

---

SENATE BILL 6563

---

State of Washington

63rd Legislature

2014 Regular Session

By Senator Baumgartner

Read first time 02/11/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to basic education; amending RCW 28A.150.260,  
2 28A.150.410, 28A.400.200, 41.32.010, 41.35.010, 41.40.010, 28B.15.067,  
3 and 43.215.405; adding a new section to chapter 28A.625 RCW; and  
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that the  
7 education required under Article IX, section 1 of the state  
8 Constitution consists of the opportunity for students to obtain the  
9 knowledge and skills through the instructional program of basic  
10 education as defined by the legislature. The legislature further  
11 recognizes that the state supreme court has previously found and  
12 recently reaffirmed in *McCleary v. State*, 173 Wn.2d 477 (2012), that  
13 the instructional program of basic education is not etched in  
14 constitutional stone and that the legislature has an obligation to  
15 review and refine the program. The legislature further recognizes that  
16 the court specifically advised that, "From time to time, the  
17 legislature will need to evaluate whether new offerings must be  
18 included in the basic education program. Likewise, the importance of  
19 certain programs or offerings may prove less compelling over time."

1 The legislature also recognizes that the court has determined that any  
2 reduction of programs or offerings from the basic education program  
3 must be accompanied by an educational policy rationale.

4 The legislature intends to continue to make improvements to the  
5 evolving program of basic education and to strategically target those  
6 areas in which emerging education policy research shows better and more  
7 effective and efficient strategies for providing basic education  
8 opportunities for students. The legislature finds that the Washington  
9 state institute for public policy has recently reviewed a large number  
10 of creditable educational studies regarding the positive relationship  
11 between both participation in early learning programs and also class  
12 size reductions in the earliest grades leading to improvement in  
13 student achievement. The legislature further finds that the  
14 institute's January 2013 report demonstrates that reducing class size  
15 in kindergarten and first grade provides the highest probability of  
16 producing a favorable outcome and that the net benefits of class size  
17 reductions in those grade levels are substantially larger than in later  
18 grades. The legislature also finds that a critical factor in the  
19 eventual successful outcome of a basic education is for students to  
20 begin school ready, both intellectually and socially, to learn. The  
21 institute's January 2014 report that reviewed early childhood education  
22 for low-income students found that the long-term benefits of such a  
23 program have a high probability of outweighing the costs. The  
24 legislature also finds that recent increases in tuition rates charged  
25 to students attending state institutions of higher education have had  
26 a significant negative impact on students' ability to access higher  
27 education opportunities and that the state's investment of fiscal  
28 resources in basic education must include a substantial effort by the  
29 state to improve the availability of higher education opportunities for  
30 the graduates of the common schools.

31 Therefore, the legislature intends to provide additional  
32 investments to improve the state's program of basic education by  
33 expanding eligibility for early learning programs, continuing class-  
34 size reductions in kindergarten and grade one, and providing an  
35 increased opportunity for all qualified students to be able to  
36 financially afford higher education.

1           **Sec. 2.** RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each  
2 amended to read as follows:

3           The purpose of this section is to provide for the allocation of  
4 state funding that the legislature deems necessary to support school  
5 districts in offering the minimum instructional program of basic  
6 education under RCW 28A.150.220. The allocation shall be determined as  
7 follows:

8           (1) The governor shall and the superintendent of public instruction  
9 may recommend to the legislature a formula for the distribution of a  
10 basic education instructional allocation for each common school  
11 district.

12           (2) The distribution formula under this section shall be for  
13 allocation purposes only. Except as may be required under chapter  
14 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and  
15 regulations, nothing in this section requires school districts to use  
16 basic education instructional funds to implement a particular  
17 instructional approach or service. Nothing in this section requires  
18 school districts to maintain a particular classroom teacher-to-student  
19 ratio or other staff-to-student ratio or to use allocated funds to pay  
20 for particular types or classifications of staff. Nothing in this  
21 section entitles an individual teacher to a particular teacher planning  
22 period.

23           (3)(a) To the extent the technical details of the formula have been  
24 adopted by the legislature and except when specifically provided as a  
25 school district allocation, the distribution formula for the basic  
26 education instructional allocation shall be based on minimum staffing  
27 and nonstaff costs the legislature deems necessary to support  
28 instruction and operations in prototypical schools serving high,  
29 middle, and elementary school students as provided in this section.  
30 The use of prototypical schools for the distribution formula does not  
31 constitute legislative intent that schools should be operated or  
32 structured in a similar fashion as the prototypes. Prototypical  
33 schools illustrate the level of resources needed to operate a school of  
34 a particular size with particular types and grade levels of students  
35 using commonly understood terms and inputs, such as class size, hours  
36 of instruction, and various categories of school staff. It is the  
37 intent that the funding allocations to school districts be adjusted  
38 from the school prototypes based on the actual number of annual average

1 full-time equivalent students in each grade level at each school in the  
2 district and not based on the grade-level configuration of the school  
3 to the extent that data is available. The allocations shall be further  
4 adjusted from the school prototypes with minimum allocations for small  
5 schools and to reflect other factors identified in the omnibus  
6 appropriations act.

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

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

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

14 (iii) A prototypical elementary school has four hundred average  
15 annual full-time equivalent students in grades kindergarten through  
16 six.

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

	General education average class size
24	
25	
26	
27 Grades K-3 . . . . .	25.23
28 Grade 4 . . . . .	27.00
29 Grades 5-6 . . . . .	27.00
30 Grades 7-8 . . . . .	28.53
31 Grades 9-12 . . . . .	28.74

32 (b) During the 2011-2013 biennium and beginning with schools with  
33 the highest percentage of students eligible for free and reduced-price  
34 meals in the prior school year, the general education average class  
35 size for grades ((~~K-3~~)) K-1 shall be reduced until the average class  
36 size funded under this subsection (4) is no more than 17.0 full-time  
37 equivalent students per teacher beginning in the 2017-18 school year.

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

	Career and technical	
	education average	
	class size	
5		
6		
7		
8	Approved career and technical education offered at	
9	the middle school and high school level . . . . .	26.57
10	Skill center programs meeting the standards established	
11	by the office of the superintendent of public	
12	instruction . . . . .	22.76

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

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

18 (ii) A specialty average class size for laboratory science,  
 19 advanced placement, and international baccalaureate courses.

20 (5) The minimum allocation for each level of prototypical school  
 21 shall include allocations for the following types of staff in addition  
 22 to classroom teachers:  
 23  
 24

	Elementary	Middle	High
	School	School	School
25			
26			
27	Principals, assistant principals, and other certificated building-level		
28	administrators . . . . .	1.253	1.353 1.880
29	Teacher librarians, a function that includes information literacy, technology,		
30	and media to support school library media programs . . . . .	0.663	0.519 0.523
31	Health and social services:		
32	School nurses . . . . .	0.076	0.060 0.096
33	Social workers . . . . .	0.042	0.006 0.015
34	Psychologists . . . . .	0.017	0.002 0.007

1	Guidance counselors, a function that includes parent outreach and graduation			
2	advising .....	0.493	1.116	1.909
3	Teaching assistance, including any aspect of educational instructional			
4	services provided by classified employees .....	0.936	0.700	0.652
5	Office support and other noninstructional aides .....	2.012	2.325	3.269
6	Custodians .....	1.657	1.942	2.965
7	Classified staff providing student and staff safety .....	0.079	0.092	0.141
8	Parent involvement coordinators .....	0.00	0.00	0.00

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

13			Staff per 1,000
14			K-12 students
15	Technology . . . . .		0.628
16	Facilities, maintenance, and grounds . . . . .		1.813
17	Warehouse, laborers, and mechanics . . . . .		0.332

18           (b) The minimum allocation of staff units for each school district  
19 to support certificated and classified staffing of central  
20 administration shall be 5.30 percent of the staff units generated under  
21 subsections (4)(a) and (b) and (5) of this section and (a) of this  
22 subsection.

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

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

32			Per annual average
33			full-time equivalent student
34			in grades K-12
35	Technology . . . . .		\$54.43
36	Utilities and insurance . . . . .		\$147.90

1	Curriculum and textbooks . . . . .	\$58.44
2	Other supplies and library materials . . . . .	\$124.07
3	Instructional professional development for certified and	
4	classified staff . . . . .	\$9.04
5	Facilities maintenance . . . . .	\$73.27
6	Security and central office . . . . .	\$50.76

7 (b) During the 2011-2013 biennium, the minimum allocation for  
8 maintenance, supplies, and operating costs shall be increased as  
9 specified in the omnibus appropriations act. The following  
10 allocations, adjusted for inflation from the 2007-08 school year, are  
11 provided in the 2015-16 school year, after which the allocations shall  
12 be adjusted annually for inflation as specified in the omnibus  
13 appropriations act:

14		Per annual average
15		full-time equivalent student
16		in grades K-12
17	Technology . . . . .	\$113.80
18	Utilities and insurance . . . . .	\$309.21
19	Curriculum and textbooks . . . . .	\$122.17
20	Other supplies and library materials . . . . .	\$259.39
21	Instructional professional development for certificated and	
22	classified staff . . . . .	\$18.89
23	Facilities maintenance . . . . .	\$153.18
24	Security and central office administration . . . . .	\$106.12

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

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

30 (b) Laboratory science courses for students in grades nine through  
31 twelve;

32 (c) Preparatory career and technical education courses for students  
33 in grades nine through twelve offered in a high school; and

34 (d) Preparatory career and technical education courses for students  
35 in grades eleven and twelve offered through a skill center.

36 (10) In addition to the allocations otherwise provided under this

1 section, amounts shall be provided to support the following programs  
2 and services:

3 (a) To provide supplemental instruction and services for  
4 underachieving students through the learning assistance program under  
5 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the  
6 district percentage of students in grades K-12 who were eligible for  
7 free or reduced-price meals in the prior school year. The minimum  
8 allocation for the program shall provide for each level of prototypical  
9 school resources to provide, on a statewide average, (~~(1.5156)~~) 2.6175  
10 hours per week in extra instruction with a class size of fifteen  
11 learning assistance program students per teacher.

12 (b) To provide supplemental instruction and services for students  
13 whose primary language is other than English, allocations shall be  
14 based on the head count number of students in each school who are  
15 eligible for and enrolled in the transitional bilingual instruction  
16 program under RCW 28A.180.010 through 28A.180.080. The minimum  
17 allocation for each level of prototypical school shall provide  
18 resources to provide, on a statewide average, 4.7780 hours per week in  
19 extra instruction with fifteen transitional bilingual instruction  
20 program students per teacher. Notwithstanding other provisions of this  
21 subsection (10), the actual per-student allocation may be scaled to  
22 provide a larger allocation for students needing more intensive  
23 intervention and a commensurate reduced allocation for students needing  
24 less intensive intervention, as detailed in the omnibus appropriations  
25 act.

26 (c) To provide additional allocations to support programs for  
27 highly capable students under RCW 28A.185.010 through 28A.185.030,  
28 allocations shall be based on two and three hundred fourteen one-  
29 thousandths percent of each school district's full-time equivalent  
30 basic education enrollment. The minimum allocation for the programs  
31 shall provide resources to provide, on a statewide average, 2.1590  
32 hours per week in extra instruction with fifteen highly capable program  
33 students per teacher.

34 (11) The allocations under subsections (4)(a) and (b), (5), (6),  
35 and (8) of this section shall be enhanced as provided under RCW  
36 28A.150.390 on an excess cost basis to provide supplemental  
37 instructional resources for students with disabilities.



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

8 (b) Allocations or enhancements provided under subsections (4),  
9 (7), and (9) of this section for exploratory and preparatory career and  
10 technical education courses shall be provided only for courses approved  
11 by the office of the superintendent of public instruction under chapter  
12 28A.700 RCW.

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

17 (b) In the event the legislature rejects the distribution formula  
18 recommended by the governor, without adopting a new distribution  
19 formula, the distribution formula for the previous school year shall  
20 remain in effect.

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

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

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.625  
37 RCW to read as follows:

1 (1) The top teacher recognition grant program is established to  
2 encourage excellence in the classroom teaching ranks and to recognize  
3 the most outstanding classroom teachers in Washington state.

4 (2) Subject to available funds provided specifically in the omnibus  
5 appropriations act for this purpose, each educational service district  
6 shall provide a grant to each individual teacher, up to the top two  
7 percent of teachers who are teaching in a school district within the  
8 educational service district, based on merit as determined by the  
9 educational service district.

10 (3) Each grant recipient shall be chosen and certified by the  
11 educational service district board of directors from a list of nominees  
12 submitted by each school district's board of directors. The school  
13 district board's nominees shall be selected from a list of candidates  
14 submitted by the district's school principals using selection criteria  
15 and a process developed by the board after receiving input from the  
16 community.

17 (4) Each two-year grant shall be calculated as the amount of  
18 additional funds needed to provide the selected individual teacher's  
19 total salary, consisting of state plus local funding, of an amount  
20 equal to one hundred thousand dollars annually.

21 (5) The grants are not:

22 (a) Subject to the collective bargaining laws in chapter 41.59 RCW;

23 (b) Considered salary, compensation, or a supplemental contract for  
24 the purposes of RCW 28A.150.410 and 28A.400.200 and chapter 41.59 RCW;  
25 or

26 (c) Included for the purposes of computing a retirement allowance  
27 under any public retirement system in this state.

28 **Sec. 4.** RCW 28A.150.410 and 2010 c 236 s 10 are each amended to  
29 read as follows:

30 (1)(a) The legislature shall establish for each school year in the  
31 appropriations act a statewide salary allocation schedule, for  
32 allocation purposes only, to be used to distribute funds for basic  
33 education certificated instructional staff salaries under RCW  
34 28A.150.260.

35 (b) For the purposes of this section, the staff allocations for  
36 classroom teachers, teacher librarians, guidance counselors, and

1 student health services staff under RCW 28A.150.260 are considered  
2 allocations for certificated instructional staff.

3 (c) For purposes of this section, teacher recognition grants  
4 authorized under section 3 of this act are not considered allocations  
5 for certificated instructional staff.

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

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

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

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

20 (4) Beginning in the 2007-08 school year, the calculation of years  
21 of service for occupational therapists, physical therapists, speech-  
22 language pathologists, audiologists, nurses, social workers,  
23 counselors, and psychologists regulated under Title 18 RCW may include  
24 experience in schools and other nonschool positions as occupational  
25 therapists, physical therapists, speech-language pathologists,  
26 audiologists, nurses, social workers, counselors, or psychologists.  
27 The calculation shall be that one year of service in a nonschool  
28 position counts as one year of service for purposes of this chapter, up  
29 to a limit of two years of nonschool service. Nonschool years of  
30 service included in calculations under this subsection shall not be  
31 applied to service credit totals for purposes of any retirement benefit  
32 under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement  
33 system benefits.

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

36 (1) Every school district board of directors shall fix, alter,

1 allow, and order paid salaries and compensation for all district  
2 employees in conformance with this section.

3 (2)(a) Salaries for certificated instructional staff shall not be  
4 less than the salary provided in the appropriations act in the  
5 statewide salary allocation schedule for an employee with a  
6 baccalaureate degree and zero years of service; and

7 (b) Salaries for certificated instructional staff with a master's  
8 degree shall not be less than the salary provided in the appropriations  
9 act in the statewide salary allocation schedule for an employee with a  
10 master's degree and zero years of service.

11 (3)(a) The actual average salary paid to certificated instructional  
12 staff shall not exceed the district's average certificated  
13 instructional staff salary used for the state basic education  
14 allocations for that school year as determined pursuant to RCW  
15 28A.150.410.

16 (b) Fringe benefit contributions for certificated instructional  
17 staff shall be included as salary under (a) of this subsection only to  
18 the extent that the district's actual average benefit contribution  
19 exceeds the amount of the insurance benefits allocation provided per  
20 certificated instructional staff unit in the state operating  
21 appropriations act in effect at the time the compensation is payable.  
22 For purposes of this section, fringe benefits shall not include payment  
23 for unused leave for illness or injury under RCW 28A.400.210; employer  
24 contributions for old age survivors insurance, workers' compensation,  
25 unemployment compensation, and retirement benefits under the Washington  
26 state retirement system; or employer contributions for health benefits  
27 in excess of the insurance benefits allocation provided per  
28 certificated instructional staff unit in the state operating  
29 appropriations act in effect at the time the compensation is payable.  
30 A school district may not use state funds to provide employer  
31 contributions for such excess health benefits.

32 (c) Salary and benefits for certificated instructional staff in  
33 programs other than basic education shall be consistent with the salary  
34 and benefits paid to certificated instructional staff in the basic  
35 education program.

36 (4) Salaries and benefits for certificated instructional staff may  
37 exceed the limitations in subsection (3) of this section only by  
38 separate contract for additional time, for additional responsibilities,

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

21 (5) Employee benefit plans offered by any district shall comply  
22 with RCW 28A.400.350 (~~and~~), 28A.400.275, and 28A.400.280.

23 (6) Teacher recognition grants authorized in section 3 of this act  
24 are not included as salary under this section and may not be included  
25 in salary limitations.

26 **Sec. 6.** RCW 41.32.010 and 2012 c 236 s 3 are each amended to read  
27 as follows:

28 As used in this chapter, unless a different meaning is plainly  
29 required by the context:

30 (1)(a) "Accumulated contributions" for plan 1 members, means the  
31 sum of all regular annuity contributions and, except for the purpose of  
32 withdrawal at the time of retirement, any amount paid under RCW  
33 41.50.165(2) with regular interest thereon.

34 (b) "Accumulated contributions" for plan 2 members, means the sum  
35 of all contributions standing to the credit of a member in the member's  
36 individual account, including any amount paid under RCW 41.50.165(2),  
37 together with the regular interest thereon.

1 (2) "Actuarial equivalent" means a benefit of equal value when  
2 computed upon the basis of such mortality tables and regulations as  
3 shall be adopted by the director and regular interest.

4 (3) "Adjustment ratio" means the value of index A divided by index  
5 B.

6 (4) "Annual increase" means, initially, fifty-nine cents per month  
7 per year of service which amount shall be increased each July 1st by  
8 three percent, rounded to the nearest cent.

9 (5) "Annuity" means the moneys payable per year during life by  
10 reason of accumulated contributions of a member.

11 (6) "Average final compensation" for plan 2 and plan 3 members,  
12 means the member's average earnable compensation of the highest  
13 consecutive sixty service credit months prior to such member's  
14 retirement, termination, or death. Periods constituting authorized  
15 leaves of absence may not be used in the calculation of average final  
16 compensation except under RCW 41.32.810(2).

17 (7)(a) "Beneficiary" for plan 1 members, means any person in  
18 receipt of a retirement allowance or other benefit provided by this  
19 chapter.

20 (b) "Beneficiary" for plan 2 and plan 3 members, means any person  
21 in receipt of a retirement allowance or other benefit provided by this  
22 chapter resulting from service rendered to an employer by another  
23 person.

24 (8) "Contract" means any agreement for service and compensation  
25 between a member and an employer.

26 (9) "Creditable service" means membership service plus prior  
27 service for which credit is allowable. This subsection shall apply  
28 only to plan 1 members.

29 (10) "Department" means the department of retirement systems  
30 created in chapter 41.50 RCW.

31 (11) "Dependent" means receiving one-half or more of support from  
32 a member.

33 (12) "Director" means the director of the department.

34 (13) "Disability allowance" means monthly payments during  
35 disability. This subsection shall apply only to plan 1 members.

36 (14)(a) "Earnable compensation" for plan 1 members, means:

37 (i) All salaries and wages paid by an employer to an employee  
38 member of the retirement system for personal services rendered during

1 a fiscal year. In all cases where compensation includes maintenance  
2 the employer shall fix the value of that part of the compensation not  
3 paid in money.

4 (ii) For an employee member of the retirement system teaching in an  
5 extended school year program, two consecutive extended school years, as  
6 defined by the employer school district, may be used as the annual  
7 period for determining earnable compensation in lieu of the two fiscal  
8 years.

9 (iii) "Earnable compensation" for plan 1 members also includes the  
10 following actual or imputed payments, which are not paid for personal  
11 services:

12 (A) Retroactive payments to an individual by an employer on  
13 reinstatement of the employee in a position, or payments by an employer  
14 to an individual in lieu of reinstatement in a position which are  
15 awarded or granted as the equivalent of the salary or wages which the  
16 individual would have earned during a payroll period shall be  
17 considered earnable compensation and the individual shall receive the  
18 equivalent service credit.

19 (B) If a leave of absence, without pay, is taken by a member for  
20 the purpose of serving as a member of the state legislature, and such  
21 member has served in the legislature five or more years, the salary  
22 which would have been received for the position from which the leave of  
23 absence was taken shall be considered as compensation earnable if the  
24 employee's contribution thereon is paid by the employee. In addition,  
25 where a member has been a member of the state legislature for five or  
26 more years, earnable compensation for the member's two highest  
27 compensated consecutive years of service shall include a sum not to  
28 exceed thirty-six hundred dollars for each of such two consecutive  
29 years, regardless of whether or not legislative service was rendered  
30 during those two years.

31 (iv) For members employed less than full time under written  
32 contract with a school district, or community college district, in an  
33 instructional position, for which the member receives service credit of  
34 less than one year in all of the years used to determine the earnable  
35 compensation used for computing benefits due under RCW 41.32.497,  
36 41.32.498, and 41.32.520, the member may elect to have earnable  
37 compensation defined as provided in RCW 41.32.345. For the purposes of  
38 this subsection, the term "instructional position" means a position in

1 which more than seventy-five percent of the member's time is spent as  
2 a classroom instructor (including office hours), a librarian, a  
3 psychologist, a social worker, a nurse, a physical therapist, an  
4 occupational therapist, a speech language pathologist or audiologist,  
5 or a counselor. Earnable compensation shall be so defined only for the  
6 purpose of the calculation of retirement benefits and only as necessary  
7 to insure that members who receive fractional service credit under RCW  
8 41.32.270 receive benefits proportional to those received by members  
9 who have received full-time service credit.

10 (v) "Earnable compensation" does not include:

11 (A) Remuneration for unused sick leave authorized under RCW  
12 41.04.340, 28A.400.210, or 28A.310.490;

13 (B) Remuneration for unused annual leave in excess of thirty days  
14 as authorized by RCW 43.01.044 and 43.01.041; or

15 (C) Teacher recognition grants authorized under section 3 of this  
16 act.

17 (b) "Earnable compensation" for plan 2 and plan 3 members, means  
18 salaries or wages earned by a member during a payroll period for  
19 personal services, including overtime payments, and shall include wages  
20 and salaries deferred under provisions established pursuant to sections  
21 403(b), 414(h), and 457 of the United States internal revenue code~~((~~  
22 ~~but shall))~~. "Earnable compensation" for plan 1 and plan 2 members  
23 excludes lump sum payments for deferred annual sick leave, unused  
24 accumulated vacation, unused accumulated annual leave, or any form of  
25 severance pay, and teacher recognition grants authorized under section  
26 3 of this act.

27 "Earnable compensation" for plan 2 and plan 3 members also includes  
28 the following actual or imputed payments which, except in the case of  
29 (b)(ii)(B) of this subsection, are not paid for personal services:

30 (i) Retroactive payments to an individual by an employer on  
31 reinstatement of the employee in a position or payments by an employer  
32 to an individual in lieu of reinstatement in a position which are  
33 awarded or granted as the equivalent of the salary or wages which the  
34 individual would have earned during a payroll period shall be  
35 considered earnable compensation, to the extent provided above, and the  
36 individual shall receive the equivalent service credit.

37 (ii) In any year in which a member serves in the legislature the



1 member shall have the option of having such member's earnable  
2 compensation be the greater of:

3 (A) The earnable compensation the member would have received had  
4 such member not served in the legislature; or

5 (B) Such member's actual earnable compensation received for  
6 teaching and legislative service combined. Any additional  
7 contributions to the retirement system required because compensation  
8 earnable under (b)(ii)(A) of this subsection is greater than  
9 compensation earnable under (b)(ii)(B) of this subsection shall be paid  
10 by the member for both member and employer contributions.

11 (c) In calculating earnable compensation under (a) or (b) of this  
12 subsection, the department of retirement systems shall include:

13 (i) Any compensation forgone by a member employed by a state agency  
14 or institution during the 2009-2011 fiscal biennium as a result of  
15 reduced work hours, mandatory or voluntary leave without pay, temporary  
16 reduction in pay implemented prior to December 11, 2010, or temporary  
17 layoffs if the reduced compensation is an integral part of the  
18 employer's expenditure reduction efforts, as certified by the employer;  
19 and

20 (ii) Any compensation forgone by a member during the 2011-2013  
21 fiscal biennium as a result of reduced work hours, mandatory leave  
22 without pay, temporary layoffs, or reductions to current pay if the  
23 reduced compensation is an integral part of the employer's expenditure  
24 reduction efforts, as certified by the employer. Reductions to current  
25 pay shall not include elimination of previously agreed upon future  
26 salary reductions.

27 (15)(a) "Eligible position" for plan 2 members from June 7, 1990,  
28 through September 1, 1991, means a position which normally requires two  
29 or more uninterrupted months of creditable service during September  
30 through August of the following year.

31 (b) "Eligible position" for plan 2 and plan 3 on and after  
32 September 1, 1991, means a position that, as defined by the employer,  
33 normally requires five or more months of at least seventy hours of  
34 earnable compensation during September through August of the following  
35 year.

36 (c) For purposes of this chapter an employer shall not define  
37 "position" in such a manner that an employee's monthly work for that  
38 employer is divided into more than one position.

1 (d) The elected position of the superintendent of public  
2 instruction is an eligible position.

3 (16) "Employed" or "employee" means a person who is providing  
4 services for compensation to an employer, unless the person is free  
5 from the employer's direction and control over the performance of work.  
6 The department shall adopt rules and interpret this subsection  
7 consistent with common law.

8 (17) "Employer" means the state of Washington, the school district,  
9 or any agency of the state of Washington by which the member is paid.  
10 Except as otherwise specifically provided in this chapter, "employer"  
11 does not include a government contractor. For purposes of this  
12 subsection, a "government contractor" is any entity, including a  
13 partnership, limited liability company, for-profit or nonprofit  
14 corporation, or person, that provides services pursuant to a contract  
15 with an employer. The determination whether an employer-employee  
16 relationship has been established is not based on the relationship  
17 between a government contractor and an employer, but is based solely on  
18 the relationship between a government contractor's employee and an  
19 employer under this chapter.

20 (18) "Fiscal year" means a year which begins July 1st and ends June  
21 30th of the following year.

22 (19) "Former state fund" means the state retirement fund in  
23 operation for teachers under chapter 187, Laws of 1923, as amended.

24 (20) "Index" means, for any calendar year, that year's annual  
25 average consumer price index, Seattle, Washington area, for urban wage  
26 earners and clerical workers, all items compiled by the bureau of labor  
27 statistics, United States department of labor.

28 (21) "Index A" means the index for the year prior to the  
29 determination of a postretirement adjustment.

30 (22) "Index B" means the index for the year prior to index A.

31 (23) "Index year" means the earliest calendar year in which the  
32 index is more than sixty percent of index A.

33 (24) "Local fund" means any of the local retirement funds for  
34 teachers operated in any school district in accordance with the  
35 provisions of chapter 163, Laws of 1917 as amended.

36 (25) "Member" means any teacher included in the membership of the  
37 retirement system who has not been removed from membership under RCW  
38 41.32.878 or 41.32.768. Also, any other employee of the public schools

1 who, on July 1, 1947, had not elected to be exempt from membership and  
2 who, prior to that date, had by an authorized payroll deduction,  
3 contributed to the member reserve.

4 (26) "Member account" or "member's account" for purposes of plan 3  
5 means the sum of the contributions and earnings on behalf of the member  
6 in the defined contribution portion of plan 3.

7 (27) "Member reserve" means the fund in which all of the  
8 accumulated contributions of members are held.

9 (28) "Membership service" means service rendered subsequent to the  
10 first day of eligibility of a person to membership in the retirement  
11 system: PROVIDED, That where a member is employed by two or more  
12 employers the individual shall receive no more than one service credit  
13 month during any calendar month in which multiple service is rendered.  
14 The provisions of this subsection shall apply only to plan 1 members.

15 (29) "Pension" means the moneys payable per year during life from  
16 the pension reserve.

17 (30) "Pension reserve" is a fund in which shall be accumulated an  
18 actuarial reserve adequate to meet present and future pension  
19 liabilities of the system and from which all pension obligations are to  
20 be paid.

21 (31) "Plan 1" means the teachers' retirement system, plan 1  
22 providing the benefits and funding provisions covering persons who  
23 first became members of the system prior to October 1, 1977.

24 (32) "Plan 2" means the teachers' retirement system, plan 2  
25 providing the benefits and funding provisions covering persons who  
26 first became members of the system on and after October 1, 1977, and  
27 prior to July 1, 1996.

28 (33) "Plan 3" means the teachers' retirement system, plan 3  
29 providing the benefits and funding provisions covering persons who  
30 first become members of the system on and after July 1, 1996, or who  
31 transfer under RCW 41.32.817.

32 (34) "Prior service" means service rendered prior to the first date  
33 of eligibility to membership in the retirement system for which credit  
34 is allowable. The provisions of this subsection shall apply only to  
35 plan 1 members.

36 (35) "Prior service contributions" means contributions made by a  
37 member to secure credit for prior service. The provisions of this  
38 subsection shall apply only to plan 1 members.

1 (36) "Public school" means any institution or activity operated by  
2 the state of Washington or any instrumentality or political subdivision  
3 thereof employing teachers, except the University of Washington and  
4 Washington State University.

5 (37) "Regular contributions" means the amounts required to be  
6 deducted from the compensation of a member and credited to the member's  
7 individual account in the member reserve. This subsection shall apply  
8 only to plan 1 members.

9 (38) "Regular interest" means such rate as the director may  
10 determine.

11 (39) "Retiree" means any person who has begun accruing a retirement  
12 allowance or other benefit provided by this chapter resulting from  
13 service rendered to an employer while a member.

14 (40)(a) "Retirement allowance" for plan 1 members, means monthly  
15 payments based on the sum of annuity and pension, or any optional  
16 benefits payable in lieu thereof.

17 (b) "Retirement allowance" for plan 2 and plan 3 members, means  
18 monthly payments to a retiree or beneficiary as provided in this  
19 chapter.

20 (41) "Retirement system" means the Washington state teachers'  
21 retirement system.

22 (42) "Separation from service or employment" occurs when a person  
23 has terminated all employment with an employer. Separation from  
24 service or employment does not occur, and if claimed by an employer or  
25 employee may be a violation of RCW 41.32.055, when an employee and  
26 employer have a written or oral agreement to resume employment with the  
27 same employer following termination. Mere expressions or inquiries  
28 about postretirement employment by an employer or employee that do not  
29 constitute a commitment to reemploy the employee after retirement are  
30 not an agreement under this section.

31 (43)(a) "Service" for plan 1 members means the time during which a  
32 member has been employed by an employer for compensation.

33 (i) If a member is employed by two or more employers the individual  
34 shall receive no more than one service credit month during any calendar  
35 month in which multiple service is rendered.

36 (ii) As authorized by RCW 28A.400.300, up to forty-five days of  
37 sick leave may be creditable as service solely for the purpose of  
38 determining eligibility to retire under RCW 41.32.470.

1 (iii) As authorized in RCW 41.32.065, service earned in an out-of-  
2 state retirement system that covers teachers in public schools may be  
3 applied solely for the purpose of determining eligibility to retire  
4 under RCW 41.32.470.

5 (b) "Service" for plan 2 and plan 3 members, means periods of  
6 employment by a member for one or more employers for which earnable  
7 compensation is earned subject to the following conditions:

8 (i) A member employed in an eligible position or as a substitute  
9 shall receive one service credit month for each month of September  
10 through August of the following year if he or she earns earnable  
11 compensation for eight hundred ten or more hours during that period and  
12 is employed during nine of those months, except that a member may not  
13 receive credit for any period prior to the member's employment in an  
14 eligible position except as provided in RCW 41.32.812 and 41.50.132.

15 (ii) Any other member employed in an eligible position or as a  
16 substitute who earns earnable compensation during the period from  
17 September through August shall receive service credit according to one  
18 of the following methods, whichever provides the most service credit to  
19 the member:

20 (A) If a member is employed either in an eligible position or as a  
21 substitute teacher for nine months of the twelve month period between  
22 September through August of the following year but earns earnable  
23 compensation for less than eight hundred ten hours but for at least six  
24 hundred thirty hours, he or she will receive one-half of a service  
25 credit month for each month of the twelve month period;

26 (B) If a member is employed in an eligible position or as a  
27 substitute teacher for at least five months of a six-month period  
28 between September through August of the following year and earns  
29 earnable compensation for six hundred thirty or more hours within the  
30 six-month period, he or she will receive a maximum of six service  
31 credit months for the school year, which shall be recorded as one  
32 service credit month for each month of the six-month period;

33 (C) All other members employed in an eligible position or as a  
34 substitute teacher shall receive service credit as follows:

35 (I) A service credit month is earned in those calendar months where  
36 earnable compensation is earned for ninety or more hours;

37 (II) A half-service credit month is earned in those calendar months

1 where earnable compensation is earned for at least seventy hours but  
2 less than ninety hours; and

3 (III) A quarter-service credit month is earned in those calendar  
4 months where earnable compensation is earned for less than seventy  
5 hours.

6 (iii) Any person who is a member of the teachers' retirement system  
7 and who is elected or appointed to a state elective position may  
8 continue to be a member of the retirement system and continue to  
9 receive a service credit month for each of the months in a state  
10 elective position by making the required member contributions.

11 (iv) When an individual is employed by two or more employers the  
12 individual shall only receive one month's service credit during any  
13 calendar month in which multiple service for ninety or more hours is  
14 rendered.

15 (v) As authorized by RCW 28A.400.300, up to forty-five days of sick  
16 leave may be creditable as service solely for the purpose of  
17 determining eligibility to retire under RCW 41.32.470. For purposes of  
18 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal  
19 to two service credit months. Use of less than forty-five days of sick  
20 leave is creditable as allowed under this subsection as follows:

21 (A) Less than eleven days equals one-quarter service credit month;

22 (B) Eleven or more days but less than twenty-two days equals one-  
23 half service credit month;

24 (C) Twenty-two days equals one service credit month;

25 (D) More than twenty-two days but less than thirty-three days  
26 equals one and one-quarter service credit month;

27 (E) Thirty-three or more days but less than forty-five days equals  
28 one and one-half service credit month.

29 (vi) As authorized in RCW 41.32.065, service earned in an out-of-  
30 state retirement system that covers teachers in public schools may be  
31 applied solely for the purpose of determining eligibility to retire  
32 under RCW 41.32.470.

33 (vii) The department shall adopt rules implementing this  
34 subsection.

35 (44) "Service credit month" means a full service credit month or an  
36 accumulation of partial service credit months that are equal to one.

37 (45) "Service credit year" means an accumulation of months of  
38 service credit which is equal to one when divided by twelve.

1 (46) "State actuary" or "actuary" means the person appointed  
2 pursuant to RCW 44.44.010(2).

3 (47) "State elective position" means any position held by any  
4 person elected or appointed to statewide office or elected or appointed  
5 as a member of the legislature.

6 (48) "Substitute teacher" means:

7 (a) A teacher who is hired by an employer to work as a temporary  
8 teacher, except for teachers who are annual contract employees of an  
9 employer and are guaranteed a minimum number of hours; or

10 (b) Teachers who either (i) work in ineligible positions for more  
11 than one employer or (ii) work in an ineligible position or positions  
12 together with an eligible position.

13 (49) "Teacher" means any person qualified to teach who is engaged  
14 by a public school in an instructional, administrative, or supervisory  
15 capacity. The term includes state, educational service district, and  
16 school district superintendents and their assistants and all employees  
17 certificated by the superintendent of public instruction; and in  
18 addition thereto any full time school doctor who is employed by a  
19 public school and renders service of an instructional or educational  
20 nature.

21 **Sec. 7.** RCW 41.35.010 and 2012 c 236 s 4 are each amended to read  
22 as follows:

23 The definitions in this section apply throughout this chapter,  
24 unless the context clearly requires otherwise.

25 (1) "Accumulated contributions" means the sum of all contributions  
26 standing to the credit of a member in the member's individual account,  
27 including any amount paid under RCW 41.50.165(2), together with the  
28 regular interest thereon.

29 (2) "Actuarial equivalent" means a benefit of equal value when  
30 computed upon the basis of such mortality and other tables as may be  
31 adopted by the director.

32 (3) "Adjustment ratio" means the value of index A divided by index  
33 B.

34 (4) "Annuity" means payments for life derived from accumulated  
35 contributions of a member. All annuities shall be paid in monthly  
36 installments.

1 (5)(a) "Average final compensation" for plan 2 and plan 3 members  
2 means the member's average compensation earnable of the highest  
3 consecutive sixty months of service credit months prior to such  
4 member's retirement, termination, or death. Periods constituting  
5 authorized leaves of absence may not be used in the calculation of  
6 average final compensation except under RCW 41.40.710(2).

7 (b) In calculating average final compensation under (a) of this  
8 subsection, the department of retirement systems shall include any  
9 compensation forgone by a member during the 2011-2013 fiscal biennium  
10 as a result of reduced work hours, mandatory leave without pay,  
11 temporary layoffs, or reductions to current pay if the reduced  
12 compensation is an integral part of the employer's expenditure  
13 reduction efforts, as certified by the employer. Reductions to current  
14 pay shall not include elimination of previously agreed upon future  
15 salary reductions.

16 (6) "Beneficiary" for plan 2 and plan 3 members means any person in  
17 receipt of a retirement allowance or other benefit provided by this  
18 chapter resulting from service rendered to an employer by another  
19 person.

20 (7) "Classified employee" means an employee of a school district or  
21 an educational service district who is not eligible for membership in  
22 the teachers' retirement system established under chapter 41.32 RCW.

23 (8)(a) "Compensation earnable" for plan 2 and plan 3 members, means  
24 salaries or wages earned by a member during a payroll period for  
25 personal services, including overtime payments, and shall include wages  
26 and salaries deferred under provisions established pursuant to sections  
27 403(b), 414(h), and 457 of the United States internal revenue code(~~(~~  
28 ~~but shall~~)). "Compensation earnable" for plan 2 and plan 3 members  
29 excludes nonmoney maintenance compensation and lump sum or other  
30 payments for deferred annual sick leave(~~(~~); unused accumulated  
31 vacation(~~(~~); unused accumulated annual leave(~~(~~~~or~~)); any form of  
32 severance pay; or teacher recognition grants authorized under section  
33 3 of this act.

34 (b) "Compensation earnable" for plan 2 and plan 3 members also  
35 includes the following actual or imputed payments, which are not paid  
36 for personal services:

37 (i) Retroactive payments to an individual by an employer on  
38 reinstatement of the employee in a position, or payments by an employer



1 to an individual in lieu of reinstatement, which are awarded or granted  
2 as the equivalent of the salary or wage which the individual would have  
3 earned during a payroll period shall be considered compensation  
4 earnable to the extent provided in this subsection, and the individual  
5 shall receive the equivalent service credit;

6 (ii) In any year in which a member serves in the legislature, the  
7 member shall have the option of having such member's compensation  
8 earnable be the greater of:

9 (A) The compensation earnable the member would have received had  
10 such member not served in the legislature; or

11 (B) Such member's actual compensation earnable received for  
12 nonlegislative public employment and legislative service combined. Any  
13 additional contributions to the retirement system required because  
14 compensation earnable under (b)(ii)(A) of this subsection is greater  
15 than compensation earnable under this (b)(ii)(B) of this subsection  
16 shall be paid by the member for both member and employer contributions;

17 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,  
18 and 72.09.240;

19 (iv) Compensation that a member would have received but for a  
20 disability occurring in the line of duty only as authorized by RCW  
21 41.40.038;

22 (v) Compensation that a member receives due to participation in the  
23 leave sharing program only as authorized by RCW 41.04.650 through  
24 41.04.670; and

25 (vi) Compensation that a member receives for being in standby  
26 status. For the purposes of this section, a member is in standby  
27 status when not being paid for time actually worked and the employer  
28 requires the member to be prepared to report immediately for work, if  
29 the need arises, although the need may not arise.

30 (9) "Department" means the department of retirement systems created  
31 in chapter 41.50 RCW.

32 (10) "Director" means the director of the department.

33 (11) "Eligible position" means any position that, as defined by the  
34 employer, normally requires five or more months of service a year for  
35 which regular compensation for at least seventy hours is earned by the  
36 occupant thereof. For purposes of this chapter an employer shall not  
37 define "position" in such a manner that an employee's monthly work for  
38 that employer is divided into more than one position.

1 (12) "Employee" or "employed" means a person who is providing  
2 services for compensation to an employer, unless the person is free  
3 from the employer's direction and control over the performance of work.  
4 The department shall adopt rules and interpret this subsection  
5 consistent with common law.

6 (13) "Employer," for plan 2 and plan 3 members, means a school  
7 district or an educational service district. Except as otherwise  
8 specifically provided in this chapter, "employer" does not include a  
9 government contractor. For purposes of this subsection, a "government  
10 contractor" is any entity, including a partnership, limited liability  
11 company, for-profit or nonprofit corporation, or person, that provides  
12 services pursuant to a contract with an employer. The determination  
13 whether an employer-employee relationship has been established is not  
14 based on the relationship between a government contractor and an  
15 employer, but is based solely on the relationship between a government  
16 contractor's employee and an employer under this chapter.

17 (14) "Final compensation" means the annual rate of compensation  
18 earnable by a member at the time of termination of employment.

19 (15) "Index" means, for any calendar year, that year's annual  
20 average consumer price index, Seattle, Washington area, for urban wage  
21 earners and clerical workers, all items, compiled by the bureau of  
22 labor statistics, United States department of labor.

23 (16) "Index A" means the index for the year prior to the  
24 determination of a postretirement adjustment.

25 (17) "Index B" means the index for the year prior to index A.

26 (18) "Ineligible position" means any position which does not  
27 conform with the requirements set forth in subsection (22) of this  
28 section.

29 (19) "Leave of absence" means the period of time a member is  
30 authorized by the employer to be absent from service without being  
31 separated from membership.

32 (20) "Member" means any employee included in the membership of the  
33 retirement system, as provided for in RCW 41.35.030.

34 (21) "Member account" or "member's account" for purposes of plan 3  
35 means the sum of the contributions and earnings on behalf of the member  
36 in the defined contribution portion of plan 3.

37 (22) "Membership service" means all service rendered as a member.

1 (23) "Pension" means payments for life derived from contributions  
2 made by the employer. All pensions shall be paid in monthly  
3 installments.

4 (24) "Plan 2" means the Washington school employees' retirement  
5 system plan 2 providing the benefits and funding provisions covering  
6 persons who first became members of the public employees' retirement  
7 system on and after October 1, 1977, and transferred to the Washington  
8 school employees' retirement system under RCW 41.40.750.

9 (25) "Plan 3" means the Washington school employees' retirement  
10 system plan 3 providing the benefits and funding provisions covering  
11 persons who first became members of the system on and after September  
12 1, 2000, or who transfer from plan 2 under RCW 41.35.510.

13 (26) "Regular interest" means such rate as the director may  
14 determine.

15 (27) "Retiree" means any person who has begun accruing a retirement  
16 allowance or other benefit provided by this chapter resulting from  
17 service rendered to an employer while a member.

18 (28) "Retirement" means withdrawal from active service with a  
19 retirement allowance as provided by this chapter.

20 (29) "Retirement allowance" for plan 2 and plan 3 members means  
21 monthly payments to a retiree or beneficiary as provided in this  
22 chapter.

23 (30) "Retirement system" means the Washington school employees'  
24 retirement system provided for in this chapter.

25 (31) "Separation from service" occurs when a person has terminated  
26 all employment with an employer.

27 (32) "Service" for plan 2 and plan 3 members means periods of  
28 employment by a member in an eligible position or positions for one or  
29 more employers for which compensation earnable is paid. Compensation  
30 earnable earned for ninety or more hours in any calendar month shall  
31 constitute one service credit month except as provided in RCW  
32 41.35.180. Compensation earnable earned for at least seventy hours but  
33 less than ninety hours in any calendar month shall constitute one-half  
34 service credit month of service. Compensation earnable earned for less  
35 than seventy hours in any calendar month shall constitute one-quarter  
36 service credit month of service. Time spent in standby status, whether  
37 compensated or not, is not service.

1 Any fraction of a year of service shall be taken into account in  
2 the computation of such retirement allowance or benefits.

3 (a) Service in any state elective position shall be deemed to be  
4 full-time service.

5 (b) A member shall receive a total of not more than twelve service  
6 credit months of service for such calendar year. If an individual is  
7 employed in an eligible position by one or more employers the  
8 individual shall receive no more than one service credit month during  
9 any calendar month in which multiple service for ninety or more hours  
10 is rendered.

11 (c) For purposes of plan 2 and 3 "forty-five days" as used in RCW  
12 28A.400.300 is equal to two service credit months. Use of less than  
13 forty-five days of sick leave is creditable as allowed under this  
14 subsection as follows:

15 (i) Less than eleven days equals one-quarter service credit month;

16 (ii) Eleven or more days but less than twenty-two days equals one-  
17 half service credit month;

18 (iii) Twenty-two days equals one service credit month;

19 (iv) More than twenty-two days but less than thirty-three days  
20 equals one and one-quarter service credit month; and

21 (v) Thirty-three or more days but less than forty-five days equals  
22 one and one-half service credit month.

23 (33) "Service credit month" means a month or an accumulation of  
24 months of service credit which is equal to one.

25 (34) "Service credit year" means an accumulation of months of  
26 service credit which is equal to one when divided by twelve.

27 (35) "State actuary" or "actuary" means the person appointed  
28 pursuant to RCW 44.44.010(2).

29 (36) "State elective position" means any position held by any  
30 person elected or appointed to statewide office or elected or appointed  
31 as a member of the legislature.

32 (37) "State treasurer" means the treasurer of the state of  
33 Washington.

34 (38) "Substitute employee" means a classified employee who is  
35 employed by an employer exclusively as a substitute for an absent  
36 employee.

1       **Sec. 8.** RCW 41.40.010 and 2012 c 236 s 6 are each amended to read  
2 as follows:

3       As used in this chapter, unless a different meaning is plainly  
4 required by the context:

5       (1) "Accumulated contributions" means the sum of all contributions  
6 standing to the credit of a member in the member's individual account,  
7 including any amount paid under RCW 41.50.165(2), together with the  
8 regular interest thereon.

9       (2) "Actuarial equivalent" means a benefit of equal value when  
10 computed upon the basis of such mortality and other tables as may be  
11 adopted by the director.

12       (3) "Adjustment ratio" means the value of index A divided by index  
13 B.

14       (4) "Annual increase" means, initially, fifty-nine cents per month  
15 per year of service which amount shall be increased each July 1st by  
16 three percent, rounded to the nearest cent.

17       (5) "Annuity" means payments for life derived from accumulated  
18 contributions of a member. All annuities shall be paid in monthly  
19 installments.

20       (6)(a) "Average final compensation" for plan 1 members, means the  
21 annual average of the greatest compensation earnable by a member during  
22 any consecutive two year period of service credit months for which  
23 service credit is allowed; or if the member has less than two years of  
24 service credit months then the annual average compensation earnable  
25 during the total years of service for which service credit is allowed.

26       (b) "Average final compensation" for plan 2 and plan 3 members,  
27 means the member's average compensation earnable of the highest  
28 consecutive sixty months of service credit months prior to such  
29 member's retirement, termination, or death. Periods constituting  
30 authorized leaves of absence may not be used in the calculation of  
31 average final compensation except under RCW 41.40.710(2) or (c) of this  
32 subsection.

33       (c) In calculating average final compensation under this subsection  
34 for a member of plan 1, 2, or 3, the department of retirement systems  
35 shall include:

36       (i) Any compensation forgone by the member during the 2009-2011  
37 fiscal biennium as a result of reduced work hours, voluntary leave  
38 without pay, temporary reduction in pay implemented prior to December

1 11, 2010, or temporary furloughs if the reduced compensation is an  
2 integral part of the employer's expenditure reduction efforts, as  
3 certified by the employer; and

4 (ii) Any compensation forgone by a member employed by the state or  
5 a local government during the 2011-2013 fiscal biennium as a result of  
6 reduced work hours, mandatory leave without pay, temporary layoffs, or  
7 reductions to current pay if the reduced compensation is an integral  
8 part of the employer's expenditure reduction efforts, as certified by  
9 the employer. Reductions to current pay shall not include elimination  
10 of previously agreed upon future salary increases.

11 (7)(a) "Beneficiary" for plan 1 members, means any person in  
12 receipt of a retirement allowance, pension or other benefit provided by  
13 this chapter.

14 (b) "Beneficiary" for plan 2 and plan 3 members, means any person  
15 in receipt of a retirement allowance or other benefit provided by this  
16 chapter resulting from service rendered to an employer by another  
17 person.

18 (8)(a) "Compensation earnable" for plan 1 members, means salaries  
19 or wages earned during a payroll period for personal services and where  
20 the compensation is not all paid in money, maintenance compensation  
21 shall be included upon the basis of the schedules established by the  
22 member's employer.

23 (i) "Compensation earnable" for plan 1 members also includes the  
24 following actual or imputed payments, which are not paid for personal  
25 services:

26 (A) Retroactive payments to an individual by an employer on  
27 reinstatement of the employee in a position, or payments by an employer  
28 to an individual in lieu of reinstatement in a position which are  
29 awarded or granted as the equivalent of the salary or wage which the  
30 individual would have earned during a payroll period shall be  
31 considered compensation earnable and the individual shall receive the  
32 equivalent service credit;

33 (B) If a leave of absence is taken by an individual for the purpose  
34 of serving in the state legislature, the salary which would have been  
35 received for the position from which the leave of absence was taken,  
36 shall be considered as compensation earnable if the employee's  
37 contribution is paid by the employee and the employer's contribution is  
38 paid by the employer or employee;

1 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and  
2 72.09.240;

3 (D) Compensation that a member would have received but for a  
4 disability occurring in the line of duty only as authorized by RCW  
5 41.40.038;

6 (E) Compensation that a member receives due to participation in the  
7 leave sharing program only as authorized by RCW 41.04.650 through  
8 41.04.670; and

9 (F) Compensation that a member receives for being in standby  
10 status. For the purposes of this section, a member is in standby  
11 status when not being paid for time actually worked and the employer  
12 requires the member to be prepared to report immediately for work, if  
13 the need arises, although the need may not arise.

14 (ii) "Compensation earnable" does not include:

15 (A) Remuneration for unused sick leave authorized under RCW  
16 41.04.340, 28A.400.210, or 28A.310.490;

17 (B) Remuneration for unused annual leave in excess of thirty days  
18 as authorized by RCW 43.01.044 and 43.01.041; or

19 (C) Teacher recognition grants authorized under section 3 of this  
20 act.

21 (b) "Compensation earnable" for plan 2 and plan 3 members, means  
22 salaries or wages earned by a member during a payroll period for  
23 personal services, including overtime payments, and shall include wages  
24 and salaries deferred under provisions established pursuant to sections  
25 403(b), 414(h), and 457 of the United States internal revenue code~~((but shall))~~. "Compensation earnable" for plan 2 and plan 3 members  
26 excludes nonmoney maintenance compensation ((and)), lump sum or other  
27 payments for deferred annual sick leave, unused accumulated vacation,  
28 unused accumulated annual leave, or any form of severance pay, and  
29 teacher recognition grants authorized under section 3 of this act.

30 "Compensation earnable" for plan 2 and plan 3 members also includes  
31 the following actual or imputed payments, which are not paid for  
32 personal services:  
33

34 (i) Retroactive payments to an individual by an employer on  
35 reinstatement of the employee in a position, or payments by an employer  
36 to an individual in lieu of reinstatement in a position which are  
37 awarded or granted as the equivalent of the salary or wage which the

1 individual would have earned during a payroll period shall be  
2 considered compensation earnable to the extent provided above, and the  
3 individual shall receive the equivalent service credit;

4 (ii) In any year in which a member serves in the legislature, the  
5 member shall have the option of having such member's compensation  
6 earnable be the greater of:

7 (A) The compensation earnable the member would have received had  
8 such member not served in the legislature; or

9 (B) Such member's actual compensation earnable received for  
10 nonlegislative public employment and legislative service combined. Any  
11 additional contributions to the retirement system required because  
12 compensation earnable under (b)(ii)(A) of this subsection is greater  
13 than compensation earnable under (b)(ii)(B) of this subsection shall be  
14 paid by the member for both member and employer contributions;

15 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,  
16 and 72.09.240;

17 (iv) Compensation that a member would have received but for a  
18 disability occurring in the line of duty only as authorized by RCW  
19 41.40.038;

20 (v) Compensation that a member receives due to participation in the  
21 leave sharing program only as authorized by RCW 41.04.650 through  
22 41.04.670; and

23 (vi) Compensation that a member receives for being in standby  
24 status. For the purposes of this section, a member is in standby  
25 status when not being paid for time actually worked and the employer  
26 requires the member to be prepared to report immediately for work, if  
27 the need arises, although the need may not arise.

28 (9) "Department" means the department of retirement systems created  
29 in chapter 41.50 RCW.

30 (10) "Director" means the director of the department.

31 (11) "Eligible position" means:

32 (a) Any position that, as defined by the employer, normally  
33 requires five or more months of service a year for which regular  
34 compensation for at least seventy hours is earned by the occupant  
35 thereof. For purposes of this chapter an employer shall not define  
36 "position" in such a manner that an employee's monthly work for that  
37 employer is divided into more than one position;



1 (b) Any position occupied by an elected official or person  
2 appointed directly by the governor, or appointed by the chief justice  
3 of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which  
4 compensation is paid.

5 (12) "Employee" or "employed" means a person who is providing  
6 services for compensation to an employer, unless the person is free  
7 from the employer's direction and control over the performance of work.  
8 The department shall adopt rules and interpret this subsection  
9 consistent with common law.

10 (13)(a) "Employer" for plan 1 members, means every branch,  
11 department, agency, commission, board, and office of the state, any  
12 political subdivision or association of political subdivisions of the  
13 state admitted into the retirement system, and legal entities  
14 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the  
15 term shall also include any labor guild, association, or organization  
16 the membership of a local lodge or division of which is comprised of at  
17 least forty percent employees of an employer (other than such labor  
18 guild, association, or organization) within this chapter. The term may  
19 also include any city of the first class that has its own retirement  
20 system.

21 (b) "Employer" for plan 2 and plan 3 members, means every branch,  
22 department, agency, commission, board, and office of the state, and any  
23 political subdivision and municipal corporation of the state admitted  
24 into the retirement system, including public agencies created pursuant  
25 to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August  
26 31, 2000, school districts and educational service districts will no  
27 longer be employers for the public employees' retirement system plan 2.

28 (c) Except as otherwise specifically provided in this chapter,  
29 "employer" does not include a government contractor. For purposes of  
30 this subsection, a "government contractor" is any entity, including a  
31 partnership, limited liability company, for-profit or nonprofit  
32 corporation, or person, that provides services pursuant to a contract  
33 with an "employer." The determination whether an employer-employee  
34 relationship has been established is not based on the relationship  
35 between a government contractor and an "employer," but is based solely  
36 on the relationship between a government contractor's employee and an  
37 "employer" under this chapter.

1 (14) "Final compensation" means the annual rate of compensation  
2 earnable by a member at the time of termination of employment.

3 (15) "Index" means, for any calendar year, that year's annual  
4 average consumer price index, Seattle, Washington area, for urban wage  
5 earners and clerical workers, all items, compiled by the bureau of  
6 labor statistics, United States department of labor.

7 (16) "Index A" means the index for the year prior to the  
8 determination of a postretirement adjustment.

9 (17) "Index B" means the index for the year prior to index A.

10 (18) "Index year" means the earliest calendar year in which the  
11 index is more than sixty percent of index A.

12 (19) "Ineligible position" means any position which does not  
13 conform with the requirements set forth in subsection (11) of this  
14 section.

15 (20) "Leave of absence" means the period of time a member is  
16 authorized by the employer to be absent from service without being  
17 separated from membership.

18 (21) "Member" means any employee included in the membership of the  
19 retirement system, as provided for in RCW 41.40.023. RCW 41.26.045  
20 does not prohibit a person otherwise eligible for membership in the  
21 retirement system from establishing such membership effective when he  
22 or she first entered an eligible position.

23 (22) "Member account" or "member's account" for purposes of plan 3  
24 means the sum of the contributions and earnings on behalf of the member  
25 in the defined contribution portion of plan 3.

26 (23) "Membership service" means:

27 (a) All service rendered, as a member, after October 1, 1947;

28 (b) All service after October 1, 1947, to any employer prior to the  
29 time of its admission into the retirement system for which member and  
30 employer contributions, plus interest as required by RCW 41.50.125,  
31 have been paid under RCW 41.40.056 or 41.40.057;

32 (c) Service not to exceed six consecutive months of probationary  
33 service rendered after April 1, 1949, and prior to becoming a member,  
34 in the case of any member, upon payment in full by such member of the  
35 total amount of the employer's contribution to the retirement fund  
36 which would have been required under the law in effect when such  
37 probationary service was rendered if the member had been a member

1 during such period, except that the amount of the employer's  
2 contribution shall be calculated by the director based on the first  
3 month's compensation earnable as a member;

4 (d) Service not to exceed six consecutive months of probationary  
5 service, rendered after October 1, 1947, and before April 1, 1949, and  
6 prior to becoming a member, in the case of any member, upon payment in  
7 full by such member of five percent of such member's salary during said  
8 period of probationary service, except that the amount of the  
9 employer's contribution shall be calculated by the director based on  
10 the first month's compensation earnable as a member.

11 (24) "New member" means a person who becomes a member on or after  
12 April 1, 1949, except as otherwise provided in this section.

13 (25) "Original member" of this retirement system means:

14 (a) Any person who became a member of the system prior to April 1,  
15 1949;

16 (b) Any person who becomes a member through the admission of an  
17 employer into the retirement system on and after April 1, 1949, and  
18 prior to April 1, 1951;

19 (c) Any person who first becomes a member by securing employment  
20 with an employer prior to April 1, 1951, provided the member has  
21 rendered at least one or more years of service to any employer prior to  
22 October 1, 1947;

23 (d) Any person who first becomes a member through the admission of  
24 an employer into the retirement system on or after April 1, 1951,  
25 provided, such person has been in the regular employ of the employer  
26 for at least six months of the twelve-month period preceding the said  
27 admission date;

28 (e) Any member who has restored all contributions that may have  
29 been withdrawn as provided by RCW 41.40.150 and who on the effective  
30 date of the individual's retirement becomes entitled to be credited  
31 with ten years or more of membership service except that the provisions  
32 relating to the minimum amount of retirement allowance for the member  
33 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
34 apply to the member;

35 (f) Any member who has been a contributor under the system for two  
36 or more years and who has restored all contributions that may have been  
37 withdrawn as provided by RCW 41.40.150 and who on the effective date of  
38 the individual's retirement has rendered five or more years of service

1 for the state or any political subdivision prior to the time of the  
2 admission of the employer into the system; except that the provisions  
3 relating to the minimum amount of retirement allowance for the member  
4 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
5 apply to the member.

6 (26) "Pension" means payments for life derived from contributions  
7 made by the employer. All pensions shall be paid in monthly  
8 installments.

9 (27) "Plan 1" means the public employees' retirement system, plan  
10 1 providing the benefits and funding provisions covering persons who  
11 first became members of the system prior to October 1, 1977.

12 (28) "Plan 2" means the public employees' retirement system, plan  
13 2 providing the benefits and funding provisions covering persons who  
14 first became members of the system on and after October 1, 1977, and  
15 are not included in plan 3.

16 (29) "Plan 3" means the public employees' retirement system, plan  
17 3 providing the benefits and funding provisions covering persons who:

18 (a) First become a member on or after:

19 (i) March 1, 2002, and are employed by a state agency or institute  
20 of higher education and who did not choose to enter plan 2; or

21 (ii) September 1, 2002, and are employed by other than a state  
22 agency or institute of higher education and who did not choose to enter  
23 plan 2; or

24 (b) Transferred to plan 3 under RCW 41.40.795.

25 (30) "Prior service" means all service of an original member  
26 rendered to any employer prior to October 1, 1947.

27 (31) "Regular interest" means such rate as the director may  
28 determine.

29 (32) "Retiree" means any person who has begun accruing a retirement  
30 allowance or other benefit provided by this chapter resulting from  
31 service rendered to an employer while a member.

32 (33) "Retirement" means withdrawal from active service with a  
33 retirement allowance as provided by this chapter.

34 (34) "Retirement allowance" means the sum of the annuity and the  
35 pension.

36 (35) "Retirement system" means the public employees' retirement  
37 system provided for in this chapter.

1 (36) "Separation from service" occurs when a person has terminated  
2 all employment with an employer. Separation from service or employment  
3 does not occur, and if claimed by an employer or employee may be a  
4 violation of RCW 41.40.055, when an employee and employer have a  
5 written or oral agreement to resume employment with the same employer  
6 following termination. Mere expressions or inquiries about  
7 postretirement employment by an employer or employee that do not  
8 constitute a commitment to reemploy the employee after retirement are  
9 not an agreement under this subsection.

10 (37)(a) "Service" for plan 1 members, except as provided in RCW  
11 41.40.088, means periods of employment in an eligible position or  
12 positions for one or more employers rendered to any employer for which  
13 compensation is paid, and includes time spent in office as an elected  
14 or appointed official of an employer. Compensation earnable earned in  
15 full time work for seventy hours or more in any given calendar month  
16 shall constitute one service credit month except as provided in RCW  
17 41.40.088. Compensation earnable earned for less than seventy hours in  
18 any calendar month shall constitute one-quarter service credit month of  
19 service except as provided in RCW 41.40.088. Only service credit  
20 months and one-quarter service credit months shall be counted in the  
21 computation of any retirement allowance or other benefit provided for  
22 in this chapter. Any fraction of a year of service shall be taken into  
23 account in the computation of such retirement allowance or benefits.  
24 Time spent in standby status, whether compensated or not, is not  
25 service.

26 (i) Service by a state employee officially assigned by the state on  
27 a temporary basis to assist another public agency, shall be considered  
28 as service as a state employee: PROVIDED, That service to any other  
29 public agency shall not be considered service as a state employee if  
30 such service has been used to establish benefits in any other public  
31 retirement system.

32 (ii) An individual shall receive no more than a total of twelve  
33 service credit months of service during any calendar year. If an  
34 individual is employed in an eligible position by one or more employers  
35 the individual shall receive no more than one service credit month  
36 during any calendar month in which multiple service for seventy or more  
37 hours is rendered.

1 (iii) A school district employee may count up to forty-five days of  
2 sick leave as creditable service solely for the purpose of determining  
3 eligibility to retire under RCW 41.40.180 as authorized by RCW  
4 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW  
5 28A.400.300 is equal to two service credit months. Use of less than  
6 forty-five days of sick leave is creditable as allowed under this  
7 subsection as follows:

8 (A) Less than twenty-two days equals one-quarter service credit  
9 month;

10 (B) Twenty-two days equals one service credit month;

11 (C) More than twenty-two days but less than forty-five days equals  
12 one and one-quarter service credit month.

13 (b) "Service" for plan 2 and plan 3 members, means periods of  
14 employment by a member in an eligible position or positions for one or  
15 more employers for which compensation earnable is paid. Compensation  
16 earnable earned for ninety or more hours in any calendar month shall  
17 constitute one service credit month except as provided in RCW  
18 41.40.088. Compensation earnable earned for at least seventy hours but  
19 less than ninety hours in any calendar month shall constitute one-half  
20 service credit month of service. Compensation earnable earned for less  
21 than seventy hours in any calendar month shall constitute one-quarter  
22 service credit month of service. Time spent in standby status, whether  
23 compensated or not, is not service.

24 Any fraction of a year of service shall be taken into account in  
25 the computation of such retirement allowance or benefits.

26 (i) Service in any state elective position shall be deemed to be  
27 full time service, except that persons serving in state elective  
28 positions who are members of the Washington school employees'  
29 retirement system, teachers' retirement system, public safety  
30 employees' retirement system, or law enforcement officers' and  
31 firefighters' retirement system at the time of election or appointment  
32 to such position may elect to continue membership in the Washington  
33 school employees' retirement system, teachers' retirement system,  
34 public safety employees' retirement system, or law enforcement  
35 officers' and firefighters' retirement system.

36 (ii) A member shall receive a total of not more than twelve service  
37 credit months of service for such calendar year. If an individual is  
38 employed in an eligible position by one or more employers the

1 individual shall receive no more than one service credit month during  
2 any calendar month in which multiple service for ninety or more hours  
3 is rendered.

4 (iii) Up to forty-five days of sick leave may be creditable as  
5 service solely for the purpose of determining eligibility to retire  
6 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of  
7 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal  
8 to two service credit months. Use of less than forty-five days of sick  
9 leave is creditable as allowed under this subsection as follows:

10 (A) Less than eleven days equals one-quarter service credit month;

11 (B) Eleven or more days but less than twenty-two days equals one-  
12 half service credit month;

13 (C) Twenty-two days equals one service credit month;

14 (D) More than twenty-two days but less than thirty-three days  
15 equals one and one-quarter service credit month;

16 (E) Thirty-three or more days but less than forty-five days equals  
17 one and one-half service credit month.

18 (38) "Service credit month" means a month or an accumulation of  
19 months of service credit which is equal to one.

20 (39) "Service credit year" means an accumulation of months of  
21 service credit which is equal to one when divided by twelve.

22 (40) "State actuary" or "actuary" means the person appointed  
23 pursuant to RCW 44.44.010(2).

24 (41) "State elective position" means any position held by any  
25 person elected or appointed to statewide office or elected or appointed  
26 as a member of the legislature.

27 (42) "State treasurer" means the treasurer of the state of  
28 Washington.

29 (43) "Totally incapacitated for duty" means total inability to  
30 perform the duties of a member's employment or office or any other work  
31 for which the member is qualified by training or experience.

32 **Sec. 9.** RCW 28B.15.067 and 2013 2nd sp.s. c 4 s 958 are each  
33 amended to read as follows:

34 (1) Tuition fees shall be established under the provisions of this  
35 chapter.

36 (2) Beginning in the ((2011-12)) 2015-16 academic year,  
37 ((reductions or increases in)) full-time tuition fees ((shall be as

1 ~~provided in the omnibus appropriations act)) for resident undergraduate~~  
2 ~~students at the state universities, the regional universities, The~~  
3 ~~Evergreen State College, and community and technical colleges shall not~~  
4 ~~exceed ten percent of the most current average annual wage reported by~~  
5 ~~the employment security department. The governing boards of the state~~  
6 ~~universities, regional universities, and The Evergreen State~~  
7 ~~College((+)) and the state board for community and technical colleges~~  
8 ~~may reduce or increase full-time tuition fees for all students other~~  
9 ~~than resident undergraduates, including nonresident students, summer~~  
10 ~~school students, and students in other self-supporting degree programs.~~  
11 ~~Percentage increases in full-time tuition may exceed the fiscal growth~~  
12 ~~factor. ((Except during the 2013-2015 fiscal biennium, the state board~~  
13 ~~for community and technical colleges may pilot or institute~~  
14 ~~differential tuition models. The board may define scale, scope, and~~  
15 ~~rationale for the models.))~~

16 (3)(a) ~~((Beginning with the 2011-12 academic year and through the~~  
17 ~~end of the 2014-15 academic year, the governing boards of the state~~  
18 ~~universities, the regional universities, and The Evergreen State~~  
19 ~~College may reduce or increase full-time tuition fees for all students,~~  
20 ~~including summer school students and students in other self-supporting~~  
21 ~~degree programs. Percentage increases in full-time tuition fees may~~  
22 ~~exceed the fiscal growth factor. Reductions or increases may be made~~  
23 ~~for all or portions of an institution's programs, campuses, courses, or~~  
24 ~~students; however, during the 2013-2015 fiscal biennium, reductions or~~  
25 ~~increases in tuition must be uniform among resident undergraduate~~  
26 ~~students.~~

27 ~~(b))~~ Prior to reducing or increasing tuition for each academic  
28 year, the governing boards of the state universities, the regional  
29 universities, and The Evergreen State College shall consult with  
30 existing student associations or organizations with student  
31 undergraduate and graduate representatives regarding the impacts of  
32 potential tuition increases. Each governing board shall make public  
33 its proposal for tuition and fee increases twenty-one days before the  
34 governing board of the institution considers adoption and allow  
35 opportunity for public comment. However, the requirement to make  
36 public a proposal for tuition and fee increases twenty-one days before  
37 the governing board considers adoption shall not apply if the omnibus  
38 appropriations act has not passed the legislature by May 15th.



1 Governing boards shall be required to provide data regarding the  
2 percentage of students receiving financial aid, the sources of aid, and  
3 the percentage of total costs of attendance paid for by aid.

4 ~~((e))~~ (b) Prior to reducing or increasing tuition for each  
5 academic year, the state board for community and technical college  
6 system shall consult with existing student associations or  
7 organizations with undergraduate student representation regarding the  
8 impacts of potential tuition increases. The state board for community  
9 and technical colleges shall provide data regarding the percentage of  
10 students receiving financial aid, the sources of aid, and the  
11 percentage of total costs of attendance paid for by aid.

12 ~~(4) ((Beginning with the 2015-16 academic year through the 2018-19  
13 academic year, the governing boards of the state universities, regional  
14 universities, and The Evergreen State College may set tuition for  
15 resident undergraduates as follows:~~

16 ~~(a) If state funding for a college or university falls below the  
17 state funding provided in the operating budget for fiscal year 2011,  
18 the governing board may increase tuition up to the limits set in (d) of  
19 this subsection, reduce enrollments, or both;~~

20 ~~(b) If state funding for a college or university is at least at the  
21 level of state funding provided in the operating budget for fiscal year  
22 2011, the governing board may increase tuition up to the limits set in  
23 (d) of this subsection and shall continue to at least maintain the  
24 actual enrollment levels for fiscal year 2011 or increase enrollments  
25 as required in the omnibus appropriations act;~~

26 ~~(c) If state funding is increased so that combined with resident  
27 undergraduate tuition the sixtieth percentile of the total per-student  
28 funding at similar public institutions of higher education in the  
29 global challenge states under RCW 28B.15.068 is exceeded, the governing  
30 board shall decrease tuition by the amount needed for the total per-  
31 student funding to be at the sixtieth percentile under RCW 28B.15.068;  
32 and~~

33 ~~(d) The amount of tuition set by the governing board for an  
34 institution under this subsection (4) may not exceed the sixtieth  
35 percentile of the resident undergraduate tuition of similar public  
36 institutions of higher education in the global challenge states.~~

37 ~~(5))~~ The tuition fees established under this chapter shall not

1 apply to high school students enrolling in participating institutions  
2 of higher education under RCW 28A.600.300 through 28A.600.400.

3 ~~((6))~~ (5) The tuition fees established under this chapter shall  
4 not apply to eligible students enrolling in a dropout reengagement  
5 program through an interlocal agreement between a school district and  
6 a community or technical college under RCW 28A.175.100 through  
7 28A.175.110.

8 ~~((7))~~ (6) The tuition fees established under this chapter shall  
9 not apply to eligible students enrolling in a community or technical  
10 college participating in the pilot program under RCW 28B.50.534 for the  
11 purpose of obtaining a high school diploma.

12 ~~((8) Beginning in the 2019-20 academic year, reductions or  
13 increases in full-time tuition fees for resident undergraduates at  
14 four-year institutions of higher education shall be as provided in the  
15 omnibus appropriations act.~~

16 ~~(9) The legislative advisory committee to the committee on advanced  
17 tuition payment established in RCW 28B.95.170 shall:~~

18 ~~(a) Review the impact of differential tuition rates on the funded  
19 status and future unit price of the Washington advanced college tuition  
20 payment program; and~~

21 ~~(b) No later than January 14, 2013, make a recommendation to the  
22 appropriate policy and fiscal committees of the legislature regarding  
23 how differential tuition should be addressed in order to maintain the  
24 ongoing solvency of the Washington advanced college tuition payment  
25 program.)~~

26 **Sec. 10.** RCW 43.215.405 and 2013 2nd sp.s. c 16 s 4 are each  
27 amended to read as follows:

28 Unless the context clearly requires otherwise, the definitions in  
29 this section apply throughout RCW 43.215.400 through ~~((43.215.450,  
30 43.215.455, 43.215.456,))~~ 43.215.457~~((7))~~ and 43.215.900 through  
31 43.215.903.

32 (1) "Advisory committee" means the advisory committee under RCW  
33 43.215.420.

34 (2) "Approved programs" means those state-supported education and  
35 special assistance programs which are recognized by the department as  
36 meeting the minimum program rules adopted by the department to qualify

1 under RCW 43.215.400 through 43.215.450 and 43.215.900 through  
2 43.215.903 and are designated as eligible for funding by the department  
3 under RCW 43.215.430 and 43.215.440.

4 (3) "Comprehensive" means an assistance program that focuses on the  
5 needs of the child and includes education, health, and family support  
6 services.

7 (4) "Department" means the department of early learning.

8 (5) "Eligible child" means a child not eligible for kindergarten  
9 whose family income is at or below one hundred (~~ten~~) fifty percent of  
10 the federal poverty level, as published annually by the federal  
11 department of health and human services, and includes a child whose  
12 family is eligible for public assistance, and who is not a participant  
13 in a federal or state program providing comprehensive services; a child  
14 eligible for special education due to disability under RCW 28A.155.020;  
15 and may include children who are eligible under rules adopted by the  
16 department if the number of such children equals not more than ten  
17 percent of the total enrollment in the early childhood program.  
18 Priority for enrollment shall be given to children from families with  
19 the lowest income, children in foster care, or to eligible children  
20 from families with multiple needs.

21 (6) "Family support services" means providing opportunities for  
22 parents to:

- 23 (a) Actively participate in their child's early childhood program;  
24 (b) Increase their knowledge of child development and parenting  
25 skills;  
26 (c) Further their education and training;  
27 (d) Increase their ability to use needed services in the community;  
28 (e) Increase their self-reliance.

--- END ---