makes appropriations in
14 the 2017-2019 operating budget for distribution to districts under
15 this model. Total state salary allocations under the new formula must
16 comply with the ninety percent minimum requirement;

17 (2) Beginning with 2017-18 school year, appropriates funding in
18 the omnibus operating appropriations act, for health insurance
19 benefits for state-funded employees based on the rate at which the
20 state appropriates funding for health insurance benefits for state
21 employees in the omnibus operating appropriations act;

22 (3) Considers the recommendations of the council regarding
23 whether changes to state tax laws, including property taxes and
24 growth limits and business and occupation taxes; sales taxes; a
25 capital gains tax; or a carbon pollution tax or other state tax laws,
26 are necessary to support the new state salary allocation model and to
27 correspond with new state law governing local levies. If the
28 legislature chooses to reduce local levies while increasing the state
29 property tax levy, the legislature must enact (a) a state property
30 tax levy rate for the transitional year of calendar year 2018,
31 including adjustments to state levy growth caps as necessary; and (b)
32 local levy lids for calendar year 2018;

33 (4) Establishes new bases, rates, or lids, or any of these, for
34 local levies for collection beginning in calendar year 2018 or
35 calendar year 2019, depending on subsection (3) of this section; and

36 (5) Enacts formulas and makes appropriations for any program of
37 levy equalization, beginning by calendar year 2019.

1 **Sec. 9.** RCW 28A.175.075 and 2013 c 23 s 46 are each amended to
2 read as follows:

3 (1) The office of the superintendent of public instruction shall
4 establish a state-level building bridges work group that includes
5 K-12 and state agencies that work with youth who have dropped out or
6 are at risk of dropping out of school. The following agencies shall
7 appoint representatives to the work group: The office of the
8 superintendent of public instruction, the workforce training and
9 education coordinating board, the department of early learning, the
10 employment security department, the state board for community and
11 technical colleges, the department of health, the community
12 mobilization office, and the children's services and behavioral
13 health and recovery divisions of the department of social and health
14 services. The work group should also consist of one representative
15 from each of the following agencies and organizations: A statewide
16 organization representing career and technical education programs
17 including skill centers; the juvenile courts or the office of
18 juvenile justice, or both; the Washington association of prosecuting
19 attorneys; the Washington state office of public defense; accredited
20 institutions of higher education; the educational service districts;
21 the area workforce development councils; parent and educator
22 associations; educational opportunity gap oversight and
23 accountability committee; office of the education ombuds; local
24 school districts; agencies or organizations that provide services to
25 special education students; community organizations serving youth;
26 federally recognized tribes and urban tribal centers; each of the
27 major political caucuses of the senate and house of representatives;
28 and the minority commissions.

29 (2) To assist and enhance the work of the building bridges
30 programs established in RCW 28A.175.025, the state-level work group
31 shall:

32 (a) Identify and make recommendations to the legislature for the
33 reduction of fiscal, legal, and regulatory barriers that prevent
34 coordination of program resources across agencies at the state and
35 local level;

36 (b) Develop and track performance measures and benchmarks for
37 each partner agency or organization across the state including
38 performance measures and benchmarks based on student characteristics
39 and outcomes specified in RCW 28A.175.035(1)(e); and

1 (c) Identify research-based and emerging best practices regarding
2 prevention, intervention, and retrieval programs.

3 (3)(a) The work group shall report to the (~~quality education~~
4 ~~council,~~) appropriate committees of the legislature(~~(7)~~) and the
5 governor on an annual basis beginning December 1, 2007, with proposed
6 strategies for building K-12 dropout prevention, intervention, and
7 reengagement systems in local communities throughout the state
8 including, but not limited to, recommendations for implementing
9 emerging best practices, needed additional resources, and eliminating
10 barriers.

11 (b) By September 15, 2010, the work group shall report on:

12 (i) A recommended state goal and annual state targets for the
13 percentage of students graduating from high school;

14 (ii) A recommended state goal and annual state targets for the
15 percentage of youth who have dropped out of school who should be
16 reengaged in education and be college and work ready;

17 (iii) Recommended funding for supporting career guidance and the
18 planning and implementation of K-12 dropout prevention, intervention,
19 and reengagement systems in school districts and a plan for phasing
20 the funding into the program of basic education, beginning in the
21 2011-2013 biennium; and

22 (iv) A plan for phasing in the expansion of the current school
23 improvement planning program to include state-funded, dropout-focused
24 school improvement technical assistance for school districts in
25 significant need of improvement regarding high school graduation
26 rates.

27 (4) State agencies in the building bridges work group shall work
28 together, wherever feasible, on the following activities to support
29 school/family/community partnerships engaged in building K-12 dropout
30 prevention, intervention, and reengagement systems:

31 (a) Providing opportunities for coordination and flexibility of
32 program eligibility and funding criteria;

33 (b) Providing joint funding;

34 (c) Developing protocols and templates for model agreements on
35 sharing records and data;

36 (d) Providing joint professional development opportunities that
37 provide knowledge and training on:

38 (i) Research-based and promising practices;

39 (ii) The availability of programs and services for vulnerable
40 youth; and

1 (iii) Cultural competence.

2 (5) The building bridges work group shall make recommendations to
3 the governor and the legislature by December 1, 2010, on a state-
4 level and regional infrastructure for coordinating services for
5 vulnerable youth. Recommendations must address the following issues:

6 (a) Whether to adopt an official conceptual approach or framework
7 for all entities working with vulnerable youth that can support
8 coordinated planning and evaluation;

9 (b) The creation of a performance-based management system,
10 including outcomes, indicators, and performance measures relating to
11 vulnerable youth and programs serving them, including accountability
12 for the dropout issue;

13 (c) The development of regional and/or county-level multipartner
14 youth consortia with a specific charge to assist school districts and
15 local communities in building K-12 comprehensive dropout prevention,
16 intervention, and reengagement systems;

17 (d) The development of integrated or school-based one-stop
18 shopping for services that would:

19 (i) Provide individualized attention to the neediest youth and
20 prioritized access to services for students identified by a dropout
21 early warning and intervention data system;

22 (ii) Establish protocols for coordinating data and services,
23 including getting data release at time of intake and common
24 assessment and referral processes; and

25 (iii) Build a system of single case managers across agencies;

26 (e) Launching a statewide media campaign on increasing the high
27 school graduation rate; and

28 (f) Developing a statewide database of available services for
29 vulnerable youth.

30 **Sec. 10.** RCW 28A.230.090 and 2014 c 217 s 202 are each amended
31 to read as follows:

32 (1) The state board of education shall establish high school
33 graduation requirements or equivalencies for students, except as
34 provided in RCW 28A.230.122 and except those equivalencies
35 established by local high schools or school districts under RCW
36 28A.230.097. The purpose of a high school diploma is to declare that
37 a student is ready for success in postsecondary education, gainful
38 employment, and citizenship, and is equipped with the skills to be a
39 lifelong learner.

1 (a) Any course in Washington state history and government used to
2 fulfill high school graduation requirements shall consider including
3 information on the culture, history, and government of the American
4 Indian peoples who were the first inhabitants of the state.

5 (b) The certificate of academic achievement requirements under
6 RCW 28A.655.061 or the certificate of individual achievement
7 requirements under RCW 28A.155.045 are required for graduation from a
8 public high school but are not the only requirements for graduation.

9 (c) Any decision on whether a student has met the state board's
10 high school graduation requirements for a high school and beyond plan
11 shall remain at the local level. Effective with the graduating class
12 of 2015, the state board of education may not establish a requirement
13 for students to complete a culminating project for graduation.

14 (d)(i) The state board of education shall adopt rules to
15 implement the career and college ready graduation requirement
16 proposal adopted under board resolution on November 10, 2010, and
17 revised on January 9, 2014, to take effect beginning with the
18 graduating class of 2019 or as otherwise provided in this subsection
19 (1)(d). The rules must include authorization for a school district to
20 waive up to two credits for individual students based on unusual
21 circumstances and in accordance with written policies that must be
22 adopted by each board of directors of a school district that grants
23 diplomas. The rules must also provide that the content of the third
24 credit of mathematics and the content of the third credit of science
25 may be chosen by the student based on the student's interests and
26 high school and beyond plan with agreement of the student's parent or
27 guardian or agreement of the school counselor or principal.

28 (ii) School districts may apply to the state board of education
29 for a waiver to implement the career and college ready graduation
30 requirement proposal beginning with the graduating class of 2020 or
31 2021 instead of the graduating class of 2019. In the application, a
32 school district must describe why the waiver is being requested, the
33 specific impediments preventing timely implementation, and efforts
34 that will be taken to achieve implementation with the graduating
35 class proposed under the waiver. The state board of education shall
36 grant a waiver under this subsection (1)(d) to an applying school
37 district at the next subsequent meeting of the board after receiving
38 an application.

39 (2)(a) In recognition of the statutory authority of the state
40 board of education to establish and enforce minimum high school

1 graduation requirements, the state board shall periodically
2 reevaluate the graduation requirements and shall report such findings
3 to the legislature in a timely manner as determined by the state
4 board.

5 (b) The state board shall reevaluate the graduation requirements
6 for students enrolled in vocationally intensive and rigorous career
7 and technical education programs, particularly those programs that
8 lead to a certificate or credential that is state or nationally
9 recognized. The purpose of the evaluation is to ensure that students
10 enrolled in these programs have sufficient opportunity to earn a
11 certificate of academic achievement, complete the program and earn
12 the program's certificate or credential, and complete other state and
13 local graduation requirements.

14 (c) The state board shall forward any proposed changes to the
15 high school graduation requirements to the education committees of
16 the legislature for review (~~and to the quality education council~~
17 ~~established under RCW 28A.290.010~~). The legislature shall have the
18 opportunity to act during a regular legislative session before the
19 changes are adopted through administrative rule by the state board.
20 Changes that have a fiscal impact on school districts, as identified
21 by a fiscal analysis prepared by the office of the superintendent of
22 public instruction, shall take effect only if formally authorized and
23 funded by the legislature through the omnibus appropriations act or
24 other enacted legislation.

25 (3) Pursuant to any requirement for instruction in languages
26 other than English established by the state board of education or a
27 local school district, or both, for purposes of high school
28 graduation, students who receive instruction in American sign
29 language or one or more American Indian languages shall be considered
30 to have satisfied the state or local school district graduation
31 requirement for instruction in one or more languages other than
32 English.

33 (4) If requested by the student and his or her family, a student
34 who has completed high school courses before attending high school
35 shall be given high school credit which shall be applied to
36 fulfilling high school graduation requirements if:

37 (a) The course was taken with high school students, if the
38 academic level of the course exceeds the requirements for seventh and
39 eighth grade classes, and the student has successfully passed by

1 completing the same course requirements and examinations as the high
2 school students enrolled in the class; or

3 (b) The academic level of the course exceeds the requirements for
4 seventh and eighth grade classes and the course would qualify for
5 high school credit, because the course is similar or equivalent to a
6 course offered at a high school in the district as determined by the
7 school district board of directors.

8 (5) Students who have taken and successfully completed high
9 school courses under the circumstances in subsection (4) of this
10 section shall not be required to take an additional competency
11 examination or perform any other additional assignment to receive
12 credit.

13 (6) At the college or university level, five quarter or three
14 semester hours equals one high school credit.

15 **Sec. 11.** RCW 28A.300.136 and 2013 c 23 s 49 are each amended to
16 read as follows:

17 (1) An educational opportunity gap oversight and accountability
18 committee is created to synthesize the findings and recommendations
19 from the 2008 achievement gap studies into an implementation plan,
20 and to recommend policies and strategies to the superintendent of
21 public instruction, the professional educator standards board, and
22 the state board of education to close the achievement gap.

23 (2) The committee shall recommend specific policies and
24 strategies in at least the following areas:

25 (a) Supporting and facilitating parent and community involvement
26 and outreach;

27 (b) Enhancing the cultural competency of current and future
28 educators and the cultural relevance of curriculum and instruction;

29 (c) Expanding pathways and strategies to prepare and recruit
30 diverse teachers and administrators;

31 (d) Recommending current programs and resources that should be
32 redirected to narrow the gap;

33 (e) Identifying data elements and systems needed to monitor
34 progress in closing the gap;

35 (f) Making closing the achievement gap part of the school and
36 school district improvement process; and

37 (g) Exploring innovative school models that have shown success in
38 closing the achievement gap.

1 (3) Taking a multidisciplinary approach, the committee may seek
2 input and advice from other state and local agencies and
3 organizations with expertise in health, social services, gang and
4 violence prevention, substance abuse prevention, and other issues
5 that disproportionately affect student achievement and student
6 success.

7 (4) The educational opportunity gap oversight and accountability
8 committee shall be composed of the following members:

9 (a) The chairs and ranking minority members of the house and
10 senate education committees, or their designees;

11 (b) One additional member of the house of representatives
12 appointed by the speaker of the house and one additional member of
13 the senate appointed by the president of the senate;

14 (c) A representative of the office of the education ombuds;

15 (d) A representative of the center for the improvement of student
16 learning in the office of the superintendent of public instruction;

17 (e) A representative of federally recognized Indian tribes whose
18 traditional lands and territories lie within the borders of
19 Washington state, designated by the federally recognized tribes; and

20 (f) Four members appointed by the governor in consultation with
21 the state ethnic commissions, who represent the following
22 populations: African-Americans, Hispanic Americans, Asian Americans,
23 and Pacific Islander Americans.

24 (5) The governor and the tribes are encouraged to designate
25 members who have experience working in and with schools.

26 (6) The committee may convene ad hoc working groups to obtain
27 additional input and participation from community members. Members of
28 ad hoc working groups shall serve without compensation and shall not
29 be reimbursed for travel or other expenses.

30 (7) The chair or cochairs of the committee shall be selected by
31 the members of the committee. Staff support for the committee shall
32 be provided by the center for the improvement of student learning.
33 Members of the committee shall serve without compensation but must be
34 reimbursed as provided in RCW 43.03.050 and 43.03.060. Legislative
35 members of the committee shall be reimbursed for travel expenses in
36 accordance with RCW 44.04.120.

37 (8) The superintendent of public instruction, the state board of
38 education, and the professional educator standards board(~~(, and the~~
39 ~~quality education council~~)) shall work collaboratively with the

1 educational opportunity gap oversight and accountability committee to
2 close the achievement gap.

3 **Sec. 12.** RCW 28A.400.201 and 2011 1st sp.s. c 43 s 468 are each
4 amended to read as follows:

5 (1) The legislature recognizes that providing students with the
6 opportunity to access a world-class educational system depends on our
7 continuing ability to provide students with access to world-class
8 educators. The legislature also understands that continuing to
9 attract and retain the highest quality educators will require
10 increased investments. The legislature intends to enhance the current
11 salary allocation model and recognizes that changes to the current
12 model cannot be imposed without great deliberation and input from
13 teachers, administrators, and classified employees. Therefore, it is
14 the intent of the legislature to begin the process of developing an
15 enhanced salary allocation model that is collaboratively designed to
16 ensure the rationality of any conclusions regarding what constitutes
17 adequate compensation.

18 (2) Beginning July 1, 2011, the office of the superintendent of
19 public instruction, in collaboration with the human resources
20 director in the office of financial management, shall convene a
21 technical working group to recommend the details of an enhanced
22 salary allocation model that aligns state expectations for educator
23 development and certification with the compensation system and
24 establishes recommendations for a concurrent implementation schedule.
25 In addition to any other details the technical working group deems
26 necessary, the technical working group shall make recommendations on
27 the following:

28 (a) How to reduce the number of tiers within the existing salary
29 allocation model;

30 (b) How to account for labor market adjustments;

31 (c) How to account for different geographic regions of the state
32 where districts may encounter difficulty recruiting and retaining
33 teachers;

34 (d) The role of and types of bonuses available;

35 (e) Ways to accomplish salary equalization over a set number of
36 years; and

37 (f) Initial fiscal estimates for implementing the recommendations
38 including a recognition that staff on the existing salary allocation

1 model would have the option to grandfather in permanently to the
2 existing schedule.

3 (3) As part of its work, the technical working group shall
4 conduct or contract for a preliminary comparative labor market
5 analysis of salaries and other compensation for school district
6 employees to be conducted and shall include the results in any
7 reports to the legislature. For the purposes of this subsection,
8 "salaries and other compensation" includes average base salaries,
9 average total salaries, average employee basic benefits, and
10 retirement benefits.

11 (4) The analysis required under subsection (1) of this section
12 must:

13 (a) Examine salaries and other compensation for teachers, other
14 certificated instructional staff, principals, and other building-
15 level certificated administrators, and the types of classified
16 employees for whom salaries are allocated;

17 (b) Be calculated at a statewide level that identifies labor
18 markets in Washington through the use of data from the United States
19 bureau of the census and the bureau of labor statistics; and

20 (c) Include a comparison of salaries and other compensation to
21 the appropriate labor market for at least the following subgroups of
22 educators: Beginning teachers and types of educational staff
23 associates.

24 (5) The working group shall include representatives of the office
25 of financial management, the professional educator standards board,
26 the office of the superintendent of public instruction, the
27 Washington education association, the Washington association of
28 school administrators, the association of Washington school
29 principals, the Washington state school directors' association, the
30 public school employees of Washington, and other interested
31 stakeholders with appropriate expertise in compensation related
32 matters. The working group may convene advisory subgroups on specific
33 topics as necessary to assure participation and input from a broad
34 array of diverse stakeholders.

35 (6) The working group shall be monitored and overseen by the
36 legislature (~~and the quality education council created in RCW~~
37 ~~28A.290.010~~). The working group shall make an initial report to the
38 legislature by June 30, 2012, and shall include in its report
39 recommendations for whether additional further work of the group is
40 necessary.

1 NEW SECTION. **Sec. 13.** The following acts or parts of acts are
2 each repealed:

3 (1) RCW 28A.290.010 (Quality education council—Purpose—
4 Membership and staffing—Reports) and 2013 2nd sp.s. c 25 s 7 & 2011
5 1st sp.s. c 21 s 54; and

6 (2) RCW 28A.290.020 (Funding formulas to support instructional
7 program—Technical working group) and 2010 c 236 s 5 & 2009 c 548 s
8 112.

9 NEW SECTION. **Sec. 14.** EXPIRATION DATE FOR WASHINGTON EDUCATION
10 FUNDING COUNCIL AND IMPLEMENTATION SCHEDULE. This chapter expires
11 August 1, 2019.

12 NEW SECTION. **Sec. 15.** CODIFICATION. Sections 1 through 8 and 14
13 of this act constitute a new chapter in Title 28A RCW.

14 NEW SECTION. **Sec. 16.** EMERGENCY CLAUSE. This act is necessary
15 for the immediate preservation of the public peace, health, or
16 safety, or support of the state government and its existing public
17 institutions, and takes effect immediately.

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