

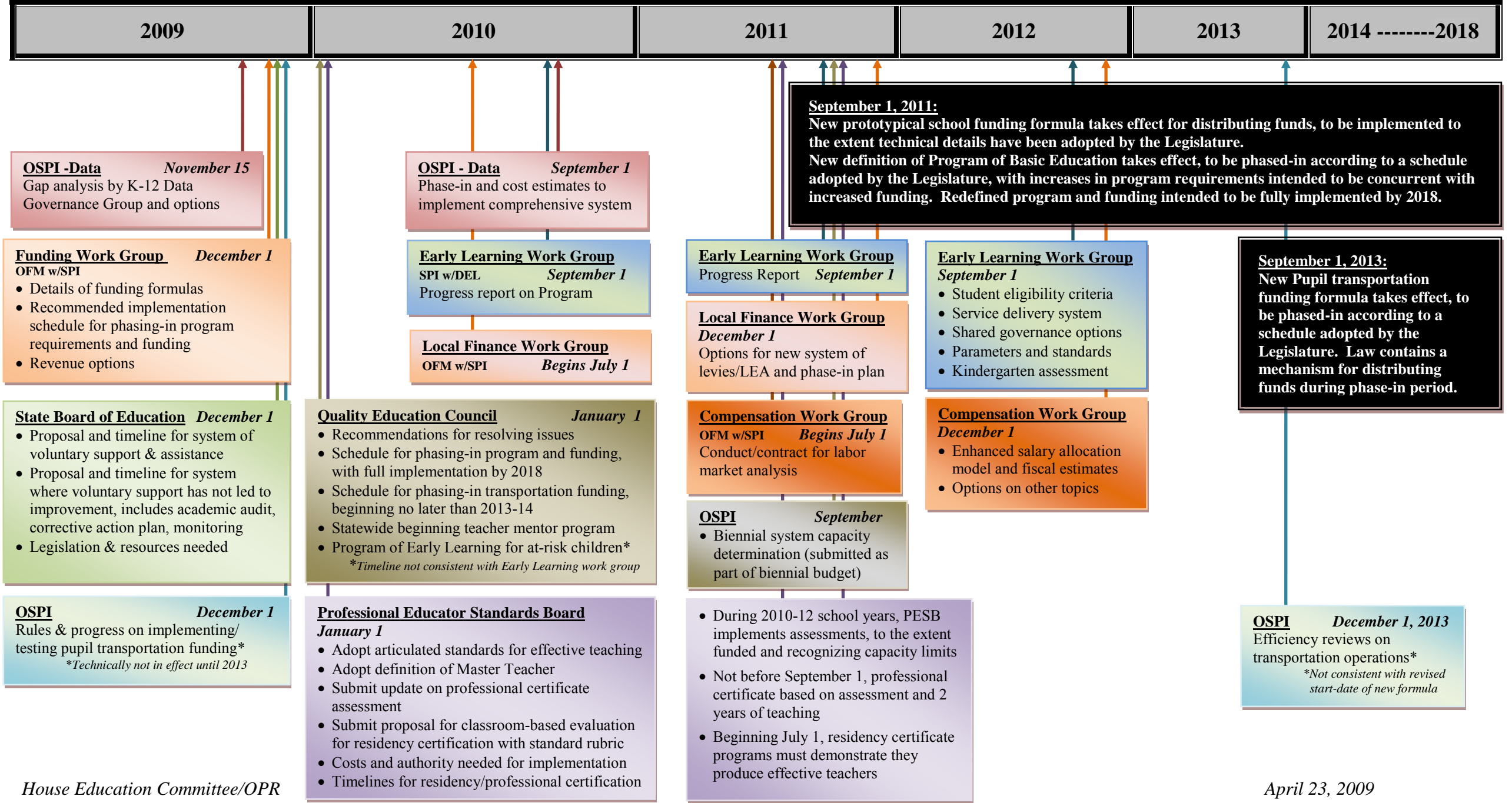
ESHB 2261 (Summary As Passed the Legislature)

<p>Expanded Definition of Basic Education Section 101-105</p>	<p>An expanded program of basic education and the funding to support it is phased in according to a schedule adopted by the Legislature but fully implemented by 2018.</p> <p>Including:</p> <ul style="list-style-type: none"> • Increased instructional hours to 1000 or 1080 (depending on the grade level & according to an implementation schedule adopted by the Legislature) • Opportunity to complete 24 credits high school graduation (subject to legislative phase-in beginning in 2013) • Transportation to & from school (using new funding formula based on predicted costs phased-in beginning 2013) • All-day Kindergarten (continue to phase-in highest poverty schools first) • Highly capable (at current 2.314% of student enrollment) (Section 708) • Early Learning <ul style="list-style-type: none"> ○ Intent to establish program for at-risk children as basic education. ○ Creates a work group to develop program, as a Washington Head Start program, & report to the Quality Education Council. <p>Full implementation by 2018</p>
<p>Prototypical Schools Funding Formula Section 106</p>	<ul style="list-style-type: none"> • For allocation purposes only. • Based on staff and non-staff costs to support instruction and operations in prototypical schools, including enhancements for highly capable, CTE, AP & IB, LAP, Bilingual, and special education • Creates a Funding Workgroup to recommend details of formula.
<p>Transportation to and from school Section 304-311</p>	<ul style="list-style-type: none"> • No later than September 1, 2013, begin phasing-in the new funding formula & current funding based on the radius mile is discontinued. • A new student transportation allocation formula is based on the average predicted costs to school districts. • Beginning September 1, 2013, OSPI must report to the Legislature on the efficiency of school district transportation operations. • OSPI makes quarterly updates to the Legislature on the new formula starting December 1, 2009 – December 2014 (Dates not aligned with in legislation)
<p>Quality Education Council (QEC) Section 114</p>	<p>Creates the Quality Education Council</p> <ul style="list-style-type: none"> • Membership: <ul style="list-style-type: none"> ○ 8 legislators (4 House/4 Senate) ○ 5 educational agency representatives (Office of the Governor, OSPI, SBE, PESB, & DEL) • Purpose: To recommend & inform the ongoing implementation by the Legislature of an evolving program of basic education & financing. <ul style="list-style-type: none"> ○ Develop strategic recommendations & update every 4 years. ○ Identify measureable goals & priorities for a 10-year period for the educational system, including ongoing strategies to eliminate the achievement gap & reduce dropout rates. ○ Consider the OSPI system capacity report. • Initial Report: By Jan. 1, 2010, to include recommendation on: <ul style="list-style-type: none"> ○ Resolving issues requiring legislative action during the 2010 session ○ A statewide teacher mentoring & support system ○ An early learning program for at-risk children ○ An implementation schedule for concurrent phase-in of changes to the basic education program & the funding to support the changes ○ A phase-in of the new transportation formula (beginning no later than Sept. 1, 2013) <p>Does not expire.</p>

<p>Working Groups Section 112</p>	<p>Funding Working Group – (convened by OFM with support and assistance from OSPI)</p> <ul style="list-style-type: none"> • Members: LEAP, district financial managers, WASBO, WEA, WASA, AWSP, WSSDA, PSE, & other interested stakeholder with expertise in education finance. • Purpose: <ul style="list-style-type: none"> – Develop details of funding formulas – Recommend implementation schedule for phase-in of increases in program & funding – Examine possible sources of revenue to support increases <p>Report: To the Legislature by December 1, 2009</p>
<p>Gov. VETO Section 115</p>	<p>Early Learning Work Group – (convened by OSPI with DEL)</p> <ul style="list-style-type: none"> • Members: Head Start & ECAEP providers, school districts, Thrive-by-Five, & other stakeholders with expertise in early learning. • Purpose: Develop the basic education program of early learning, including recommendations for: <ul style="list-style-type: none"> – A statewide WA Head Start program – Student eligibility criteria and parameters & minimum standards for the program – Options for a service delivery system – Options for shared governance between OSPI & DEL – Continued development of a statewide kindergarten assessment <p>Reports: To the QEC by September 1, 2010, September 1, 2011, and September 1, 2012</p>
<p>Section 302</p>	<p>Levy & Levy Equalization Working Group – Beginning July 2010 (convened by OFM with OSPI)</p> <ul style="list-style-type: none"> • Purpose: Develop a new system of supplemental school funding through local levies & levy equalization & recommend: <ul style="list-style-type: none"> – A phase-in to ensure no district suffers a decrease in funding from one school year to the next due to the new system of supplemental funding • Members: Dept. of Revenue, LEAP, district financial managers, WASBO, WEA, WASA, AWSP, WSSDA PSE, & other interested stakeholders with expertise in education finance. • Report: To the Legislature by December 1, 2011
<p>Section 601</p>	<p>Compensation Working Group – Beginning July 1, 2011 (convened by OFM)</p> <ul style="list-style-type: none"> • Intent: To begin the process of developing an enhanced salary allocation model that is collaboratively designed. • Purpose: Recommend the details of an enhanced salary allocation model that aligns educator development & certification with compensation, including: <ul style="list-style-type: none"> – A concurrent implementation schedule – How to reduce the number of tiers within the existing salary allocation model – How to account for regions of the state where it may be difficult to recruit & retain teachers – The role of and types of bonuses available – Ways to accomplish salary equalization over a set number of years – Cost estimates, including a recognition that staff on the existing salary allocation model would have the option to grandfather permanently to the existing schedule – AND Conduct a comparative labor market analysis of school employee salaries & other compensation • Members: Dept. of Personnel, PESB, OSPI, WEA, WASA, AWSP, WASA, WSSDA, PSE, & other interested stakeholders with appropriate expertise in compensation related matters. • Reports: To the Legislature by December 1, 2012, including whether additional work is necessary.

<p>Data Section 203</p>	<p>The K-12 Data Governance Group is established in OSPI. <u>Purpose:</u> To assist in the design & implementation of a data improvement system for financial, student, & educator data, including:</p> <ul style="list-style-type: none"> – Identifying critical research & policy questions – Identifying reports & other information that should be made available on the Internet – Creating a comprehensive needs requirement document – Conducting a gap analysis – Focusing on financial & cost data necessary to support the new K-12 financial models & funding formulas – Defining the operating rules and governance structure for K-12 data collections <ul style="list-style-type: none"> • Districts that can meet the requirements must report the data. Legislative funding will establish which data subset is required. • <u>Reports:</u> By OSPI to Legislature by November 15, 2009, and September 1, 2010. • SBE must work with the Education Data Center in OFM to determine the feasibility of using the prototypical school funding allocation model as a tool for both allocating and reporting expenditures.
<p>Accountability Section 501 - 503</p>	<p><u>Intent</u></p> <ul style="list-style-type: none"> • State & school districts share accountability for achieving state educational standards & supporting continuous school improvement. <p><u>SBE accountability work to continue:</u></p> <ul style="list-style-type: none"> • Develop an Accountability Index to identify schools & districts for recognition & additional state support. • Develop a proposal for voluntary state support & assistance for schools & school districts accommodating capacity limitations of the system. Changes that have a fiscal impact take effect only if formally authorized by the Legislature. • By December 1, 2009, develop proposal and timeline for implementation a system for schools & districts that do not improve through voluntary support system, which takes effect only if formally authorized by the Legislature. The proposal must include: <ul style="list-style-type: none"> – An academic performance audit using peer review teams of educators; – A requirement for the local school board to develop and implement a corrective action plan taking into account the audit findings; – When the school board's plan is approved by the SBE then the plan becomes binding on the school district; – OSPI monitors the school district progress. • SBE with OSPI must seek federal approval of the accountability index and the state system of support, assistance, and intervention.
<p>Teacher Standards & Certification Section 401-403</p> <p><i>NOTE: In 2009, the PESB membership was reduced from 20 to 12 Governor appointees & SPI. A majority of the members must be active practitioners.</i></p>	<p>By January 1, 2010, PESB must:</p> <ul style="list-style-type: none"> • Adopt performance standards for effective teaching, including to the extent possible, cultural competency standards. • Adopt a definition of master teacher that includes teachers with National Board certification. • Update Legislature on the status of implementing the ProCert assessments already in development. • Recommend a proposal for a classroom-based means of evaluating student-teacher effectiveness during the student-teaching field experience, which includes multiple measures of performance. • Recommend length of time a residency certificate is valid. PESB must consult with WEA, WASA, AWSP, & WSSDA and include stakeholder comments with the recommendation <p>No earlier than September 1, 2011, begin awarding the Professional Certificate based on a minimum of 2-years of successful teaching experience as defined by the PESB</p> <p>Beginning January 1, 2011, teacher prep programs will be required to demonstrate how the program produces effective teachers.</p>
<p>Safety Net <u>Gov. Veto</u> Section 709</p>	<ul style="list-style-type: none"> • Codifies special education Safety Net • Creates a Safety Net for highly capable program

ESHB 2261 (Basic Education) - IMPLEMENTATION REPORTS & MILESTONES



CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 2261

Chapter 548, Laws of 2009

(partial veto)

61st Legislature
2009 Regular Session

EDUCATION, GENERALLY

EFFECTIVE DATE: 07/26/09 - Except sections 101 through 110 and 701 through 710, which become effective 09/01/11; sections 304 through 311, which become effective 09/01/13; and section 112, which becomes effective 05/19/09.

Passed by the House April 20, 2009
Yeas 67 Nays 31

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 16, 2009
Yeas 26 Nays 23

BRAD OWEN

President of the Senate

Approved May 19, 2009, 10:28 a.m., with
the exception of Sections 115 and 709
which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of
the House of Representatives of
the State of Washington, do hereby
certify that the attached is
**ENGROSSED SUBSTITUTE HOUSE BILL
2261** as passed by the House of
Representatives and the Senate on
the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

May 20, 2009

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2261

AS AMENDED BY THE SENATE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By House Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Hunter, Anderson, Maxwell, White, Quall, Llias, Dammeier, Rodne, Wallace, Pedersen, Kelley, Goodman, Springer, Hope, Nelson, Miloscia, Carlyle, Hunt, Morris, Morrell, Probst, Pettigrew, Eddy, Simpson, Kenney, Moeller, Smith, Condotta, McCoy, Kagi, Chase, Rolfes, Clibborn, Ormsby, Haler, and Cox)

READ FIRST TIME 03/03/09.

1 AN ACT Relating to education; amending RCW 28A.150.200,
2 28A.150.210, 28A.150.220, 28A.150.250, 28A.150.260, 28A.150.315,
3 28A.150.390, 28A.150.380, 28A.230.090, 43.41.400, 28A.195.010,
4 28A.160.150, 28A.160.160, 28A.160.170, 28A.160.180, 28A.160.190,
5 28A.415.360, 28A.305.130, 28A.165.005, 28A.165.015, 28A.165.055,
6 28A.180.010, 28A.180.080, 28A.225.200, 28A.185.010, and 28A.185.020;
7 adding new sections to chapter 28A.150 RCW; adding new sections to
8 chapter 28A.300 RCW; adding a new section to chapter 28A.655 RCW;
9 adding new sections to chapter 43.41 RCW; adding a new section to
10 chapter 28A.500 RCW; adding new sections to chapter 28A.160 RCW; adding
11 a new section to chapter 28A.410 RCW; adding a new section to chapter
12 28A.305 RCW; adding a new section to chapter 28A.185 RCW; adding a new
13 chapter to Title 28A RCW; creating new sections; repealing RCW
14 28A.150.030, 28A.150.060, 28A.150.100, 28A.150.040, 28A.150.370, and
15 28A.155.180; providing effective dates; and declaring an emergency.

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

17 NEW SECTION. **Sec. 1.** (1) Public education in Washington state has
18 evolved since the enactment of the Washington basic education act of
19 1977. Decisions by the courts have played a part in this evolution, as

1 have studies and research about education practices and education
2 funding. The legislature finds ample evidence of a need for continuing
3 to refine the program of basic education that is funded by the state
4 and delivered by school districts.

5 (2) The legislature reaffirms the work of Washington Learns and
6 other educational task forces that have been convened over the past
7 four years and their recommendations to make bold reforms to the entire
8 educational system in order to educate all students to a higher level;
9 to focus on the individualized instructional needs of students; to
10 strive towards closing the achievement gap and reducing dropout rates;
11 and to prepare students for a constantly evolving workforce and
12 increasingly demanding global economy. In enacting this legislation,
13 the legislature intends to continue to review, evaluate, and revise the
14 definition and funding of basic education in order to continue to
15 fulfill the state obligation under Article IX of the state
16 Constitution. The legislature also intends to continue to strengthen
17 and modify the structure of the entire K-12 educational system,
18 including nonbasic education programmatic elements, in order to build
19 the capacity to anticipate and support potential future enhancements to
20 basic education as the educational needs of our citizens continue to
21 evolve.

22 (3) The legislature recognizes that the first step in revising the
23 definition and funding of basic education is to create a transparent
24 funding system for both allocations and expenditures so that not only
25 policymakers and educators understand how the state supports basic
26 education but also taxpayers. An adequate data system that enables the
27 legislature to make rational, data-driven decisions on which
28 educational programs impact student learning in order to more
29 effectively and efficiently deliver the resources necessary to provide
30 an ample program of basic education is also a necessity. A new
31 prototypical funding system will allow the legislature to better
32 understand how current resources are being used. A more complete and
33 accurate educational data system will allow the legislature to
34 understand whether current basic education programs are supporting
35 student learning. Only with both of these systems in place can the
36 legislature make informed decisions on how to best implement a dynamic
37 and evolving system of basic education.

(4) For practical and educational reasons, major changes of the program of basic education and the funding formulas to support it cannot occur instantaneously. The legislature intends to build upon the previous efforts of the legislature and the basic education task force in order to develop a realistic implementation strategy for a new instructional program after technical experts develop the details of the prototypical schools funding formulas and the data and reporting system that will support a new instructional program. The legislature also intends to establish a formal structure for monitoring the implementation by the legislature of an evolving program of basic education and the financing necessary to support such a program. The legislature intends that the redefined program of basic education and funding for the program be fully implemented by 2018.

(5) It is the further intent of the legislature to also address additional issues that are of importance to the legislature but are not part of basic education.

NEW SECTION. **Sec. 2.** It is the intent of the legislature that specified policies and allocation formulas adopted under this act will constitute the legislature's definition of basic education under Article IX of the state Constitution once fully implemented. The legislature intends, however, to continue to review and revise the formulas and schedules and may make additional revisions, including revisions for technical purposes and consistency in the event of mathematical or other technical errors.

PART I

PROGRAM AND FUNDING OF BASIC EDUCATION

Sec. 101. RCW 28A.150.200 and 1990 c 33 s 104 are each amended to read as follows:

~~((This 1977 amendatory act shall be known and may be cited as "The Washington Basic Education Act of 1977." The program evolving from the Basic Education Act shall include (1) the goal of the school system as defined in RCW 28A.150.210, (2) those program requirements enumerated in RCW 28A.150.220, and (3) the determination and distribution of state resources as defined in RCW 28A.150.250 and 28A.150.260.~~

1 ~~The requirements of the Basic Education Act are~~) (1) The program
2 of basic education established under this chapter is deemed by the
3 legislature to comply with the requirements of Article IX, section 1 of
4 the state Constitution, which states that "It is the paramount duty of
5 the state to make ample provision for the education of all children
6 residing within its borders, without distinction or preference on
7 account of race, color, caste, or sex," and ~~((are))~~ is adopted pursuant
8 to Article IX, section 2 of the state Constitution, which states that
9 "The legislature shall provide for a general and uniform system of
10 public schools."

11 (2) The legislature defines the program of basic education under
12 this chapter as that which is necessary to provide the opportunity to
13 develop the knowledge and skills necessary to meet the state-
14 established high school graduation requirements that are intended to
15 allow students to have the opportunity to graduate with a meaningful
16 diploma that prepares them for postsecondary education, gainful
17 employment, and citizenship. Basic education by necessity is an
18 evolving program of instruction intended to reflect the changing
19 educational opportunities that are needed to equip students for their
20 role as productive citizens and includes the following:

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

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

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

29 (d) Transportation and transportation services to and from school
30 for eligible students as provided under RCW 28A.160.150 through
31 28A.160.180.

32 NEW SECTION. Sec. 102. The definitions in this section apply
33 throughout this chapter unless the context clearly requires otherwise.

34 (1) "Basic education goal" means the student learning goals and the
35 student knowledge and skills described under RCW 28A.150.210.

36 (2) "Certificated administrative staff" means all those persons who

1 are chief executive officers, chief administrative officers,
2 confidential employees, supervisors, principals, or assistant
3 principals within the meaning of RCW 41.59.020(4).

4 (3) "Certificated employee" as used in this chapter and RCW
5 28A.195.010, 28A.405.100, 28A.405.210, 28A.405.240, 28A.405.250,
6 28A.405.300 through 28A.405.380, and chapter 41.59 RCW, means those
7 persons who hold certificates as authorized by rule of the Washington
8 professional educator standards board.

9 (4) "Certificated instructional staff" means those persons employed
10 by a school district who are nonsupervisory certificated employees
11 within the meaning of RCW 41.59.020(8).

12 (5) "Class size" means an instructional grouping of students where,
13 on average, the ratio of students to teacher is the number specified.

14 (6) "Classified employee" means a person who does not hold a
15 professional education certificate or is employed in a position that
16 does not require such a certificate.

17 (7) "Classroom teacher" means a person who holds a professional
18 education certificate and is employed in a position for which such
19 certificate is required whose primary duty is the daily educational
20 instruction of students. In exceptional cases, people of unusual
21 competence but without certification may teach students so long as a
22 certificated person exercises general supervision, but the hiring of
23 such classified employees shall not occur during a labor dispute, and
24 such classified employees shall not be hired to replace certificated
25 employees during a labor dispute.

26 (8) "Instructional program of basic education" means the minimum
27 program required to be provided by school districts and includes
28 instructional hour requirements and other components under RCW
29 28A.150.220.

30 (9) "Program of basic education" means the overall program under
31 RCW 28A.150.200 and deemed by the legislature to comply with the
32 requirements of Article IX, section 1 of the state Constitution.

33 (10) "School day" means each day of the school year on which pupils
34 enrolled in the common schools of a school district are engaged in
35 academic and career and technical instruction planned by and under the
36 direction of the school.

37 (11) "School year" includes the minimum number of school days
38 required under RCW 28A.150.220 and begins on the first day of September

1 and ends with the last day of August, except that any school district
2 may elect to commence the annual school term in the month of August of
3 any calendar year and in such case the operation of a school district
4 for such period in August shall be credited by the superintendent of
5 public instruction to the succeeding school year for the purpose of the
6 allocation and distribution of state funds for the support of such
7 school district.

8 (12) "Teacher planning period" means a period of a school day as
9 determined by the administration and board of the directors of the
10 district that may be used by teachers for instruction-related
11 activities including but not limited to preparing instructional
12 materials; reviewing student performance; recording student data;
13 consulting with other teachers, instructional assistants, mentors,
14 instructional coaches, administrators, and parents; or participating in
15 professional development.

16 **Sec. 103.** RCW 28A.150.210 and 2007 c 400 s 1 are each amended to
17 read as follows:

18 (~~The goal of the basic education act for the schools of the state~~
19 ~~of Washington set forth in this chapter shall be~~) A basic education is
20 an evolving program of instruction that is intended to provide students
21 with the opportunity to become responsible and respectful global
22 citizens, to contribute to their economic well- being and that of their
23 families and communities, to explore and understand different
24 perspectives, and to enjoy productive and satisfying lives.
25 Additionally, the state of Washington intends to provide for a public
26 school system that is able to evolve and adapt in order to better focus
27 on strengthening the educational achievement of all students, which
28 includes high expectations for all students and gives all students the
29 opportunity to achieve personal and academic success. To these ends,
30 the goals of each school district, with the involvement of parents and
31 community members, shall be to provide opportunities for every student
32 to develop the knowledge and skills essential to:

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

36 (2) Know and apply the core concepts and principles of mathematics;

1 social, physical, and life sciences; civics and history, including
2 different cultures and participation in representative government;
3 geography; arts; and health and fitness;

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

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

10 **Sec. 104.** RCW 28A.150.220 and 1993 c 371 s 2 are each amended to
11 read as follows:

12 ~~((Satisfaction of the basic education program requirements~~
13 ~~identified in RCW 28A.150.210 shall be considered to be implemented by~~
14 ~~the following program:~~

15 ~~(a) Each school district shall make available to students enrolled~~
16 ~~in kindergarten at least a total instructional offering of four hundred~~
17 ~~fifty hours. The program shall include instruction in the essential~~
18 ~~academic learning requirements under RCW 28A.630.885 and such other~~
19 ~~subjects and such activities as the school district shall determine to~~
20 ~~be appropriate for the education of the school district's students~~
21 ~~enrolled in such program;~~

22 ~~(b))~~ In order for students to have the opportunity to develop the
23 basic education knowledge and skills under RCW 28A.150.210, school
24 districts must provide instruction of sufficient quantity and quality
25 and give students the opportunity to complete graduation requirements
26 that are intended to prepare them for postsecondary education, gainful
27 employment, and citizenship. The program established under this
28 section shall be the minimum instructional program of basic education
29 offered by school districts.

30 (2) Each school district shall make available to students the
31 following minimum instructional offering each school year:

32 (a) For students enrolled in grades one through twelve, at least a
33 district-wide annual average ((total instructional hour offering)) of
34 one thousand hours((. The state board of education may define
35 alternatives to classroom instructional time for students in grades
36 nine through twelve enrolled in alternative learning experiences. The
37 state board of education shall establish rules to determine annual

~~average instructional hours for districts including fewer than twelve grades. The program shall include the essential academic learning requirements under RCW 28A.630.885 and such other subjects and such activities as the school district shall determine to be appropriate for the education of the school district's students enrolled in such group)), which shall be increased to at least one thousand eighty instructional hours for students enrolled in each of grades seven through twelve and at least one thousand instructional hours for students in each of grades one through six according to an implementation schedule adopted by the legislature; and~~

(b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.

(3) The instructional program of basic education provided by each school district shall include:

(a) Instruction in the essential academic learning requirements under RCW 28A.655.070;

(b) Instruction that provides students the opportunity to complete twenty-four credits for high school graduation, subject to a phased-in implementation of the twenty-four credits as established by the legislature. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

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

(d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(e) Supplemental instruction and services for eligible and enrolled students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and

1 (g) Programs for highly capable students under RCW 28A.185.010
2 through 28A.185.030.

3 ~~((+2))~~ (4) Nothing contained in ~~((subsection (1) of))~~ this section
4 shall be construed to require individual students to attend school for
5 any particular number of hours per day or to take any particular
6 courses.

7 ~~((+3))~~ (5) Each school district's kindergarten through twelfth
8 grade basic educational program shall be accessible to all students who
9 are five years of age, as provided by RCW 28A.225.160, and less than
10 twenty-one years of age and shall consist of a minimum of one hundred
11 eighty school days per school year in such grades as are conducted by
12 a school district, and one hundred eighty half-days of instruction, or
13 equivalent, in kindergarten~~((: PROVIDED, That))~~, to be increased to a
14 minimum of one hundred eighty school days per school year according to
15 the implementation schedule under RCW 28A.150.315. However, effective
16 May 1, 1979, a school district may schedule the last five school days
17 of the one hundred and eighty day school year for noninstructional
18 purposes in the case of students who are graduating from high school,
19 including, but not limited to, the observance of graduation and early
20 release from school upon the request of a student, and all such
21 students may be claimed as a full-time equivalent student to the extent
22 they could otherwise have been so claimed for the purposes of RCW
23 28A.150.250 and 28A.150.260.

24 ~~((+4))~~ (6) Nothing in this section precludes a school district
25 from enriching the instructional program of basic education, such as
26 offering additional instruction or providing additional services,
27 programs, or activities that the school district determines to be
28 appropriate for the education of the school district's students.

29 (7) The state board of education shall adopt rules to implement and
30 ensure compliance with the program requirements imposed by this
31 section, RCW 28A.150.250 and 28A.150.260, and such related supplemental
32 program approval requirements as the state board may establish.

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

35 (1) From those funds made available by the legislature for the
36 current use of the common schools, the superintendent of public
37 instruction shall distribute annually as provided in RCW 28A.510.250 to

1 each school district of the state operating a basic education
2 instructional program approved by the state board of education an
3 amount based on the formulas provided in RCW 28A.150.260, 28A.150.390,
4 and section 109 of this act which, when combined with an appropriate
5 portion of such locally available revenues, other than receipts from
6 federal forest revenues distributed to school districts pursuant to RCW
7 28A.520.010 and 28A.520.020, as the superintendent of public
8 instruction may deem appropriate for consideration in computing state
9 equalization support, excluding excess property tax levies, will
10 constitute a basic education allocation in dollars for each annual
11 average full-time equivalent student enrolled(~~(, based upon one full~~
12 ~~school year of one hundred eighty days, except that for kindergartens~~
13 ~~one full school year shall be one hundred eighty half days of~~
14 ~~instruction, or the equivalent as provided in RCW 28A.150.220))~~).

15 (2) The instructional program of basic education shall be
16 considered to be fully funded by those amounts of dollars appropriated
17 by the legislature pursuant to RCW ~~((28A.150.250 and))~~ 28A.150.260,
18 28A.150.390, and section 109 of this act to fund those program
19 requirements identified in RCW 28A.150.220 in accordance with the
20 formula ~~((and ratios))~~ provided in RCW 28A.150.260 and those amounts of
21 dollars appropriated by the legislature to fund the salary requirements
22 of RCW ~~((28A.150.100 and))~~ 28A.150.410.

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

1 (3) If a school district's basic education program fails to meet
2 the basic education requirements enumerated in RCW ~~((28A.150.250,))~~
3 28A.150.260~~((7))~~ and 28A.150.220, the state board of education shall
4 require the superintendent of public instruction to withhold state
5 funds in whole or in part for the basic education allocation until
6 program compliance is assured~~((:—PROVIDED, That))~~. However, the state
7 board of education may waive this requirement in the event of
8 substantial lack of classroom space.

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

11 ~~((The basic education allocation for each annual average full time~~
12 ~~equivalent student shall be determined in accordance with the following~~
13 ~~procedures))~~ The purpose of this section is to provide for the
14 allocation of state funding that the legislature deems necessary to
15 support school districts in offering the minimum instructional program
16 of basic education under RCW 28A.150.220. The allocation shall be
17 determined as follows:

18 (1) The governor shall and the superintendent of public instruction
19 may recommend to the legislature a formula ~~((based on a ratio of~~
20 ~~students to staff))~~ for the distribution of a basic education
21 instructional allocation for each ~~((annual average full time equivalent~~
22 ~~student enrolled in a))~~ common school district. ~~((The distribution~~
23 ~~formula shall have the primary objective of equalizing educational~~
24 ~~opportunities and shall provide appropriate recognition of the~~
25 ~~following costs among the various districts within the state:~~

26 ~~(a) Certificated instructional staff and their related costs;~~

27 ~~(b) Certificated administrative staff and their related costs;~~

28 ~~(c) Classified staff and their related costs;~~

29 ~~(d) Nonsalary costs;~~

30 ~~(e) Extraordinary costs, including school facilities, of remote and~~
31 ~~necessary schools as judged by the superintendent of public~~
32 ~~instruction, with recommendations from the school facilities citizen~~
33 ~~advisory panel under RCW 28A.525.025, and small high schools, including~~
34 ~~costs of additional certificated and classified staff; and~~

35 ~~(f) The attendance of students pursuant to RCW 28A.335.160 and~~
36 ~~28A.225.250 who do not reside within the servicing school district.))~~

1 (2)((+a)) The distribution formula under this section shall be for
2 allocation purposes only. Except as may be required under chapter
3 28A.165, 28A.180, or 28A.155 RCW, or federal laws and regulations,
4 nothing in this section requires school districts to use basic
5 education instructional funds to implement a particular instructional
6 approach or service. Nothing in this section requires school districts
7 to maintain a particular classroom teacher-to-student ratio or other
8 staff-to-student ratio or to use allocated funds to pay for particular
9 types or classifications of staff. Nothing in this section entitles an
10 individual teacher to a particular teacher planning period.

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

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

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

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

1 (iii) A prototypical elementary school has four hundred average
2 annual full-time equivalent students in grades kindergarten through
3 six.

4 (c) The minimum allocation for each level of prototypical school
5 shall be based on the number of full-time equivalent classroom teachers
6 needed to provide instruction over the minimum required annual
7 instructional hours under RCW 28A.150.220 and provide at least one
8 teacher planning period per school day, and based on an average class
9 size as specified in the omnibus appropriations act. The omnibus
10 appropriations act shall at a minimum specify:

11 (i) Basic average class size;

12 (ii) Basic average class size in schools where more than fifty
13 percent of the students are eligible for free and reduced-price meals;

14 (iii) Average class size for exploratory and preparatory career and
15 technical education, laboratory science, advanced placement, and
16 international baccalaureate courses; and

17 (iv) Average class size in grades kindergarten through three.

18 (d) The minimum allocation for each level of prototypical school
19 shall include allocations for the following types of staff in addition
20 to classroom teachers:

21 (i) Principals, including assistant principals, and other
22 certificated building-level administrators;

23 (ii) Teacher librarians, performing functions including information
24 literacy, technology, and media to support school library media
25 programs;

26 (iii) Student health services, a function that includes school
27 nurses, whether certificated instructional or classified employee, and
28 social workers;

29 (iv) Guidance counselors, performing functions including parent
30 outreach and graduation advisor;

31 (v) Professional development coaches;

32 (vi) Teaching assistance, which includes any aspect of educational
33 instructional services provided by classified employees;

34 (vii) Office support, technology support, and other
35 noninstructional aides;

36 (viii) Custodians, warehouse, maintenance, laborer, and
37 professional and technical education support employees; and

38 (ix) Classified staff providing student and staff safety.

1 (4)(a) The minimum allocation for each school district shall
2 include allocations per annual average full-time equivalent student for
3 the following materials, supplies, and operating costs: Student
4 technology; utilities; curriculum, textbooks, library materials, and
5 instructional supplies; instructional professional development for both
6 certificated and classified staff; other building-level costs including
7 maintenance, custodial, and security; and central office
8 administration.

9 (b) The annual average full-time equivalent student amounts in (a)
10 of this subsection shall be enhanced based on full-time equivalent
11 student enrollment in exploratory career and technical education
12 courses for students in grades seven through twelve; laboratory science
13 courses for students in grades nine through twelve; preparatory career
14 and technical education courses for students in grades nine through
15 twelve offered in a high school; and preparatory career and technical
16 education courses for students in grades eleven and twelve offered
17 through a skill center.

18 (5) The allocations provided under subsections (3) and (4) of this
19 section shall be enhanced as follows to provide additional allocations
20 for classroom teachers and maintenance, supplies, and operating costs:

21 (a) To provide supplemental instruction and services for
22 underachieving students through the learning assistance program under
23 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the
24 percent of students in each school who are eligible for free and
25 reduced-price meals. The minimum allocation for the learning
26 assistance program shall provide an extended school day and extended
27 school year for each level of prototypical school and a per student
28 allocation for maintenance, supplies, and operating costs.

29 (b) To provide supplemental instruction and services for students
30 whose primary language is other than English, allocations shall be
31 based on the number of students in each school who are eligible for and
32 enrolled in the transitional bilingual instruction program under RCW
33 28A.180.010 through 28A.180.080. The minimum allocation for each level
34 of prototypical school shall provide for supplemental instruction based
35 on percent of the school day a student is assumed to receive
36 supplemental instruction and a per student allocation for maintenance,
37 supplies, and operating costs.

1 (6) The allocations provided under subsections (3) and (4) of this
2 section shall be enhanced to provide additional allocations to support
3 programs for highly capable students under RCW 28A.185.010 through
4 28A.185.030, based on two and three hundred fourteen one-thousandths
5 percent of each school district's full-time equivalent enrollment. The
6 minimum allocation for the programs shall provide an extended school
7 day and extended school year for each level of prototypical school and
8 a per student allocation for maintenance, supplies, and operating
9 costs.

10 (7) The allocations under subsections (3)(b), (c)(i), and (d), (4),
11 and (8) of this section shall be enhanced as provided under RCW
12 28A.150.390 on an excess cost basis to provide supplemental
13 instructional resources for students with disabilities.

14 (8) The distribution formula shall include allocations to school
15 districts to support certificated and classified staffing of central
16 office administration. The minimum allocation shall be calculated as
17 a percentage, identified in the omnibus appropriations act, of the
18 total allocations for staff under subsections (3) and (6) of this
19 section for all schools in the district.

20 (9)(a) For the purposes of allocations for prototypical high
21 schools and middle schools under subsections (3) and (5) of this
22 section that are based on the percent of students in the school who are
23 eligible for free and reduced-price meals, the actual percent of such
24 students in a school shall be adjusted by a factor identified in the
25 omnibus appropriations act to reflect underreporting of free and
26 reduced-price meal eligibility among middle and high school students.

27 (b) Allocations or enhancements provided under subsections (3) and
28 (4) of this section for exploratory and preparatory career and
29 technical education courses shall be provided only for courses approved
30 by the office of the superintendent of public instruction under chapter
31 28A.700 RCW.

32 (10)(a) This formula for distribution of basic education funds
33 shall be reviewed biennially by the superintendent and governor. The
34 recommended formula shall be subject to approval, amendment or
35 rejection by the legislature. ((The formula shall be for allocation
36 purposes only. While the legislature intends that the allocations for
37 additional instructional staff be used to increase the ratio of such

1 ~~staff to students, nothing in this section shall require districts to~~
2 ~~reduce the number of administrative staff below existing levels.~~

3 ~~(b) The formula adopted by the legislature shall reflect the~~
4 ~~following ratios at a minimum: (i) Forty nine certificated~~
5 ~~instructional staff to one thousand annual average full time equivalent~~
6 ~~students enrolled in grades kindergarten through three; (ii) forty six~~
7 ~~certificated instructional staff to one thousand annual average full~~
8 ~~time equivalent students in grades four through twelve; (iii) four~~
9 ~~certificated administrative staff to one thousand annual average full~~
10 ~~time equivalent students in grades kindergarten through twelve; and~~
11 ~~(iv) sixteen and sixty seven one hundredths classified personnel to one~~
12 ~~thousand annual average full time equivalent students enrolled in~~
13 ~~grades kindergarten through twelve.~~

14 ~~(e)) (b)~~ In the event the legislature rejects the distribution
15 formula recommended by the governor, without adopting a new
16 distribution formula, the distribution formula for the previous school
17 year shall remain in effect(~~(: PROVIDED, That the distribution formula~~
18 ~~developed pursuant to this section shall be for state apportionment and~~
19 ~~equalization purposes only and shall not be construed as mandating~~
20 ~~specific operational functions of local school districts other than~~
21 ~~those program requirements identified in RCW 28A.150.220 and~~
22 ~~28A.150.100)).~~

23 (c) The enrollment of any district shall be the annual average
24 number of full-time equivalent students and part-time students as
25 provided in RCW 28A.150.350, enrolled on the first school day of each
26 month ~~((and shall exclude full time equivalent students with~~
27 ~~disabilities recognized for the purposes of allocation of state funds~~
28 ~~for programs under RCW 28A.155.010 through 28A.155.100)), including~~
29 students who are in attendance pursuant to RCW 28A.335.160 and
30 28A.225.250 who do not reside within the servicing school district.
31 The definition of full-time equivalent student shall be determined by
32 rules of the superintendent of public instruction(~~(: PROVIDED, That~~
33 ~~the definition)) and~~ shall be included as part of the superintendent's
34 biennial budget request(~~(: PROVIDED, FURTHER, That))~~). The definition
35 shall be based on the minimum instructional hour offerings required
36 under RCW 28A.150.220. Any revision of the present definition shall
37 not take effect until approved by the house (~~(appropriations))~~ ways and

1 means committee and the senate ways and means committee(~~(÷—PROVIDED,~~
2 ~~FURTHER, That))~~).

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

6 ~~((3)(a)—Certificated—instructional—staff—shall—include—those~~
7 ~~persons—employed—by—a—school—district—who—are—nonsupervisory—employees~~
8 ~~within—the—meaning—of—RCW—41.59.020(8):—PROVIDED, That—in—exceptional~~
9 ~~cases, people—of—unusual—competence—but—without—certification—may—teach~~
10 ~~students—so—long—as—a—certificated—person—exercises—general~~
11 ~~supervision:—PROVIDED, FURTHER, That—the—hiring—of—such—classified~~
12 ~~people—shall—not—occur—during—a—labor—dispute—and—such—classified~~
13 ~~people—shall—not—be—hired—to—replace—certificated—employees—during—a~~
14 ~~labor—dispute.~~

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

19 **Sec. 107.** RCW 28A.150.315 and 2007 c 400 s 2 are each amended to
20 read as follows:

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

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

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

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

37 (ii) Developing a variety of communication skills;

1 (iii) Providing experiences in science, social studies, arts,
2 health and physical education, and a world language other than English;
3 (iv) Acquiring large and small motor skills;
4 (v) Acquiring social and emotional skills including successful
5 participation in learning activities as an individual and as part of a
6 group; and
7 (vi) Learning through hands-on experiences;
8 (c) Establish learning environments that are developmentally
9 appropriate and promote creativity;
10 (d) Demonstrate strong connections and communication with early
11 learning community providers; and
12 (e) Participate in kindergarten program readiness activities with
13 early learning providers and parents.
14 (2) Subject to funds appropriated for this purpose, the
15 superintendent of public instruction shall designate one or more school
16 districts to serve as resources and examples of best practices in
17 designing and operating a high-quality all-day kindergarten program.
18 Designated school districts shall serve as lighthouse programs and
19 provide technical assistance to other school districts in the initial
20 stages of implementing an all-day kindergarten program. Examples of
21 topics addressed by the technical assistance include strategic
22 planning, developing the instructional program and curriculum, working
23 with early learning providers to identify students and communicate with
24 parents, and developing kindergarten program readiness activities.
25 ~~((3) Any funds allocated to support all-day kindergarten programs~~
26 ~~under this section shall not be considered as basic education~~
27 ~~funding.))~~

28 **Sec. 108.** RCW 28A.150.390 and 1995 c 77 s 6 are each amended to
29 read as follows:

30 (1) The superintendent of public instruction shall submit to each
31 regular session of the legislature during an odd-numbered year a
32 programmed budget request for special education programs for students
33 with disabilities. Funding for programs operated by local school
34 districts shall be on an excess cost basis from appropriations provided
35 by the legislature for special education programs for students with
36 disabilities and shall take account of state funds accruing through RCW
37 ~~((28A.150.250,))~~ 28A.150.260~~((7))~~ (3) (b), (c)(i), and (d), (4), and

1 (8) and federal medical assistance and private funds accruing under RCW
2 74.09.5249 through 74.09.5253 and 74.09.5254 through 74.09.5256((, and
3 other state and local funds, excluding special excess levies)).

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

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

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

15 (3) As used in this section:

16 (a) "Base allocation" means the total state allocation to all
17 schools in the district generated by the distribution formula under RCW
18 28A.150.260 (3) (b), (c)(i), and (d), (4), and (8), to be divided by
19 the district's full-time equivalent enrollment.

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

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

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

32 NEW SECTION. Sec. 109. (1) To the extent necessary, funds shall
33 be made available for safety net awards for districts with demonstrated
34 needs for special education funding beyond the amounts provided through
35 the special education funding formula under RCW 28A.150.390. If the
36 federal safety net awards based on the federal eligibility threshold
37 exceed the federal appropriation in any fiscal year, then the

1 superintendent shall expend all available federal discretionary funds
2 necessary to meet this need. Safety net funds shall be awarded by the
3 state safety net oversight committee subject to the following
4 conditions and limitations:

5 (a) The committee shall consider additional funds for districts
6 that can convincingly demonstrate that all legitimate expenditures for
7 special education exceed all available revenues from state funding
8 formulas. In the determination of need, the committee shall also
9 consider additional available revenues from federal sources.
10 Differences in program costs attributable to district philosophy,
11 service delivery choice, or accounting practices are not a legitimate
12 basis for safety net awards. In the determination of need, the
13 committee shall require that districts demonstrate that they are
14 maximizing their eligibility for all state revenues related to services
15 for special education-eligible students and all federal revenues from
16 federal impact aid, medicaid, and the individuals with disabilities
17 education act-Part B and appropriate special projects. Awards
18 associated with (b) and (c) of this subsection shall not exceed the
19 total of a district's specific determination of need.

20 (b) The committee shall then consider the extraordinary high cost
21 needs of one or more individual special education students.
22 Differences in costs attributable to district philosophy, service
23 delivery choice, or accounting practices are not a legitimate basis for
24 safety net awards.

25 (c) Using criteria developed by the committee, the committee shall
26 then consider extraordinary costs associated with communities that draw
27 a larger number of families with children in need of special education
28 services, which may include consideration of proximity to group homes,
29 military bases, and regional hospitals. Safety net awards under this
30 subsection (1)(c) shall be adjusted to reflect amounts awarded under
31 (b) of this subsection.

32 (d) The maximum allowable indirect cost for calculating safety net
33 eligibility may not exceed the federal restricted indirect cost rate
34 for the district plus one percent.

35 (e) Safety net awards shall be adjusted based on the percent of
36 potential medicaid eligible students billed as calculated by the
37 superintendent of public instruction in accordance with chapter 318,
38 Laws of 1999.

1 (f) Safety net awards must be adjusted for any audit findings or
2 exceptions related to special education funding.

3 (2) The superintendent of public instruction may adopt such rules
4 and procedures as are necessary to administer the special education
5 funding and safety net award process. Before revising any standards,
6 procedures, or rules, the superintendent shall consult with the office
7 of financial management and the fiscal committees of the legislature.
8 In adopting and revising the rules, the superintendent shall ensure the
9 application process to access safety net funding is streamlined,
10 timelines for submission are not in conflict, feedback to school
11 districts is timely and provides sufficient information to allow school
12 districts to understand how to correct any deficiencies in a safety net
13 application, and that there is consistency between awards approved by
14 school district and by application period. The office of the
15 superintendent of public instruction shall also provide technical
16 assistance to school districts in preparing and submitting special
17 education safety net applications.

18 (3) On an annual basis, the superintendent shall survey districts
19 regarding their satisfaction with the safety net process and consider
20 feedback from districts to improve the safety net process. Each year
21 by December 1st, the superintendent shall prepare and submit a report
22 to the office of financial management and the appropriate policy and
23 fiscal committees of the legislature that summarizes the survey results
24 and those changes made to the safety net process as a result of the
25 school district feedback.

26 (4) The safety net oversight committee appointed by the
27 superintendent of public instruction shall consist of:

28 (a) One staff member from the office of the superintendent of
29 public instruction;

30 (b) Staff of the office of the state auditor who shall be nonvoting
31 members of the committee; and

32 (c) One or more representatives from school districts or
33 educational service districts knowledgeable of special education
34 programs and funding.

35 **Sec. 110.** RCW 28A.150.380 and 2001 c 3 s 10 are each amended to
36 read as follows:

37 (1) The state legislature shall, at each regular session in an odd-

1 numbered year, appropriate ~~((from the state general fund))~~ for the
2 current use of the common schools such amounts as needed for state
3 support to ~~((the common schools))~~ school districts during the ensuing
4 biennium ~~((as provided in this chapter, RCW 28A.160.150 through~~
5 ~~28A.160.210, 28A.300.170, and 28A.500.010))~~ for the program of basic
6 education under RCW 28A.150.200.

7 (2) In addition to those state funds provided to school districts
8 for basic education, the legislature may appropriate funds to be
9 distributed to school districts for other factors and for other special
10 programs to enhance or enrich the program of basic education.

11 (3) The state legislature shall also, at each regular session in an
12 odd-numbered year, appropriate from the student achievement fund and
13 education construction fund solely for the purposes of and in
14 accordance with the provisions of the student achievement act during
15 the ensuing biennium.

16 **Sec. 111.** RCW 28A.230.090 and 2006 c 114 s 3 are each amended to
17 read as follows:

18 (1) The state board of education shall establish high school
19 graduation requirements or equivalencies for students, except those
20 equivalencies established by local high schools or school districts
21 under RCW 28A.230.097.

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

26 (b) The certificate of academic achievement requirements under RCW
27 28A.655.061 or the certificate of individual achievement requirements
28 under RCW 28A.155.045 are required for graduation from a public high
29 school but are not the only requirements for graduation.

30 (c) Any decision on whether a student has met the state board's
31 high school graduation requirements for a high school and beyond plan
32 shall remain at the local level.

33 (2)(a) In recognition of the statutory authority of the state board
34 of education to establish and enforce minimum high school graduation
35 requirements, the state board shall periodically reevaluate the
36 graduation requirements and shall report such findings to the
37 legislature in a timely manner as determined by the state board.

1 **(b)** The state board shall reevaluate the graduation requirements
2 for students enrolled in vocationally intensive and rigorous career and
3 technical education programs, particularly those programs that lead to
4 a certificate or credential that is state or nationally recognized.
5 The purpose of the evaluation is to ensure that students enrolled in
6 these programs have sufficient opportunity to earn a certificate of
7 academic achievement, complete the program and earn the program's
8 certificate or credential, and complete other state and local
9 graduation requirements. ~~((The board shall reports {report} its~~
10 ~~findings and recommendations for additional flexibility in graduation~~
11 ~~requirements, if necessary, to the legislature by December 1, 2007.))~~

12 **(c)** The state board shall forward any proposed changes to the high
13 school graduation requirements to the education committees of the
14 legislature for review and to the quality education council established
15 under section 114 of this act. The legislature shall have the
16 opportunity to act during a regular legislative session before the
17 changes are adopted through administrative rule by the state board.
18 Changes that have a fiscal impact on school districts, as identified by
19 a fiscal analysis prepared by the office of the superintendent of
20 public instruction, shall take effect only if formally authorized and
21 funded by the legislature through the omnibus appropriations act or
22 other enacted legislation.

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

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

34 (a) The course was taken with high school students, if the academic
35 level of the course exceeds the requirements for seventh and eighth
36 grade classes, and the student has successfully passed by completing
37 the same course requirements and examinations as the high school
38 students enrolled in the class; or

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

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

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

12 NEW SECTION. Sec. 112. (1) The legislature intends to continue to
13 redefine the instructional program of education under RCW 28A.150.220
14 that fulfills the obligations and requirements of Article IX of the
15 state Constitution. The funding formulas under RCW 28A.150.260 to
16 support the instructional program shall be implemented to the extent
17 the technical details of the formula have been established and
18 according to an implementation schedule to be adopted by the
19 legislature. The object of the schedule is to assure that any
20 increases in funding allocations are timely, predictable, and occur
21 concurrently with any increases in program or instructional
22 requirements. It is the intent of the legislature that no increased
23 programmatic or instructional expectations be imposed upon schools or
24 school districts without an accompanying increase in resources as
25 necessary to support those increased expectations.

26 (2) The office of financial management, with assistance and support
27 from the office of the superintendent of public instruction, shall
28 convene a technical working group to:

29 (a) Develop the details of the funding formulas under RCW
30 28A.150.260;

31 (b) Recommend to the legislature an implementation schedule for
32 phasing-in any increased program or instructional requirements
33 concurrently with increases in funding for adoption by the legislature;
34 and

35 (c) Examine possible sources of revenue to support increases in
36 funding allocations and present options to the legislature and the

1 quality education council created in section 114 of this act for
2 consideration.

3 (3) The working group shall include representatives of the
4 legislative evaluation and accountability program committee, school
5 district and educational service district financial managers, the
6 Washington association of school business officers, the Washington
7 education association, the Washington association of school
8 administrators, the association of Washington school principals, the
9 Washington state school directors' association, the public school
10 employees of Washington, and other interested stakeholders with
11 expertise in education finance. The working group may convene advisory
12 subgroups on specific topics as necessary to assure participation and
13 input from a broad array of diverse stakeholders.

14 (4) The working group shall be monitored and overseen by the
15 legislature and the quality education council established in section
16 114 of this act. The working group shall submit its recommendations to
17 the legislature by December 1, 2009.

18 NEW SECTION. **Sec. 113.** A new section is added to chapter 28A.300
19 RCW to read as follows:

20 (1) As part of the estimates and information submitted to the
21 governor by the superintendent of public instruction under RCW
22 28A.300.170, the superintendent of public instruction shall biennially
23 make determinations on the educational system's capacity to accommodate
24 increased resources in relation to the elements in the prototypical
25 funding allocation model. In areas where there are specific and
26 significant capacity limitations to providing enhancements to a
27 recommended element, the superintendent of public instruction shall
28 identify those limitations and make recommendations on how to address
29 the issue.

30 (2) The legislature shall:

31 (a) Review the recommendations of the superintendent of public
32 instruction submitted under subsection (1) of this section; and

33 (b) Use the information as it continues to review, evaluate, and
34 revise the definition and funding of basic education in a manner that
35 serves the educational needs of the citizen's of Washington; continues
36 to fulfill the state's obligation under Article IX of the state

1 Constitution and ensures that no enhancements are imposed on the
2 educational system that cannot be accommodated by the existing system
3 capacity.

4 (3) "System capacity" for purposes of this section includes, but is
5 not limited to, the ability of schools and districts to provide the
6 capital facilities necessary to support a particular instructional
7 program, the staffing levels necessary to support an instructional
8 program both in terms of actual numbers of staff as well as the
9 experience level and types of staff available to fill positions, the
10 higher education systems capacity to prepare the next generation of
11 educators, and the availability of data and a data system capable of
12 helping the state allocate its resources in a manner consistent with
13 evidence-based practices that are shown to improve student learning.

14 (4) The office of the superintendent of public instruction shall
15 report to the legislature on a biennial basis beginning December 1,
16 2010.

17 NEW SECTION. **Sec. 114.** (1) The quality education council is
18 created to recommend and inform the ongoing implementation by the
19 legislature of an evolving program of basic education and the financing
20 necessary to support such program. The council shall develop strategic
21 recommendations on the program of basic education for the common
22 schools. The council shall take into consideration the capacity report
23 produced under section 113 of this act and the availability of data and
24 progress of implementing the data systems required under section 202 of
25 this act. Any recommendations for modifications to the program of
26 basic education shall be based on evidence that the programs
27 effectively support student learning. The council shall update the
28 statewide strategic recommendations every four years. The
29 recommendations of the council are intended to:

30 (a) Inform future educational policy and funding decisions of the
31 legislature and governor;

32 (b) Identify measurable goals and priorities for the educational
33 system in Washington state for a ten-year time period, including the
34 goals of basic education and ongoing strategies for coordinating
35 statewide efforts to eliminate the achievement gap and reduce student
36 dropout rates; and

1 (c) Enable the state of Washington to continue to implement an
2 evolving program of basic education.

3 (2) The council may request updates and progress reports from the
4 office of the superintendent of public instruction, the state board of
5 education, the professional educator standards board, and the
6 department of early learning on the work of the agencies as well as
7 educational working groups established by the legislature.

8 (3) The chair of the council shall be selected from the
9 councilmembers. The council shall be composed of the following
10 members:

11 (a) Four members of the house of representatives, with two members
12 representing each of the major caucuses and appointed by the speaker of
13 the house of representatives;

14 (b) Four members of the senate, with two members representing each
15 of the major caucuses and appointed by the president of the senate; and

16 (c) One representative each from the office of the governor, office
17 of the superintendent of public instruction, state board of education,
18 professional educator standards board, and department of early
19 learning.

20 (4) In the 2009 fiscal year, the council shall meet as often as
21 necessary as determined by the chair. In subsequent years, the council
22 shall meet no more than four times a year.

23 (5)(a) The council shall submit an initial report to the governor
24 and the legislature by January 1, 2010, detailing its recommendations,
25 including recommendations for resolving issues or decisions requiring
26 legislative action during the 2010 legislative session, and
27 recommendations for any funding necessary to continue development and
28 implementation of chapter, Laws of 2009 (this act).

29 (b) The initial report shall, at a minimum, include:

30 (i) Consideration of how to establish a statewide beginning teacher
31 mentoring and support system;

32 (ii) Recommendations for a program of early learning for at-risk
33 children;

34 (iii) A recommended schedule for the concurrent phase-in of the
35 changes to the instructional program of basic education and the
36 implementation of the funding formulas and allocations to support the
37 new instructional program of basic education as established under

chapter, Laws of 2009 (this act). The phase-in schedule shall have full implementation completed by September 1, 2018; and

(iv) A recommended schedule for phased-in implementation of the new distribution formula for allocating state funds to school districts for the transportation of students to and from school, with phase-in beginning no later than September 1, 2013.

(6) The council shall be staffed by the office of the superintendent of public instruction and the office of financial management. Additional staff support shall be provided by the state entities with representatives on the committee. Senate committee services and the house of representatives office of program research may provide additional staff support.

(7) Legislative members of the council shall serve without additional compensation but may be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

****NEW SECTION. Sec. 115. (1) The legislature finds that a critical factor in the eventual successful outcome of a K-12 education is for students to begin school ready, both intellectually and socially, to learn. The legislature also finds that, due to a variety of factors, disadvantaged young children need supplemental instruction in preschool to assure that they have the opportunity to meaningfully participate and reach the necessary levels of achievement in the regular program of basic education. Therefore the legislature intends to establish a program of early learning for at-risk children and intends to include this program within the overall program of basic education.***

(2) The office of the superintendent of public instruction, with the support and assistance from the department of early learning, shall convene a working group to develop the basic education program of early learning. The early learning working group shall be composed of representatives from head start and early childhood education and assistance program providers, school districts, thrive by five Washington, and other stakeholders with expertise in early learning. The working group may convene advisory subgroups on specific topics as

1 necessary to assure participation and input from a broad array of
2 diverse stakeholders.

3 (3) The early learning working group shall continue the preliminary
4 work of the department of early learning under RCW 43.215.125 to
5 develop a proposal for a statewide Washington head start program. The
6 working group shall:

7 (a) Recommend student eligibility criteria that focus on children
8 age three and four considered most at-risk;

9 (b) Develop options for a service delivery system that includes
10 school districts, educational service districts, community and
11 technical colleges, and public and private nonsectarian organizations;

12 (c) Develop options for shared governance that include the
13 superintendent of public instruction and the department of early
14 learning each with appropriate supervisory and administrative
15 responsibilities;

16 (d) Develop recommended parameters and minimum standards for the
17 program; and

18 (e) Continue development of a statewide kindergarten assessment
19 process.

20 (4) The early learning working group shall be monitored and
21 overseen by the quality education council established in section 114 of
22 this act and shall submit progress reports to the council by September
23 1, 2010, and September 1, 2011, with a final report by September 1,
24 2012.

*Sec. 115 was vetoed. See message at end of chapter.

25 PART II

26 EDUCATION DATA IMPROVEMENT SYSTEM

27 **Sec. 201.** RCW 43.41.400 and 2007 c 401 s 3 are each amended to
28 read as follows:

29 (1) An education data center shall be established in the office of
30 financial management. The education data center shall jointly, with
31 the legislative ((education — {evaluation})) evaluation and
32 accountability program committee, conduct collaborative analyses of
33 early learning, K-12, and higher education programs and education
34 issues across the P-20 system, which includes the department of early
35 learning, the superintendent of public instruction, the professional
36 educator standards board, the state board of education, the state board

1 for community and technical colleges, the workforce training and
2 education coordinating board, the higher education coordinating board,
3 public and private nonprofit four-year institutions of higher
4 education, and the employment security department. The education data
5 center shall conduct collaborative analyses under this section with the
6 legislative evaluation and accountability program committee and provide
7 data electronically to the legislative evaluation and accountability
8 program committee, to the extent permitted by state and federal
9 confidentiality requirements. The education data center shall be
10 considered an authorized representative of the state educational
11 agencies in this section under applicable federal and state statutes
12 for purposes of accessing and compiling student record data for
13 research purposes.

14 (2) The education data center shall:

15 (a) In consultation with the legislative evaluation and
16 accountability program committee and the agencies and organizations
17 participating in the education data center, identify the critical
18 research and policy questions that are intended to be addressed by the
19 education data center and the data needed to address the questions;

20 (b) Coordinate with other state education agencies to compile and
21 analyze education data, including data on student demographics that is
22 disaggregated by distinct ethnic categories within racial subgroups,
23 and complete P-20 research projects;

24 ~~((b))~~ (c) Collaborate with the legislative evaluation and
25 accountability program committee and the education and fiscal
26 committees of the legislature in identifying the data to be compiled
27 and analyzed to ensure that legislative interests are served;

28 ~~((c))~~ (d) Annually provide to the K-12 data governance group a
29 list of data elements and data quality improvements that are necessary
30 to answer the research and policy questions identified by the education
31 data center and have been identified by the legislative committees in
32 (c) of this subsection. Within three months of receiving the list, the
33 K-12 data governance group shall develop and transmit to the education
34 data center a feasibility analysis of obtaining or improving the data,
35 including the steps required, estimated time frame, and the financial
36 and other resources that would be required. Based on the analysis,
37 the education data center shall submit, if necessary, a recommendation

1 to the legislature regarding any statutory changes or resources that
2 would be needed to collect or improve the data;

3 (e) Monitor and evaluate the education data collection systems of
4 the organizations and agencies represented in the education data center
5 ensuring that data systems are flexible, able to adapt to evolving
6 needs for information, and to the extent feasible and necessary,
7 include data that are needed to conduct the analyses and provide
8 answers to the research and policy questions identified in (a) of this
9 subsection;

10 (f) Track enrollment and outcomes through the public centralized
11 higher education enrollment system;

12 ~~((d))~~ (g) Assist other state educational agencies' collaborative
13 efforts to develop a long-range enrollment plan for higher education
14 including estimates to meet demographic and workforce needs; ((and

15 ~~(e))~~ (h) Provide research that focuses on student transitions
16 within and among the early learning, K-12, and higher education sectors
17 in the P-20 system; and

18 (i) Make recommendations to the legislature as necessary to help
19 ensure the goals and objectives of this section and sections 202 and
20 203 of this act are met.

21 (3) The department of early learning, superintendent of public
22 instruction, professional educator standards board, state board of
23 education, state board for community and technical colleges, workforce
24 training and education coordinating board, higher education
25 coordinating board, public four-year institutions of higher education,
26 and employment security department shall work with the education data
27 center to develop data-sharing and research agreements, consistent with
28 applicable security and confidentiality requirements, to facilitate the
29 work of the center. Private, nonprofit institutions of higher
30 education that provide programs of education beyond the high school
31 level leading at least to the baccalaureate degree and are accredited
32 by the Northwest association of schools and colleges or their peer
33 accreditation bodies may also develop data-sharing and research
34 agreements with the education data center, consistent with applicable
35 security and confidentiality requirements. The education data center
36 shall make data from collaborative analyses available to the education
37 agencies and institutions that contribute data to the education data

center to the extent allowed by federal and state security and confidentiality requirements applicable to the data of each contributing agency or institution.

NEW SECTION. **Sec. 202.** A new section is added to chapter 28A.655 RCW to read as follows:

(1) It is the legislature's intent to establish a comprehensive K-12 education data improvement system for financial, student, and educator data. The objective of the system is to monitor student progress, have information on the quality of the educator workforce, monitor and analyze the costs of programs, provide for financial integrity and accountability, and have the capability to link across these various data components by student, by class, by teacher, by school, by district, and statewide. Education data systems must be flexible and able to adapt to evolving needs for information, but there must be an objective and orderly data governance process for determining when changes are needed and how to implement them. It is the further intent of the legislature to provide independent review and evaluation of a comprehensive K-12 education data improvement system by assigning the review and monitoring responsibilities to the education data center and the legislative evaluation and accountability program committee.

(2) It is the intent that the data system specifically service reporting requirements for teachers, parents, superintendents, school boards, the legislature, the office of the superintendent of public instruction, and the public.

(3) It is the legislature's intent that the K-12 education data improvement system used by school districts and the state include but not be limited to the following information and functionality:

(a) Comprehensive educator information, including grade level and courses taught, building or location, program, job assignment, years of experience, the institution of higher education from which the educator obtained his or her degree, compensation, class size, mobility of class population, socioeconomic data of class, number of languages and which languages are spoken by students, general resources available for curriculum and other classroom needs, and number and type of instructional support staff in the building;

1 (b) The capacity to link educator assignment information with
2 educator certification information such as certification number, type
3 of certification, route to certification, certification program, and
4 certification assessment or evaluation scores;

5 (c) Common coding of secondary courses and major areas of study at
6 the elementary level or standard coding of course content;

7 (d) Robust student information, including but not limited to
8 student characteristics, course and program enrollment, performance on
9 statewide and district summative and formative assessments to the
10 extent district assessments are used, and performance on college
11 readiness tests;

12 (e) A subset of student information elements to serve as a dropout
13 early warning system;

14 (f) The capacity to link educator information with student
15 information;

16 (g) A common, standardized structure for reporting the costs of
17 programs at the school and district level with a focus on the cost of
18 services delivered to students;

19 (h) Separate accounting of state, federal, and local revenues and
20 costs;

21 (i) Information linking state funding formulas to school district
22 budgeting and accounting, including procedures:

23 (i) To support the accuracy and auditing of financial data; and

24 (ii) Using the prototypical school model for school district
25 financial accounting reporting;

26 (j) The capacity to link program cost information with student
27 performance information to gauge the cost-effectiveness of programs;

28 (k) Information that is centrally accessible and updated regularly;
29 and

30 (l) An anonymous, nonidentifiable replicated copy of data that is
31 updated at least quarterly, and made available to the public by the
32 state.

33 (4) It is the legislature's goal that all school districts have the
34 capability to collect state-identified common data and export it in a
35 standard format to support a statewide K-12 education data improvement
36 system under this section.

37 (5) It is the legislature's intent that the K-12 education data

1 improvement system be developed to provide the capability to make
2 reports as required under section 203 of this act available.

3 (6) It is the legislature's intent that school districts collect
4 and report new data elements to satisfy the requirements of RCW
5 43.41.400, this section, and section 203 of this act, only to the
6 extent funds are available for this purpose.

7 NEW SECTION. **Sec. 203.** A new section is added to chapter 28A.300
8 RCW to read as follows:

9 (1) A K-12 data governance group shall be established within the
10 office of the superintendent of public instruction to assist in the
11 design and implementation of a K-12 education data improvement system
12 for financial, student, and educator data. It is the intent that the
13 data system reporting specifically serve requirements for teachers,
14 parents, superintendents, school boards, the office of the
15 superintendent of public instruction, the legislature, and the public.

16 (2) The K-12 data governance group shall include representatives of
17 the education data center, the office of the superintendent of public
18 instruction, the legislative evaluation and accountability program
19 committee, the professional educator standards board, the state board
20 of education, and school district staff, including information
21 technology staff. Additional entities with expertise in education data
22 may be included in the K-12 data governance group.

23 (3) The K-12 data governance group shall:

24 (a) Identify the critical research and policy questions that need
25 to be addressed by the K-12 education data improvement system;

26 (b) Identify reports and other information that should be made
27 available on the internet in addition to the reports identified in
28 subsection (5) of this section;

29 (c) Create a comprehensive needs requirement document detailing the
30 specific information and technical capacity needed by school districts
31 and the state to meet the legislature's expectations for a
32 comprehensive K-12 education data improvement system as described under
33 section 202 of this act;

34 (d) Conduct a gap analysis of current and planned information
35 compared to the needs requirement document, including an analysis of
36 the strengths and limitations of an education data system and programs
37 currently used by school districts and the state, and specifically the

1 gap analysis must look at the extent to which the existing data can be
2 transformed into canonical form and where existing software can be used
3 to meet the needs requirement document;

4 (e) Focus on financial and cost data necessary to support the new
5 K-12 financial models and funding formulas, including any necessary
6 changes to school district budgeting and accounting, and on assuring
7 the capacity to link data across financial, student, and educator
8 systems; and

9 (f) Define the operating rules and governance structure for K-12
10 data collections, ensuring that data systems are flexible and able to
11 adapt to evolving needs for information, within an objective and
12 orderly data governance process for determining when changes are needed
13 and how to implement them. Strong consideration must be made to the
14 current practice and cost of migration to new requirements. The
15 operating rules should delineate the coordination, delegation, and
16 escalation authority for data collection issues, business rules, and
17 performance goals for each K-12 data collection system, including:

18 (i) Defining and maintaining standards for privacy and
19 confidentiality;

20 (ii) Setting data collection priorities;

21 (iii) Defining and updating a standard data dictionary;

22 (iv) Ensuring data compliance with the data dictionary;

23 (v) Ensuring data accuracy; and

24 (vi) Establishing minimum standards for school, student, financial,
25 and teacher data systems. Data elements may be specified "to the
26 extent feasible" or "to the extent available" to collect more and
27 better data sets from districts with more flexible software. Nothing
28 in RCW 43.41.400, this section, or section 202 of this act should be
29 construed to require that a data dictionary or reporting should be
30 hobbled to the lowest common set. The work of the K-12 data
31 governance group must specify which data are desirable. Districts that
32 can meet these requirements shall report the desirable data. Funding
33 from the legislature must establish which subset data are absolutely
34 required.

35 (4)(a) The K-12 data governance group shall provide updates on its
36 work as requested by the education data center and the legislative
37 evaluation and accountability program committee.

1 (b) The work of the K-12 data governance group shall be
2 periodically reviewed and monitored by the educational data center and
3 the legislative evaluation and accountability program committee.

4 (5) To the extent data is available, the office of the
5 superintendent of public instruction shall make the following minimum
6 reports available on the internet. The reports must either be run on
7 demand against current data, or, if a static report, must have been run
8 against the most recent data:

9 (a) The percentage of data compliance and data accuracy by school
10 district;

11 (b) The magnitude of spending per student, by student estimated by
12 the following algorithm and reported as the detailed summation of the
13 following components:

14 (i) An approximate, prorated fraction of each teacher or human
15 resource element that directly serves the student. Each human resource
16 element must be listed or accessible through online tunneling in the
17 report;

18 (ii) An approximate, prorated fraction of classroom or building
19 costs used by the student;

20 (iii) An approximate, prorated fraction of transportation costs
21 used by the student; and

22 (iv) An approximate, prorated fraction of all other resources
23 within the district. District-wide components should be disaggregated
24 to the extent that it is sensible and economical;

25 (c) The cost of K-12 basic education, per student, by student, by
26 school district, estimated by the algorithm in (b) of this subsection,
27 and reported in the same manner as required in (b) of this subsection;

28 (d) The cost of K-12 special education services per student, by
29 student receiving those services, by school district, estimated by the
30 algorithm in (b) of this subsection, and reported in the same manner as
31 required in (b) of this subsection;

32 (e) Improvement on the statewide assessments computed as both a
33 percentage change and absolute change on a scale score metric by
34 district, by school, and by teacher that can also be filtered by a
35 student's length of full-time enrollment within the school district;

36 (f) Number of K-12 students per classroom teacher on a per teacher
37 basis;

(g) Number of K-12 classroom teachers per student on a per student basis;

(h) Percentage of a classroom teacher per student on a per student basis; and

(i) The cost of K-12 education per student by school district sorted by federal, state, and local dollars.

(6) The superintendent of public instruction shall submit a preliminary report to the legislature by November 15, 2009, including the analyses by the K-12 data governance group under subsection (3) of this section and preliminary options for addressing identified gaps. A final report, including a proposed phase-in plan and preliminary cost estimates for implementation of a comprehensive data improvement system for financial, student, and educator data shall be submitted to the legislature by September 1, 2010.

(7) All reports and data referenced in this section, RCW 43.41.400, and section 202 of this act shall be made available in a manner consistent with the technical requirements of the legislative evaluation and accountability program committee and the education data center so that selected data can be provided to the legislature, governor, school districts, and the public.

(8) Reports shall contain data to the extent it is available. All reports must include documentation of which data are not available or are estimated. Reports must not be suppressed because of poor data accuracy or completeness. Reports may be accompanied with documentation to inform the reader of why some data are missing or inaccurate or estimated.

NEW SECTION. **Sec. 204.** A new section is added to chapter 43.41 RCW to read as follows:

The education data center and the superintendent of public instruction shall take all actions necessary to secure federal funds to implement sections 201 through 203 of this act.

PART III

OTHER EDUCATIONAL PROVISIONS

NEW SECTION. **Sec. 301.** A new section is added to chapter 28A.500 RCW to read as follows:

1 (1) The legislature finds that while the state has the
2 responsibility to provide for a general and uniform system of public
3 schools, there is also a need for some diversity in the public school
4 system. A successful system of public education must permit some
5 variation among school districts outside the basic education provided
6 for by the state to respond to and reflect the unique desires of local
7 communities. The opportunity for local communities to invest in
8 enriched education programs promotes support for local public schools.
9 Further, the ability of local school districts to experiment with
10 enriched programs can inform the legislature's long-term evolution of
11 the definition of basic education. Therefore, local levy authority
12 remains an important component of the overall finance system in support
13 of the public schools even though it is outside the state's obligation
14 for basic education.

15 (2) However, the value of permitting local levies must be balanced
16 with the value of equity and fairness to students and to taxpayers,
17 neither of whom should be unduly disadvantaged due to differences in
18 the tax bases used to support local levies. Equity and fairness
19 require both an equitable basis for supplemental funding outside basic
20 education and a mechanism for property tax-poor school districts to
21 fairly access supplemental funding. As such, local effort assistance,
22 while also outside the state's obligation for basic education, is
23 another important component of school finance.

24 NEW SECTION. Sec. 302. (1) Beginning July 1, 2010, the office of
25 financial management, with assistance and support from the office of
26 the superintendent of public instruction, shall convene a technical
27 working group to develop options for a new system of supplemental
28 school funding through local school levies and local effort assistance.

29 (2) The working group shall consider the impact on overall school
30 district revenues of the new basic education funding system established
31 under this act and shall recommend a phase-in plan that ensures that no
32 school district suffers a decrease in funding from one school year to
33 the next due to implementation of the new system of supplemental
34 funding.

35 (3) The working group shall be composed of representatives from the
36 department of revenue, the legislative evaluation and accountability
37 program committee, school district and educational service district

1 financial managers, and representatives of the Washington association
2 of school business officers, the Washington education association, the
3 Washington association of school administrators, the association of
4 Washington school principals, the Washington state school directors'
5 association, the public school employees of Washington, and other
6 interested stakeholders with expertise in education finance. The
7 working group may convene advisory subgroups on specific topics as
8 necessary to assure participation and input from a broad array of
9 diverse stakeholders.

10 (4) The local funding working group shall be monitored and overseen
11 by the legislature and by the quality education council created in
12 section 114 of this act. The working group shall report to the
13 legislature December 1, 2011.

14 **Sec. 303.** RCW 28A.195.010 and 2004 c 19 s 106 are each amended to
15 read as follows:

16 The legislature hereby recognizes that private schools should be
17 subject only to those minimum state controls necessary to insure the
18 health and safety of all the students in the state and to insure a
19 sufficient basic education to meet usual graduation requirements. The
20 state, any agency or official thereof, shall not restrict or dictate
21 any specific educational or other programs for private schools except
22 as hereinafter in this section provided.

23 Principals of private schools or superintendents of private school
24 districts shall file each year with the state superintendent of public
25 instruction a statement certifying that the minimum requirements
26 hereinafter set forth are being met, noting any deviations. After
27 review of the statement, the state superintendent will notify schools
28 or school districts of those deviations which must be corrected. In
29 case of major deviations, the school or school district may request and
30 the state board of education may grant provisional status for one year
31 in order that the school or school district may take action to meet the
32 requirements. The state board of education shall not require private
33 school students to meet the student learning goals, obtain a
34 certificate of academic achievement, or a certificate of individual
35 achievement to graduate from high school, to master the essential
36 academic learning requirements, or to be assessed pursuant to RCW
37 28A.655.061. However, private schools may choose, on a voluntary

1 basis, to have their students master these essential academic learning
2 requirements, take the assessments, and obtain a certificate of
3 academic achievement or a certificate of individual achievement.
4 Minimum requirements shall be as follows:

5 (1) The minimum school year for instructional purposes shall
6 consist of no less than one hundred eighty school days or the
7 equivalent in annual minimum ~~((program))~~ instructional hour offerings
8 ~~((as prescribed in RCW 28A.150.220))~~, with a school-wide annual average
9 total instructional hour offering of one thousand hours for students
10 enrolled in grades one through twelve, and at least four hundred fifty
11 hours for students enrolled in kindergarten.

12 (2) The school day shall be the same as ~~((that required in RCW~~
13 ~~28A.150.030 and 28A.150.220, except that the percentages of total~~
14 ~~program hour offerings as prescribed in RCW 28A.150.220 for basic~~
15 ~~skills, work skills, and optional subjects and activities shall not~~
16 ~~apply to private schools or private sectarian schools))~~ defined in
17 section 102 of this act.

18 (3) All classroom teachers shall hold appropriate Washington state
19 certification except as follows:

20 (a) Teachers for religious courses or courses for which no
21 counterpart exists in public schools shall not be required to obtain a
22 state certificate to teach those courses.

23 (b) In exceptional cases, people of unusual competence but without
24 certification may teach students so long as a certified person
25 exercises general supervision. Annual written statements shall be
26 submitted to the office of the superintendent of public instruction
27 reporting and explaining such circumstances.

28 (4) An approved private school may operate an extension program for
29 parents, guardians, or persons having legal custody of a child to teach
30 children in their custody. The extension program shall require at a
31 minimum that:

32 (a) The parent, guardian, or custodian be under the supervision of
33 an employee of the approved private school who is certified under
34 chapter 28A.410 RCW;

35 (b) The planning by the certified person and the parent, guardian,
36 or person having legal custody include objectives consistent with this
37 subsection and subsections (1), (2), (5), (6), and (7) of this section;

1 (c) The certified person spend a minimum average each month of one
2 contact hour per week with each student under his or her supervision
3 who is enrolled in the approved private school extension program;

4 (d) Each student's progress be evaluated by the certified person;
5 and

6 (e) The certified employee shall not supervise more than thirty
7 students enrolled in the approved private school's extension program.

8 (5) Appropriate measures shall be taken to safeguard all permanent
9 records against loss or damage.

10 (6) The physical facilities of the school or district shall be
11 adequate to meet the program offered by the school or district:
12 PROVIDED, That each school building shall meet reasonable health and
13 fire safety requirements. A residential dwelling of the parent,
14 guardian, or custodian shall be deemed to be an adequate physical
15 facility when a parent, guardian, or person having legal custody is
16 instructing his or her child under subsection (4) of this section.

17 (7) Private school curriculum shall include instruction of the
18 basic skills of occupational education, science, mathematics, language,
19 social studies, history, health, reading, writing, spelling, and the
20 development of appreciation of art and music, all in sufficient units
21 for meeting state board of education graduation requirements.

22 (8) Each school or school district shall be required to maintain
23 up-to-date policy statements related to the administration and
24 operation of the school or school district.

25 All decisions of policy, philosophy, selection of books, teaching
26 material, curriculum, except as in subsection (7) of this section
27 provided, school rules and administration, or other matters not
28 specifically referred to in this section, shall be the responsibility
29 of the administration and administrators of the particular private
30 school involved.

31 **Sec. 304.** RCW 28A.160.150 and 1996 c 279 s 1 are each amended to
32 read as follows:

33 Funds allocated for transportation costs, except for funds provided
34 for transportation and transportation services to and from school shall
35 be in addition to the basic education allocation. The distribution
36 formula developed in RCW 28A.160.150 through 28A.160.180 shall be for
37 allocation purposes only and shall not be construed as mandating

specific levels of pupil transportation services by local districts. Operating costs as determined under RCW 28A.160.150 through 28A.160.180 shall be funded at one hundred percent or as close thereto as reasonably possible for transportation of an eligible student to and from school as defined in RCW 28A.160.160(3). In addition, funding shall be provided for transportation services for students living within ~~((one-radius-mile-from-school))~~ the walk area as determined under RCW ~~((28A.160.180(2)))~~ 28A.160.160(5).

Sec. 305. RCW 28A.160.160 and 1996 c 279 s 2 are each amended to read as follows:

For purposes of RCW 28A.160.150 through 28A.160.190, except where the context shall clearly indicate otherwise, the following definitions apply:

(1) "Eligible student" means any student served by the transportation program of a school district or compensated for individual transportation arrangements authorized by RCW 28A.160.030 whose route stop is ~~((more-than-one-radius-mile-from-the))~~ outside the walk area for a student's school, except if the student to be transported is disabled under RCW 28A.155.020 and is either not ambulatory or not capable of protecting his or her own welfare while traveling to or from the school or agency where special education services are provided, in which case no mileage distance restriction applies.

(2) "Superintendent" means the superintendent of public instruction.

(3) "To and from school" means the transportation of students for the following purposes:

(a) Transportation to and from route stops and schools;

(b) Transportation to and from schools pursuant to an interdistrict agreement pursuant to RCW 28A.335.160;

(c) Transportation of students between schools and learning centers for instruction specifically required by statute; and

(d) Transportation of students with disabilities to and from schools and agencies for special education services.

Academic extended day transportation for the instructional program of basic education under RCW 28A.150.220 shall ~~((not))~~ be considered part of transportation of students "to and from school" for the

1 purposes of (~~chapter 61, Laws of 1983 1st ex. sess~~) this section.
2 Transportation for field trips may not be considered part of
3 transportation of students "to and from school" under this section.

4 (4) "Transportation services" for students living within (~~one~~
5 ~~radius mile from school means school transportation services including~~
6 ~~the use of buses,~~) the walk area includes the coordination of walk-to-
7 school programs, the funding of crossing guards, and matching funds for
8 local and state transportation projects intended to mitigate hazardous
9 walking conditions. Priority for transportation services shall be
10 given to students in grades kindergarten through five.

11 (5) As used in this section, "walk area" means that area around a
12 school with an adequate roadway configuration to provide students
13 access to school with a walking distance of less than one mile.
14 Mileage must be measured along the shortest roadway or maintained
15 public walkway where hazardous conditions do not exist. The hazardous
16 conditions must be documented by a process established in rule by the
17 superintendent of public instruction and must include roadway,
18 environmental, and social conditions. Each elementary school shall
19 identify walk routes within the walk area.

20 **Sec. 306.** RCW 28A.160.170 and 2007 c 139 s 1 are each amended to
21 read as follows:

22 Each district shall submit three times each year to the
23 superintendent of public instruction during October, February, and May
24 of each year a report containing the following:

25 (1)(a) The number of eligible students transported to and from
26 school as provided for in RCW 28A.160.150 (~~for the current school year~~
27 ~~and the number of miles estimated to be driven for pupil transportation~~
28 ~~services)), along with ((a — map — describing — student — route))~~
29 identification of stop locations and school locations, and (b) the
30 number of miles driven for pupil transportation services as authorized
31 in RCW 28A.160.150 the previous school year; and

32 (2) Other operational data and descriptions as required by the
33 superintendent to determine allocation requirements for each district.
34 The superintendent shall require that districts separate the costs of
35 operating the program for the transportation of eligible students to
36 and from school as defined by RCW 28A.160.160(3) from non-to-and-from-
37 school pupil transportation costs in the annual financial statement.

1 The cost, quantity, and type of all fuel purchased by school districts
2 for use in to-and-from-school transportation shall be included in the
3 annual financial statement.

4 Each district shall submit the information required in this section
5 on a timely basis as a condition of the continuing receipt of school
6 transportation moneys.

7 **Sec. 307.** RCW 28A.160.180 and 1996 c 279 s 3 are each amended to
8 read as follows:

9 Each district's annual student transportation allocation shall be
10 ~~((based on differential rates))~~ determined by the superintendent of
11 public instruction in the following manner:

12 (1) The superintendent shall annually calculate ~~((a standard~~
13 ~~student-mile-allocation-rate-for-determining))~~ the transportation
14 allocation for those services provided for in RCW 28A.160.150.
15 ~~(("Standard student-mile-allocation-rate," as used in this chapter,~~
16 ~~means the per-mile-allocation-rate-for-transporting-an-eligible~~
17 ~~student.))~~ The ~~((standard student-mile))~~ allocation ~~((rate))~~ formula
18 may be adjusted to include such additional differential factors as
19 ~~((distance; restricted))~~ basic and special passenger ~~((load;~~
20 ~~circumstances that require use of special types of transportation~~
21 ~~vehicles; student with disabilities load; and small fleet maintenance))~~
22 counts as defined by the superintendent of public instruction, average
23 distance to school, and number of locations served.

24 (2) ~~((For transportation services for students living within one~~
25 ~~radius-mile-from-school,))~~ The allocation shall be based on a
26 regression analysis of the number of basic and special students ~~((in~~
27 ~~grades kindergarten through five living within one radius-mile as~~
28 ~~specified in the biennial appropriations act))~~ transported and as many
29 other site characteristics that are identified as being statistically
30 significant.

31 (3) ~~((The superintendent of public instruction shall annually~~
32 ~~calculate allocation rate(s), which shall include vehicle amortization,~~
33 ~~for determining))~~ The transportation allocation for transporting
34 students in district-owned passenger cars, as defined in RCW 46.04.382,
35 pursuant to RCW 28A.160.010 for services provided for in RCW
36 28A.160.150 if a school district deems it advisable to use such
37 vehicles after the school district board of directors has considered

1 the safety of the students being transported as well as the economy of
2 utilizing a district-owned passenger car in lieu of a school bus is the
3 private vehicle reimbursement rate in effect on September 1st of each
4 school year. Students transported in district-owned passenger cars
5 must be included in the corresponding basic or special passenger
6 counts.

7 (4) Prior to June 1st of each year the superintendent shall submit
8 to the office of financial management, and the education and fiscal
9 committees (~~((on education and ways and means of the senate and house of~~
10 ~~representatives))~~ of the legislature, a report outlining the
11 methodology and rationale used in determining the statistical
12 coefficients for each site characteristic used to determine the
13 allocation (~~((rates to be used))~~) for the following year.

14 **Sec. 308.** RCW 28A.160.190 and 1990 c 33 s 145 are each amended to
15 read as follows:

16 The superintendent shall notify districts of their student
17 transportation allocation before January 15th. (~~((If the number of~~
18 ~~eligible students in a school district changes ten percent or more from~~
19 ~~the October report, and the change is maintained for a period of twenty~~
20 ~~consecutive school days or more, the district may submit revised~~
21 ~~eligible student data to the superintendent of public instruction.))~~
22 The superintendent shall(~~((, to the extent funds are available,))~~)
23 recalculate and prorate the district's allocation for the
24 transportation of pupils to and from school.

25 The superintendent shall make the student transportation allocation
26 in accordance with the apportionment payment schedule in RCW
27 28A.510.250. Such allocation payments may be based on (~~((estimated~~
28 ~~amounts))~~ the prior school year's ridership report for payments to be
29 made in September, October, November, December, and January.

30 NEW SECTION. **Sec. 309.** A new section is added to chapter 28A.160
31 RCW to read as follows:

32 The superintendent of public instruction shall ensure that the
33 allocation formula results in adequate appropriation for low enrollment
34 districts, nonhigh districts, districts involved in cooperative
35 transportation agreements, and cooperative special transportation

services operated by educational service districts. If necessary, the superintendent shall develop a separate process to adjust the allocation of the districts.

NEW SECTION. **Sec. 310.** A new section is added to chapter 28A.160 RCW to read as follows:

(1) The superintendent of public instruction shall encourage efficient use of state resources by providing a linear programming process that compares school district transportation operations. If a school district's operation is calculated to be less than ninety percent efficient, the regional transportation coordinators shall provide an individual review to determine what measures are available to the school district to improve efficiency. The evaluation shall include such measures as:

- (a) Efficient routing of buses;
- (b) Efficient use of vehicle capacity; and
- (c) Reasonable controls on compensation costs.

(2) The superintendent shall submit to the fiscal and education committees of the legislature no later than December 1st of each year a report summarizing the efficiency reviews and the resulting changes implemented by school districts in response to the recommendations of the regional transportation coordinators.

NEW SECTION. **Sec. 311.** A new section is added to chapter 28A.160 RCW to read as follows:

(1) The superintendent of public instruction shall phase-in the implementation of the distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school. The phase-in shall be according to the implementation schedule adopted by the legislature and shall begin no later than the 2013-14 school year.

(a) The formula must be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.

1 (b) The formula must allocate funds to school districts based on
2 the average predicted costs of transporting students to and from
3 school, using a regression analysis.

4 (2) During the phase-in period, funding provided to school
5 districts for student transportation operations shall be distributed on
6 the following basis:

7 (a) Annually, each school district shall receive the lesser of the
8 previous school year's pupil transportation operations allocation, or
9 the total of allowable pupil transportation expenditures identified on
10 the previous school year's final expenditure report to the state plus
11 district indirect expenses using the state recovery rate identified by
12 the superintendent; and

13 (b) Annually, any funds appropriated by the legislature in excess
14 of the maintenance level funding amount for student transportation
15 shall be distributed among school districts on a prorated basis using
16 the difference between the amount identified in (a) of this subsection
17 and the amount determined under the formula in RCW 28A.160.180.

18 (3) The superintendent shall develop, implement, and provide a copy
19 of the rules specifying the student transportation reporting
20 requirements to the legislature and school districts no later than
21 December 1, 2009.

22 (4) Beginning in December 2009, and continuing until December 2014,
23 the superintendent shall provide quarterly updates and progress reports
24 to the fiscal committees of the legislature on the implementation and
25 testing of the distribution formula.

26 PART IV

27 CERTIFICATION AND PROFESSIONAL DEVELOPMENT

28 NEW SECTION. **Sec. 401.** The legislature recognizes that the key to
29 providing all students the opportunity to achieve the basic education
30 goal is effective teaching and leadership. Teachers, principals, and
31 administrators must be provided with access to the opportunities they
32 need to gain the knowledge and skills that will enable them to be
33 increasingly successful in their classroom and schools. A system that
34 clearly defines, supports, measures, and recognizes effective teaching
35 and leadership is one of the most important investments to be made.

1 NEW SECTION. **Sec. 402.** A new section is added to chapter 28A.410
2 RCW to read as follows:

3 (1)(a) By January 1, 2010, the professional educator standards
4 board shall adopt a set of articulated teacher knowledge, skill, and
5 performance standards for effective teaching that are evidence-based,
6 measurable, meaningful, and documented in high quality research as
7 being associated with improved student learning. The standards shall
8 be calibrated for each level of certification and along the entire
9 career continuum. In developing the standards, the board shall, to the
10 extent possible, incorporate standards for cultural competency along
11 the entire continuum. For the purposes of this subsection, "cultural
12 competency" includes knowledge of student cultural histories and
13 contexts, as well as family norms and values in different cultures;
14 knowledge and skills in accessing community resources and community and
15 parent outreach; and skills in adapting instruction to students'
16 experiences and identifying cultural contexts for individual students.

17 (b) By January 1, 2010, the professional educator standards board
18 shall adopt a definition of master teacher, with a comparable level of
19 increased competency between professional certification level and
20 master level as between professional certification level and national
21 board certification. Within the definition established by the
22 professional educator standards board, teachers certified through the
23 national board for professional teaching standards shall be considered
24 master teachers.

25 (2) By January 1, 2010, the professional educator standards board
26 shall submit to the governor and the education and fiscal committees of
27 the legislature:

28 (a) An update on the status of implementation of the professional
29 certificate external and uniform assessment authorized in RCW
30 28A.410.210;

31 (b) A proposal for a uniform, statewide, valid, and reliable
32 classroom-based means of evaluating teacher effectiveness as a
33 culminating measure at the preservice level that is to be used during
34 the student-teaching field experience. This assessment shall include
35 multiple measures of teacher performance in classrooms, evidence of
36 positive impact on student learning, and shall include review of
37 artifacts, such as use of a variety of assessment and instructional
38 strategies, and student work. The proposal shall establish a timeline

1 for when the assessment will be required for successful completion of
2 a Washington state-approved teacher preparation program. The timeline
3 shall take into account the capacity of the K-12 education and higher
4 education systems to accommodate the new assessment. The proposal and
5 timeline shall also address how the assessment will be included in
6 state-reported data on preparation program quality; and

7 (c) A recommendation on the length of time that a residency
8 certificate issued to a teacher is valid and within what time period a
9 teacher must meet the minimum level of performance for and receive a
10 professional certificate in order to continue being certified as a
11 teacher. In developing this recommendation, the professional educator
12 standards board shall consult with interested stakeholders including
13 the Washington education association, the Washington association of
14 school administrators, association of Washington school principals, and
15 the Washington state school directors' association and shall include
16 with its recommendation a description of each stakeholder's comments on
17 the recommendation.

18 (3) The update and proposal in subsection (2)(a) and (b) of this
19 section shall include, at a minimum, descriptions of:

20 (a) Estimated costs and statutory authority needed for further
21 development and implementation of these assessments;

22 (b) A common and standardized rubric for determining whether a
23 teacher meets the minimum level of performance of the assessments; and

24 (c) Administration and management of the assessments.

25 (4) To the extent that funds are appropriated for this purpose and
26 in accordance with the timeline established in subsection (2) of this
27 section, recognizing the capacity limitations of the education systems,
28 the professional educator standards board shall develop the system and
29 process as established in subsections (1), (2), and (3) of this section
30 throughout the remainder of the 2010-11 and 2011-12 school years.

31 (5) Beginning no earlier than September 1, 2011, award of a
32 professional certificate shall be based on a minimum of two years of
33 successful teaching experience as defined by the board and on the
34 results of the evaluation authorized under RCW 28A.410.210(14) and
35 under this section, and may not require candidates to enroll in a
36 professional certification program.

37 (6) Beginning July 1, 2011, educator preparation programs approved
38 to offer the residency teaching certificate shall be required to

1 demonstrate how the program produces effective teachers as evidenced by
2 the measures established under this section and other criteria
3 established by the professional educator standards board.

4 **Sec. 403.** RCW 28A.415.360 and 2007 c 402 s 9 are each amended to
5 read as follows:

6 (1) Subject to funds appropriated for this purpose, targeted
7 professional development programs, to be known as learning improvement
8 days, are authorized to further the development of outstanding
9 mathematics, science, and reading teaching and learning opportunities
10 in the state of Washington. The intent of this section is to provide
11 guidance for the learning improvement days in the omnibus
12 appropriations act. The learning improvement days authorized in this
13 section shall not be considered part of the definition of basic
14 education.

15 (2) (~~((The expected outcomes of these programs are))~~) A school
16 district is eligible to receive funding for learning improvement days
17 that are limited to specific activities related to student learning
18 that contribute to the following outcomes:

19 (a) Provision of meaningful, targeted professional development for
20 all teachers in mathematics, science, or reading;

21 (b) Increased knowledge and instructional skill for mathematics,
22 science, or reading teachers;

23 (c) Increased use of curriculum materials with supporting
24 diagnostic and supplemental materials that align with state standards;

25 (d) Skillful guidance for students participating in alternative
26 assessment activities;

27 (e) Increased rigor of course offerings especially in mathematics,
28 science, and reading;

29 (f) Increased student opportunities for focused, applied
30 mathematics and science classes;

31 (g) Increased student success on state achievement measures; and

32 (h) Increased student appreciation of the value and uses of
33 mathematics, science, and reading knowledge and exploration of related
34 careers.

35 (3) School districts receiving resources under this section shall
36 submit reports to the superintendent of public instruction (~~((regarding~~
37 ~~the use of the funds;))~~) documenting how the use of the funds (~~((is~~

1 ~~associated with~~) contributes to measurable improvement in the
2 ~~((expected))~~ outcomes described under subsection (2) of this section;
3 and how other professional development resources and programs
4 authorized in statute or in the omnibus appropriations act contribute
5 to the expected outcomes. The superintendent of public instruction and
6 the office of financial management shall collaborate on required report
7 content and format.

8 **PART V**

9 **SHARED ACCOUNTABILITY FOR SCHOOL AND DISTRICT IMPROVEMENT**

10 NEW SECTION. Sec. 501. (1)(a) The legislature intends to develop
11 a system in which the state and school districts share accountability
12 for achieving state educational standards and supporting continuous
13 school improvement. The legislature recognizes that comprehensive
14 education finance reform and the increased investment of public
15 resources necessary to implement that reform must be accompanied by a
16 new mechanism for clearly defining the relationships and expectations
17 for the state, school districts, and schools. It is the legislature's
18 intent that this be accomplished through the development of a
19 proactive, collaborative accountability system that focuses on a school
20 improvement system that engages and serves the local school board,
21 parents, students, staff in the schools and districts, and the
22 community. The improvement system shall be based on progressive levels
23 of support, with a goal of continuous improvement in student
24 achievement and alignment with the federal system of accountability.

25 (b) The legislature further recognizes that it is the state's
26 responsibility to provide schools and districts with the tools and
27 resources necessary to improve student achievement. These tools
28 include the necessary accounting and data reporting systems, assessment
29 systems to monitor student achievement, and a system of general
30 support, targeted assistance, recognition, and, if necessary, state
31 intervention.

32 (2) The legislature has already charged the state board of
33 education to develop criteria to identify schools and districts that
34 are successful, in need of assistance, and those where students
35 persistently fail, as well as to identify a range of intervention
36 strategies and a performance incentive system. The legislature finds

1 that the state board of education should build on the work that the
2 board has already begun in these areas. As development of these
3 formulas, processes, and systems progresses, the legislature should
4 monitor the progress.

5 **Sec. 502.** RCW 28A.305.130 and 2008 c 27 s 1 are each amended to
6 read as follows:

7 The purpose of the state board of education is to provide advocacy
8 and strategic oversight of public education; implement a standards-
9 based accountability (~~((system))~~) framework that creates a unified system
10 of increasing levels of support for schools in order to improve student
11 academic achievement; provide leadership in the creation of a system
12 that personalizes education for each student and respects diverse
13 cultures, abilities, and learning styles; and promote achievement of
14 the goals of RCW 28A.150.210. In addition to any other powers and
15 duties as provided by law, the state board of education shall:

16 (1) Hold regularly scheduled meetings at such time and place within
17 the state as the board shall determine and may hold such special
18 meetings as may be deemed necessary for the transaction of public
19 business;

20 (2) Form committees as necessary to effectively and efficiently
21 conduct the work of the board;

22 (3) Seek advice from the public and interested parties regarding
23 the work of the board;

24 (4) For purposes of statewide accountability:

25 (a) Adopt and revise performance improvement goals in reading,
26 writing, science, and mathematics, by subject and grade level, once
27 assessments in these subjects are required statewide; academic and
28 technical skills, as appropriate, in secondary career and technical
29 education programs; and student attendance, as the board deems
30 appropriate to improve student learning. The goals shall be consistent
31 with student privacy protection provisions of RCW 28A.655.090(7) and
32 shall not conflict with requirements contained in Title I of the
33 federal elementary and secondary education act of 1965, or the
34 requirements of the Carl D. Perkins vocational education act of 1998,
35 each as amended. The goals may be established for all students,
36 economically disadvantaged students, limited English proficient
37 students, students with disabilities, and students from

1 disproportionately academically underachieving racial and ethnic
2 backgrounds. The board may establish school and school district goals
3 addressing high school graduation rates and dropout reduction goals for
4 students in grades seven through twelve. The board shall adopt the
5 goals by rule. However, before each goal is implemented, the board
6 shall present the goal to the education committees of the house of
7 representatives and the senate for the committees' review and comment
8 in a time frame that will permit the legislature to take statutory
9 action on the goal if such action is deemed warranted by the
10 legislature;

11 (b) Identify the scores students must achieve in order to meet the
12 standard on the Washington assessment of student learning and, for high
13 school students, to obtain a certificate of academic achievement. The
14 board shall also determine student scores that identify levels of
15 student performance below and beyond the standard. The board shall
16 consider the incorporation of the standard error of measurement into
17 the decision regarding the award of the certificates. The board shall
18 set such performance standards and levels in consultation with the
19 superintendent of public instruction and after consideration of any
20 recommendations that may be developed by any advisory committees that
21 may be established for this purpose. The initial performance standards
22 and any changes recommended by the board in the performance standards
23 for the tenth grade assessment shall be presented to the education
24 committees of the house of representatives and the senate by November
25 30th of the school year in which the changes will take place to permit
26 the legislature to take statutory action before the changes are
27 implemented if such action is deemed warranted by the legislature. The
28 legislature shall be advised of the initial performance standards and
29 any changes made to the elementary level performance standards and the
30 middle school level performance standards;

31 ~~(c) ((Adopt objective, systematic criteria to identify successful~~
32 ~~schools and school districts and recommend to the superintendent of~~
33 ~~public instruction schools and districts to be recognized for two types~~
34 ~~of accomplishments, student achievement and improvements in student~~
35 ~~achievement. Recognition for improvements in student achievement shall~~
36 ~~include consideration of one or more of the following accomplishments:~~

37 ~~(i) An increase in the percent of students meeting standards. The~~

1 ~~level-of-achievement-required-for-recognition-may-be-based-on-the~~
2 ~~achievement-goals-established-by-the-legislature-and-by-the-board-under~~
3 ~~(a)-of-this-subsection;~~

4 ~~(ii)-Positive-progress-on-an-improvement-index-that-measures~~
5 ~~improvement-in-all-levels-of-the-assessment; and~~

6 ~~(iii)-Improvements-despite-challenges-such-as-high-levels-of~~
7 ~~mobility,-poverty,-English-as-a-second-language-learners,-and-large~~
8 ~~numbers-of-students-in-special-populations-as-measured-by-either-the~~
9 ~~percent-of-students-meeting-the-standard,-or-the-improvement-index.~~

10 ~~When-determining-the-baseline-year-or-years-for-recognizing-individual~~
11 ~~schools,-the-board-may-use-the-assessment-results-from-the-initial~~
12 ~~years-the-assessments-were-administered,-if-doing-so-with-individual~~
13 ~~schools-would-be-appropriate;~~

14 ~~(d)-Adopt-objective,-systematic-criteria-to-identify-schools-and~~
15 ~~school-districts-in-need-of-assistance-and-those-in-which-significant~~
16 ~~numbers-of-students-persistently-fail-to-meet-state-standards.-In-its~~
17 ~~deliberations,-the-board-shall-consider-the-use-of-all-statewide~~
18 ~~mandated-criterion-referenced-and-norm-referenced-standardized-tests;~~

19 ~~(e)-Identify-schools-and-school-districts-in-which-state~~
20 ~~intervention-measures-will-be-needed-and-a-range-of-appropriate~~
21 ~~intervention-strategies-after-the-legislature-has-authorized-a-set-of~~
22 ~~intervention-strategies.-After-the-legislature-has-authorized-a-set-of~~
23 ~~intervention-strategies,-at-the-request-of-the-board,-the~~
24 ~~superintendent-shall-intervene-in-the-school-or-school-district-and~~
25 ~~take-corrective-actions.-This-chapter-does-not-provide-additional~~
26 ~~authority-for-the-board-or-the-superintendent-of-public-instruction-to~~
27 ~~intervene-in-a-school-or-school-district;~~

28 ~~(f)-Identify-performance-incentive-systems-that-have-improved-or~~
29 ~~have-the-potential-to-improve-student-achievement;~~

30 ~~(g))~~ Annually review the assessment reporting system to ensure
31 fairness, accuracy, timeliness, and equity of opportunity, especially
32 with regard to schools with special circumstances and unique
33 populations of students, and a recommendation to the superintendent of
34 public instruction of any improvements needed to the system; and

35 ~~((h))~~ (d) Include in the biennial report required under RCW
36 28A.305.035, information on the progress that has been made in
37 achieving goals adopted by the board;

1 (5) Accredited, subject to such accreditation standards and
2 procedures as may be established by the state board of education, all
3 private schools that apply for accreditation, and approve, subject to
4 the provisions of RCW 28A.195.010, private schools carrying out a
5 program for any or all of the grades kindergarten through twelve:
6 PROVIDED, That no private school may be approved that operates a
7 kindergarten program only: PROVIDED FURTHER, That no private schools
8 shall be placed upon the list of accredited schools so long as secret
9 societies are knowingly allowed to exist among its students by school
10 officials;

11 (6) Articulate with the institutions of higher education, workforce
12 representatives, and early learning policymakers and providers to
13 coordinate and unify the work of the public school system;

14 (7) Hire an executive director and an administrative assistant to
15 reside in the office of the superintendent of public instruction for
16 administrative purposes. Any other personnel of the board shall be
17 appointed as provided by RCW 28A.300.020. The board may delegate to
18 the executive director by resolution such duties as deemed necessary to
19 efficiently carry on the business of the board including, but not
20 limited to, the authority to employ necessary personnel and the
21 authority to enter into, amend, and terminate contracts on behalf of
22 the board. The executive director, administrative assistant, and all
23 but one of the other personnel of the board are exempt from civil
24 service, together with other staff as now or hereafter designated as
25 exempt in accordance with chapter 41.06 RCW; and

26 (8) Adopt a seal that shall be kept in the office of the
27 superintendent of public instruction.

28 NEW SECTION. **Sec. 503.** A new section is added to chapter 28A.305
29 RCW to read as follows:

30 (1) The state board of education shall continue to refine the
31 development of an accountability framework that creates a unified
32 system of support for challenged schools, that aligns with basic
33 education, increases the level of support based upon the magnitude of
34 need, and uses data for decisions.

35 (2) The state board of education shall develop an accountability
36 index to identify schools and districts for recognition and for
37 additional state support. The index shall be based on criteria that

1 are fair, consistent, and transparent. Performance shall be measured
2 using multiple outcomes and indicators including, but not limited to,
3 graduation rates and results from statewide assessments. The index
4 shall be developed in such a way as to be easily understood by both
5 employees within the schools and districts, as well as parents and
6 community members. It is the legislature's intent that the index
7 provide feedback to schools and districts to self-assess their
8 progress, and enable the identification of schools with exemplary
9 student performance and those that need assistance to overcome
10 challenges in order to achieve exemplary student performance. Once the
11 accountability index has identified schools that need additional help,
12 a more thorough analysis will be done to analyze specific conditions in
13 the district including but not limited to the level of state resources
14 a school or school district receives in support of the basic education
15 system, achievement gaps for different groups of students, and
16 community support.

17 (3) Based on the accountability index and in consultation with the
18 superintendent of public instruction, the state board of education
19 shall develop a proposal and timeline for implementation of a
20 comprehensive system of voluntary support and assistance for schools
21 and districts. The timeline must take into account and accommodate
22 capacity limitations of the K-12 educational system. Changes that have
23 a fiscal impact on school districts, as identified by a fiscal analysis
24 prepared by the office of the superintendent of public instruction,
25 shall take effect only if formally authorized by the legislature
26 through the omnibus appropriations act or other enacted legislation.

27 (4)(a) The state board of education shall develop a proposal and
28 implementation timeline for a more formalized comprehensive system
29 improvement targeted to challenged schools and districts that have not
30 demonstrated sufficient improvement through the voluntary system. The
31 timeline must take into account and accommodate capacity limitations of
32 the K-12 educational system. The proposal and timeline shall be
33 submitted to the education committees of the legislature by December 1,
34 2009, and shall include recommended legislation and recommended
35 resources to implement the system according to the timeline developed.

36 (b) The proposal shall outline a process for addressing performance
37 challenges that will include the following features: (i) An academic
38 performance audit using peer review teams of educators that considers

1 school and community factors in addition to other factors in developing
2 recommended specific corrective actions that should be undertaken to
3 improve student learning; (ii) a requirement for the local school board
4 plan to develop and be responsible for implementation of corrective
5 action plan taking into account the audit findings, which plan must be
6 approved by the state board of education at which time the plan becomes
7 binding upon the school district to implement; and (iii) monitoring of
8 local district progress by the office of the superintendent of public
9 instruction. The proposal shall take effect only if formally
10 authorized by the legislature through the omnibus appropriations act or
11 other enacted legislation.

12 (5) In coordination with the superintendent of public instruction,
13 the state board of education shall seek approval from the United States
14 department of education for use of the accountability index and the
15 state system of support, assistance, and intervention, to replace the
16 federal accountability system under P.L. 107-110, the no child left
17 behind act of 2001.

18 (6) The state board of education shall work with the education data
19 center established within the office of financial management and the
20 technical working group established in section 112 of this act to
21 determine the feasibility of using the prototypical funding allocation
22 model as not only a tool for allocating resources to schools and
23 districts but also as a tool for schools and districts to report to the
24 state legislature and the state board of education on how the state
25 resources received are being used.

26 **PART VI**
27 **COMPENSATION**

28 NEW SECTION. **Sec. 601.** A new section is added to chapter 43.41
29 RCW to read as follows:

30 (1) The legislature recognizes that providing students with the
31 opportunity to access a world-class educational system depends on our
32 continuing ability to provide students with access to world-class
33 educators. The legislature also understands that continuing to attract
34 and retain the highest quality educators will require increased
35 investments. The legislature intends to enhance the current salary
36 allocation model and recognizes that changes to the current model

1 cannot be imposed without great deliberation and input from teachers,
2 administrators, and classified employees. Therefore, it is the intent
3 of the legislature to begin the process of developing an enhanced
4 salary allocation model that is collaboratively designed to ensure the
5 rationality of any conclusions regarding what constitutes adequate
6 compensation.

7 (2) Beginning July 1, 2011, the office of financial management
8 shall convene a technical working group to recommend the details of an
9 enhanced salary allocation model that aligns state expectations for
10 educator development and certification with the compensation system and
11 establishes recommendations for a concurrent implementation schedule.
12 In addition to any other details the technical working group deems
13 necessary, the technical working group shall make recommendations on
14 the following:

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

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

18 (c) How to account for different geographic regions of the state
19 where districts may encounter difficulty recruiting and retaining
20 teachers;

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

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

24 (f) Initial fiscal estimates for implementing the recommendations
25 including a recognition that staff on the existing salary allocation
26 model would have the option to grandfather in permanently to the
27 existing schedule.

28 (3) As part of its work, the technical working group shall conduct
29 or contract for a preliminary comparative labor market analysis of
30 salaries and other compensation for school district employees to be
31 conducted and shall include the results in any reports to the
32 legislature. For the purposes of this subsection, "salaries and other
33 compensation" includes average base salaries, average total salaries,
34 average employee basic benefits, and retirement benefits.

35 (4) The analysis required under subsection (1) of this section
36 must:

37 (a) Examine salaries and other compensation for teachers, other

1 certificated instructional staff, principals, and other building-level
2 certificated administrators, and the types of classified employees for
3 whom salaries are allocated;

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

7 (c) Include a comparison of salaries and other compensation to the
8 appropriate labor market for at least the following subgroups of
9 educators: Beginning teachers and types of educational staff
10 associates.

11 (5) The working group shall include representatives of the
12 department of personnel, the professional educator standards board, the
13 office of the superintendent of public instruction, the Washington
14 education association, the Washington association of school
15 administrators, the association of Washington school principals, the
16 Washington state school directors' association, the public school
17 employees of Washington, and other interested stakeholders with
18 appropriate expertise in compensation related matters. The working
19 group may convene advisory subgroups on specific topics as necessary to
20 assure participation and input from a broad array of diverse
21 stakeholders.

22 (6) The working group shall be monitored and overseen by the
23 legislature and the quality education council created in section 114 of
24 this act. The working group shall make an initial report to the
25 legislature by December 1, 2012, and shall include in its report
26 recommendations for whether additional further work of the group is
27 necessary.

28 PART VII

29 GENERAL PROVISIONS--PROGRAM OF BASIC EDUCATION

30 **Sec. 701.** RCW 28A.165.005 and 2004 c 20 s 1 are each amended to
31 read as follows:

32 (~~((The learning assistance program requirements in))~~) This chapter
33 (~~((are))~~) is designed to: (1) Promote the use of assessment data when
34 developing programs to assist underachieving students; and (2) guide
35 school districts in providing the most effective and efficient
36 practices when implementing (~~((programs))~~) supplemental instruction and

1 services to assist underachieving students. (~~((Further, this chapter~~
2 ~~provides the means by which a school district becomes eligible for~~
3 ~~learning assistance program funds and the distribution of those~~
4 ~~funds.))~~)

5 **Sec. 702.** RCW 28A.165.015 and 2004 c 20 s 2 are each amended to
6 read as follows:

7 Unless the context clearly indicates otherwise the definitions in
8 this section apply throughout this chapter.

9 (1) "Approved program" means a program submitted to and approved by
10 the office of the superintendent of public instruction and conducted
11 pursuant to the plan that addresses the required elements as provided
12 for in this chapter.

13 (2) "Basic skills areas" means reading, writing, and mathematics as
14 well as readiness associated with these skills.

15 (3) "Participating student" means a student in kindergarten through
16 grade (~~((eleven who scores below standard for his or her grade level on~~
17 ~~the statewide assessments and who is identified in the approved plan to~~
18 ~~receive services. Beginning with the 2007-2008 school year,~~
19 ~~"participating student" means a student in kindergarten through grade))~~
20 twelve who scores below standard for his or her grade level on the
21 statewide assessments and who is identified in the approved plan to
22 receive services.

23 (4) "Statewide assessments" means one or more of the several basic
24 skills assessments administered as part of the state's student
25 assessment system, and assessments in the basic skills areas
26 administered by local school districts.

27 (5) "Underachieving students" means students with the greatest
28 academic deficits in basic skills as identified by the statewide
29 assessments.

30 **Sec. 703.** RCW 28A.165.055 and 2008 c 321 s 10 are each amended to
31 read as follows:

32 (~~((1))~~) Each school district with an approved program is eligible
33 for state funds provided for the learning assistance program. The
34 funds shall be appropriated for the learning assistance program in
35 accordance with RCW 28A.150.260 and the (~~((biennial))~~) omnibus
36 appropriations act. The distribution formula is for school district

1 allocation purposes only, but funds appropriated for the learning
2 assistance program must be expended for the purposes of RCW 28A.165.005
3 through 28A.165.065. (~~The distribution formula shall be based on one~~
4 ~~or more family income factors measuring economic need.~~

5 ~~(2) In addition to the funds allocated to eligible school districts~~
6 ~~on the basis of family income factors, enhanced funds shall be~~
7 ~~allocated for school districts where more than twenty percent of~~
8 ~~students are eligible for and enrolled in the transitional bilingual~~
9 ~~instruction program under chapter 28A.180 RCW as provided in this~~
10 ~~subsection. The enhanced funding provided in this subsection shall~~
11 ~~take effect beginning in the 2008-09 school year.~~

12 ~~(a) If, in the prior school year, a district's percent of October~~
13 ~~headcount student enrollment in grades kindergarten through twelve who~~
14 ~~are enrolled in the transitional bilingual instruction program, based~~
15 ~~on an average of the program headcount taken in October and May,~~
16 ~~exceeds twenty percent, twenty percent shall be subtracted from the~~
17 ~~district's percent transitional bilingual instruction program~~
18 ~~enrollment and the resulting percent shall be multiplied by the~~
19 ~~district's kindergarten through twelve annual average full-time~~
20 ~~equivalent enrollment for the prior school year.~~

21 ~~(b) The number calculated under (a) of this subsection shall be the~~
22 ~~number of additional funded students for purposes of this subsection,~~
23 ~~to be multiplied by the per funded student allocation rates specified~~
24 ~~in the omnibus appropriations act.~~

25 ~~(c) School districts are only eligible for the enhanced funds under~~
26 ~~this subsection if their percentage of October headcount enrollment in~~
27 ~~grades kindergarten through twelve eligible for free or reduced price~~
28 ~~lunch exceeded forty percent in the prior school year.))~~

29 **Sec. 704.** RCW 28A.180.010 and 1990 c 33 s 163 are each amended to
30 read as follows:

31 RCW 28A.180.010 through 28A.180.080 shall be known and cited as
32 "the transitional bilingual instruction act." The legislature finds
33 that there are large numbers of children who come from homes where the
34 primary language is other than English. The legislature finds that a
35 transitional bilingual education program can meet the needs of these
36 children. Pursuant to the policy of this state to insure equal
37 educational opportunity to every child in this state, it is the purpose

1 of RCW 28A.180.010 through 28A.180.080 to provide for the
2 implementation of transitional bilingual education programs in the
3 public schools(~~(, and to provide supplemental financial assistance to~~
4 ~~school districts to meet the extra costs of these programs))~~).

5 **Sec. 705.** RCW 28A.180.080 and 1995 c 335 s 601 are each amended to
6 read as follows:

7 (~~(The superintendent of public instruction shall prepare and submit~~
8 ~~biennially to the governor and the legislature a budget request for~~
9 ~~bilingual — instruction — programs.))~~ Moneys appropriated by the
10 legislature for the purposes of RCW 28A.180.010 through 28A.180.080
11 shall be allocated by the superintendent of public instruction to
12 school districts for the sole purpose of operating an approved
13 bilingual instruction program(~~(; priorities for funding shall exist for~~
14 ~~the early elementary grades. No moneys shall be allocated pursuant to~~
15 ~~this section to fund more than three school years of bilingual~~
16 ~~instruction for each eligible pupil within a district: PROVIDED, That~~
17 ~~such moneys may be allocated to fund more than three school years of~~
18 ~~bilingual — instruction — for — any — pupil — who — fails — to — demonstrate~~
19 ~~improvement in English language skills adequate to remove impairment of~~
20 ~~learning when taught only in English. The superintendent of public~~
21 ~~instruction shall set standards and approve a test for the measurement~~
22 ~~of such English language skills))~~).

23 **Sec. 706.** RCW 28A.225.200 and 1990 c 33 s 234 are each amended to
24 read as follows:

25 (1) A local district may be authorized by the educational service
26 district superintendent to transport and educate its pupils in other
27 districts for one year, either by payment of a compensation agreed upon
28 by such school districts, or under other terms mutually satisfactory to
29 the districts concerned when this will afford better educational
30 facilities for the pupils and when a saving may be effected in the cost
31 of education(~~(; PROVIDED, That))~~). Notwithstanding any other provision
32 of law, the amount to be paid by the state to the resident school
33 district for apportionment purposes and otherwise payable pursuant to
34 RCW ((28A.150.100,)) 28A.150.250 through 28A.150.290, 28A.150.350
35 through 28A.150.410, 28A.160.150 through 28A.160.200, ((28A.160.220))
36 28A.300.035, and 28A.300.170((, and 28A.500.010)) shall not be greater

1 than the regular apportionment for each high school student of the
2 receiving district. Such authorization may be extended for an
3 additional year at the discretion of the educational service district
4 superintendent.

5 (2) Subsection (1) of this section shall not apply to districts
6 participating in a cooperative project established under RCW
7 28A.340.030 which exceeds two years in duration.

8 **Sec. 707.** RCW 28A.185.010 and 1984 c 278 s 12 are each amended to
9 read as follows:

10 Pursuant to rules (~~(and regulations)~~) adopted by the superintendent
11 of public instruction for the administration of this chapter, the
12 superintendent of public instruction shall carry out a program for
13 highly capable students. Such program may include conducting,
14 coordinating and aiding in research (including pilot programs),
15 disseminating information to local school districts, providing
16 statewide staff development, and allocating to school districts
17 supplementary funds for additional costs of district programs, as
18 provided by RCW (~~(28A.185.020)~~) 28A.150.260.

19 **Sec. 708.** RCW 28A.185.020 and 1990 c 33 s 168 are each amended to
20 read as follows:

21 (1) The legislature finds that, for highly capable students, access
22 to accelerated learning and enhanced instruction is access to a basic
23 education. There are multiple definitions of highly capable, from
24 intellectual to academic to artistic. The research literature strongly
25 supports using multiple criteria to identify highly capable students,
26 and therefore, the legislature does not intend to prescribe a single
27 method. Instead, the legislature intends to allocate funding based on
28 two and three hundred fourteen one-thousandths percent of each school
29 district's population and authorize school districts to identify
30 through the use of multiple, objective criteria those students most
31 highly capable and eligible to receive accelerated learning and
32 enhanced instruction in the program offered by the district. Access to
33 accelerated learning and enhanced instruction through the program for
34 highly capable students does not constitute an individual entitlement
35 for any particular student.

1 (2) ~~Supplementary funds ((as may be)) provided by the state for~~
2 ~~((this program, in accordance with RCW 28A.150.370,))~~ the program for
3 highly capable students under RCW 28A.150.260 shall be categorical
4 funding ~~((on an excess cost basis based upon a per student amount not~~
5 ~~to exceed three percent of any district's full-time equivalent~~
6 ~~enrollment))~~ to provide services to highly capable students as
7 determined by a school district under RCW 28A.185.030.

8 ****NEW SECTION. Sec. 709. A new section is added to chapter 28A.185***
9 ***RCW to read as follows:***

10 *To the extent necessary, funds shall be made available for safety*
11 *net awards for districts with demonstrated needs for funding for a*
12 *highly capable program beyond the amounts provided through the highly*
13 *capable funding formula under RCW 28A.150.260 and 28A.185.020. Safety*
14 *net funds shall be awarded by the state safety net oversight committee*
15 *subject to the conditions and limitations in subsections (1) through*
16 *(4) of this section.*

17 *(1) The committee shall consider additional funds for districts*
18 *that can convincingly demonstrate that all legitimate expenditures for*
19 *the highly capable program exceed all available revenues from state*
20 *funding formulas. In the determination of need, the committee shall*
21 *also consider additional available revenues from federal sources.*
22 *Differences in program costs attributable to district philosophy,*
23 *service delivery choice, or accounting practices are not a legitimate*
24 *basis for safety net awards. In the determination of need, the*
25 *committee shall require that districts demonstrate that they are*
26 *maximizing their eligibility for all state and federal revenues related*
27 *to services for students in the highly capable program.*

28 *(2) The superintendent of public instruction may adopt such rules*
29 *and procedures as are necessary to administer the safety net award*
30 *process for the highly capable program, including determining the*
31 *maximum allowable indirect cost for calculating safety net eligibility.*

32 *(3) The superintendent of public instruction shall provide*
33 *technical assistance to school districts in preparing and submitting*
34 *safety net applications for highly capable programs.*

35 *(4) The safety net committee for highly capable programs shall be*
36 *composed of at least the following members:*

(a) One staff member from the office of the superintendent of public instruction;

(b) Staff of the office of the state auditor, who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of highly capable programs and funding.

*Sec. 709 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 710.** The following acts or parts of acts are each repealed:

(1) RCW 28A.150.030 (School day) and 1971 ex.s. c 161 s 1 & 1969 ex.s. c 223 s 28A.01.010;

(2) RCW 28A.150.060 (Certificated employee) and 2005 c 497 s 212, 1990 c 33 s 102, 1977 ex.s. c 359 s 17, 1975 1st ex.s. c 288 s 21, & 1973 1st ex.s. c 105 s 1;

(3) RCW 28A.150.100 (Basic education certificated instructional staff--Definition--Ratio to students) and 1990 c 33 s 103 & 1987 1st ex.s. c 2 s 203;

(4) RCW 28A.150.040 (School year--Beginning--End) and 1990 c 33 s 101, 1982 c 158 s 5, 1977 ex.s. c 286 s 1, 1975-'76 2nd ex.s. c 118 s 22, & 1969 ex.s. c 223 s 28A.01.020;

(5) RCW 28A.150.370 (Additional programs for which legislative appropriations must or may be made) and 1995 c 335 s 102, 1995 c 77 s 5, 1990 c 33 s 114, 1982 1st ex.s. c 24 s 1, & 1977 ex.s. c 359 s 7; and

(6) RCW 28A.155.180 (Safety net funds--Application--Technical assistance--Annual survey) and 2007 c 400 s 8.

PART VIII

MISCELLANEOUS PROVISIONS

NEW SECTION. **Sec. 801.** Part headings used in this act are not any part of the law.

NEW SECTION. **Sec. 802.** Sections 1, 102, and 109 of this act are each added to chapter 28A.150 RCW.

1 NEW SECTION. **Sec. 803.** Section 114 of this act constitutes a new
2 chapter in Title 28A RCW.

3 NEW SECTION. **Sec. 804.** Sections 101 through 110 and 701 through
4 710 of this act take effect September 1, 2011.

5 NEW SECTION. **Sec. 805.** Sections 304 through 311 of this act take
6 effect September 1, 2013.

7 NEW SECTION. **Sec. 806.** Section 112 of this act is necessary for
8 the immediate preservation of the public peace, health, or safety, or
9 support of the state government and its existing public institutions,
10 and takes effect immediately.

11 NEW SECTION. **Sec. 807.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

Passed by the House April 20, 2009.

Passed by the Senate April 16, 2009.

Approved by the Governor May 19, 2009, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 20, 2009.

Note: Governor's explanation of partial veto is as follows:

"I have approved, except for Sections 115 and 709, Engrossed
Substitute House Bill 2261 entitled:

"AN ACT Relating to education."

In this legislation a number of programs and formulae are to be
developed to expand our state's definition of basic education.

Section 115 initiates the development of an early learning program for
at-risk three- and four-year olds. The bill indicates that this
program is to become part of the definition of basic education. If
early childhood education is to become part of our definition of basic
education it cannot be made available only to at-risk children. I am
deeply and personally committed to providing quality early learning
programs for all of our children and will continue to work to develop
an early learning program worthy of our earliest learners. I am asking
Superintendent of Public Instruction Randy Dorn and Department of
Early Learning Director Betty Hyde to work together to bring a
proposal forward that ensures all Washington children have the benefit
of early childhood education.

One of the several tasks in Engrossed Substitute House Bill 2261 is
the creation of funding formulas to support the program components of
a new definition of basic education and to develop a timeline for the
implementation of the funding formulas along with programmatic
changes. Section 709 requires the state to provide a safety net of
resources for students identified by school districts as meeting local

requirements for participation in a highly capable program, but for which the allocation does not provide enough support.

Section 709 is not necessary because Section 708 of the bill makes it clear that the highly capable program is not intended to be an entitlement to individual students. This section also has two troubling features: First, local school districts make the determination as to the qualifications for their highly capable programs and the types of programs offered, and by this language locally defined costs are forwarded to the state for payment without regard to other basic education program or other funding needs. Second, the state is required to provide a highly capable program safety net.

As the basic education definition evolves in this legislation, the timeline for implementation of various programs and formulae is left to the Quality Education Council. This specific provision makes the highly capable program the first task for funding, in essence prioritizing this program over all other aspects of basic education funding under consideration. Much work is left to be done to establish standards, guidelines and definitions for what constitutes a highly capable program and what the funding level should be for such a program.

For these reasons I am vetoing Sections 115 and 709 of Engrossed Substitute House Bill 2261.

With the exception of Sections 115 and 709, Engrossed Substitute House Bill 2261 is approved."

FINAL BILL REPORT

ESHB 2261

PARTIAL VETO C 548 L 09

Synopsis as Enacted

Brief Description: Concerning the state's education system.

Sponsors: House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Hunter, Anderson, Maxwell, White, Quall, Liias, Dammeier, Rodne, Wallace, Pedersen, Kelley, Goodman, Springer, Hope, Nelson, Miloscia, Carlyle, Hunt, Morris, Morrell, Probst, Pettigrew, Eddy, Simpson, Kenney, Moeller, Smith, Condotta, McCoy, Kagi, Chase, Rolfes, Clibborn, Ormsby, Haler and Cox).

House Committee on Education Appropriations

House Committee on Ways & Means

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

Background:

Introduction.

Basic Education. Article IX, Sections 1 and 2 of the State Constitution declare that: (1) it is the paramount duty of the state to make ample provision for the education of the state's children; and (2) the Legislature is required to provide for a general and uniform system of public schools.

In response to a superior court ruling which held that the state had not expressly defined, determined the substantive content of, or funded a Program of Basic Education (School Funding I), the Legislature adopted the Basic Education Act (BEA) of 1977. Subsequent court decisions (School Funding II in 1983 and *Tunstall v Bergeson* in 2000) have held that other educational programs are also part of the state's constitutional obligations, including:

- Special Education programs for students with disabilities;
- Transitional Bilingual education programs;
- remediation assistance programs (now known as the Learning Assistance Program);
- transportation for some students; and
- education for students in residential programs and juvenile detention and for juveniles detained in adult correctional facilities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Through this combination of statutory law and judicial decisions, these programs have come to be collectively referred to as "Basic Education," signifying a constitutional obligation by the state under Article IX to provide for the programs.

The courts have also established various principles that are associated with the Basic Education designation. For example, under the School Funding II superior court ruling, once the Legislature has defined and fully funded the Program of Basic Education, it may not reduce that level of funding, even in periods of fiscal crisis. However, the definitions and funding formulas are subject to review, evaluation, and revision by the Legislature to meet the current needs of the children in the state.

Joint Task Force on Basic Education Finance. In 2007 the Legislature established the Joint Task Force on Basic Education Finance (Task Force). The Task Force was charged with reviewing the definition of Basic Education, developing options for a new funding structure and funding formulas, and proposing a new definition of Basic Education that was realigned with the expectations for the state's public education system. The Task Force's final report was issued on January 14, 2009.

Program of Basic Education.

Definition. The 1977 BEA defines the Program of Basic Education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the Instructional Program to be made available by school districts; and
- the determination and distribution of state funding to support the Instructional Program.

Instructional Program. School districts must: make the Instructional Program accessible to all students aged 5 to 21; offer a district-wide average of 1,000 instructional hours in grades 1 through 12 and 450 hours for kindergarten; provide a minimum school year of 180 days; and provide instruction in the Essential Academic Learning Requirements. In addition, each school district must maintain a ratio of at least 46 Basic Education certificated instructional staff (CIS) for each 1,000 full-time equivalent (FTE) students. The CIS includes teachers, counselors, nurses, librarians, and other school staff required to have state certificates.

In 2007 legislation was enacted to phase-in the provision of full-day kindergarten, starting with schools with the highest number of low-income students. This expansion is expressly outside the definition of Basic Education.

Funding Allocation for Instructional Program. The distribution formulas for the Instructional Program are based primarily on staffing ratios that drive an allocation for each 1,000 FTE students. There are minimum staffing ratios for CIS, administrative staff, and classified staff, with the numeric ratios set forth in statute. The formulas must also recognize non-salary costs. The formulas are "for allocation purposes only," leaving it to school districts to determine how best to use the resources. The remaining detail of the funding and distribution formulas, including any enhancements beyond the statutory minimums, are found in the state appropriations act and associated documents.

Categorical Programs. State funding for the Learning Assistance Program (LAP) and the Transitional Bilingual Instruction Program (TBIP) must be expended on the students to be served in the program. A statute directs that funding for the LAP be based on the income level of students; otherwise, the funding formulas for these programs are contained in the state appropriations act.

Special Education for students with disabilities is funded on an "excess cost" basis. The formula, which appears in the state appropriations act, is a percentage (1.15 percent for children aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the Instructional Program allocation. The allocation is based on a maximum of 12.7 percent of total FTE student enrollment in grades kindergarten through 12. The state appropriations act also establishes a Special Education Safety Net where funds are made available for safety net awards for school districts with demonstrated needs for special education funding beyond the amounts provided through the excess cost allocation.

Other Programs.

Early Learning. State and federally-supported preschool programs are overseen by the Department of Early Learning (DEL). The Legislature provides funding to support the Early Childhood Education and Assistance Program, which is similar to the federally funded Headstart program. The programs are delivered under contract with the DEL, and providers include school districts, Educational Service Districts, community colleges, and non-profit community organizations. Early Learning has not been considered part of Basic Education.

Graduation Requirements. Minimum high school graduation requirements are established by the State Board of Education (SBE) and include 19 course credits with a distribution of courses across subject areas. In 2008 the SBE adopted a policy framework for new graduation requirements called "Core 24" that is based 24 course credits. The SBE has also adopted a definition of a meaningful high school diploma: the opportunity for students to graduate from high school ready for success in postsecondary education, gainful employment, and citizenship.

Highly Capable. The courts have previously declined to include supplemental instruction for highly capable (gifted) students under the Program of Basic Education. The statutes for the Highly Capable Program say that state funds, if provided, are to be based on a per-student amount not to exceed 3 percent of a district's FTE student enrollment. The 2007-09 appropriations act allocates funding at 2.314 percent of FTE enrollment.

Pupil Transportation. The pupil transportation funding formula is intended to fund the costs of transportation of eligible students to and from school at 100 percent or as close as reasonably possible. The formula calculates costs based on a radius mile for each student transported, adjusted by various factors. A study in 2006 by the Joint Legislative Audit and Review Committee found a 95 percent probability that "to and from" pupil transportation expenditures exceeded the state allocation by between \$92 and \$114 million in the 2004-05 school year.

In 2007 the Legislature directed the Office of Financial Management to contract for a study recommending two alternative student transportation funding formula options. The final report was presented to the Legislature in December 2008.

Other Topics.

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Intent. The Legislature intends to continue to review, evaluate, and revise the definition and funding of Basic Education in order to continue to fulfill the state's obligation under Article IX of the State Constitution. For practical and educational reasons, major changes in the program and funding cannot occur instantaneously. The Legislature intends to develop a realistic implementation strategy and establish a formal structure for monitoring the implementation of an evolving Program of Basic Education and the financing necessary to support it. The Legislature intends that the redefined Program of Basic Education and funding be fully implemented by 2018. It is the Legislature's intent that the policies and formulas under the bill will constitute the Legislature's definition of Basic Education once fully implemented.

Quality Education Council. A Quality Education Council (QEC) is created to recommend and inform ongoing implementation of an evolving definition of Basic Education. Members include eight legislators and representatives of the Governor's Office, the State Board of Education (SBE), the Superintendent of Public Instruction (SPI), the Professional Educator Standards Board (PESB), and the Department of Early Learning (DEL).

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- consideration of a statewide mentoring program; and
- recommendations for a Program of Early Learning for at-risk children.

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Definition. Effective September 1, 2011, the Program of Basic Education that complies with Article IX of the State Constitution is defined as:

- the Instructional Program of Basic Education provided by public schools;
- the program for students in residential schools and juvenile detention facilities;
- the program for individuals under age 18 who are in adult correctional facilities; and

- transportation and transportation services to and from school for eligible students.

The Program of Basic Education also includes the opportunity for students to develop the knowledge and skills necessary to meet graduation requirements, intended to allow them the opportunity to graduate with a meaningful high school diploma, that prepares them for postsecondary education, gainful employment, and citizenship.

Instructional Program. Also effective September 1, 2011, the minimum Instructional Program of Basic Education offered by school districts is as follows:

- 180 school days per school year, with 180 half-days for kindergarten, which is increased to 180 full days beginning with schools with the highest percentages of low-income students;
- a district-wide average of 1,000 instructional hours across all grade levels, to be increased according to an implementation schedule adopted by the Legislature to 1,080 hours in grades 7 through 12 and 1,000 instructional hours in grades 1 through 6; and
- 450 instructional hours in kindergarten, to be increased to 1,000 hours as full-day kindergarten is phased-in.

The Instructional Program also includes the opportunity for students to complete 24 credits for high school graduation, subject to a phase-in of course and credit requirements by the Legislature; supplemental instruction through the Learning Assistance Program (LAP), the Transitional Bilingual Instructional Program (TBIP), and the Highly Capable Program; and Special Education for students with disabilities.

Funding Allocation for Instructional Program. Beginning September 1, 2011, a new distribution formula is created for the allocation of state funds to school districts to support the Instructional Program of Basic Education, to be implemented to the extent the technical details of the formula have been adopted by the Legislature. The formula is for allocation purposes only. Nothing requires a particular teacher-to-student ratio or requires use of allocated funds to pay for particular types or classifications of staff.

The formula is based on minimum staffing and non-staff costs to support prototypical schools. Prototypes illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs. Allocations to school districts will be adjusted from the prototypes based on actual full-time equivalent (FTE) student enrollment in each grade in each school in the district, adjusted for small schools and to reflect other factors in the state appropriations act.

The school prototypes are defined as:

- High school: 600 FTE students in grades 9 through 12;
- Middle school: 432 FTE students in grades 7 and 8; and
- Elementary school: 400 FTE students in grades kindergarten through 6.

For each school prototype, the core allocation consists of four parts:

1. *Class Size:* an allocation based on the number of FTE teachers calculated using the following factors: the minimum instructional hours required for the grade span, one

teacher planning period per day, and average class sizes of various types as specified in the state appropriations act;

2. *Other Building Staff*: an allocation for principals, teacher-librarians, student health services, guidance counselors, professional development coaches, teaching assistance, office and technology support, custodians, and classified staff providing student/staff safety;
3. *Maintenance, Supplies, and Operating Costs (MSOC)*: a per-FTE student allocation for student technology, utilities, curriculum, instructional professional development, other building costs, and central office administration. The allocation will be enhanced for student enrollment in certain career and technical education and science courses; and
4. *Central Office Administrative Staff*: a staffing allocation calculated as a percentage of the allocations for teachers and other building staff for all schools in the district, with the percentage specified in the state appropriations act.

Allocations for middle and high schools that are based on the number of low-income students will be adjusted to reflect underreporting of eligibility for Free and Reduced Price Lunch (FRL) among these students.

Categorical Programs. Within the distribution formula for the Instructional Program of Basic Education are enhancements in addition to the core allocation for the following categorical programs:

1. *Learning Assistance Program*: an enhancement based on the percent of FRL students in each school to provide an extended school day and school year, plus an allocation for MSOC;
2. *Transitional Bilingual Instruction Program*: an enhancement for students eligible for and enrolled in the TBIP based on the percent of the school day a student is assumed to receive supplemental instruction, plus an allocation for MSOC;
3. *Highly Capable Program*: an enhancement based on 2.314 percent of each district's FTE student enrollment to provide an extended school day and school year, plus an allocation for MSOC; and
4. *Special Education*: an enhancement made on an excess cost basis that is a specified percentage (1.15 percent for students aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the core allocation for basic class size, other building staff, and MSOC. The excess cost allocation is based on district-wide enrollment not to exceed 12.7 percent of total FTE enrollment in grades kindergarten through 12.

The Special Education Safety Net is placed into statute. Clarifications and corrections are made to other statutes to align with the new distribution formulas.

Finance Working Group. The OFM, with assistance from the SPI, convenes a technical working group to develop the new funding formulas and propose an implementation schedule for concurrent phase-in of increased program requirements and increased funding. The working group also examines possible sources of revenue to support increased funding and presents options to the Legislature and the QEC. The working group submits its recommendations to the Legislature by December 1, 2009.

System Capacity. The OSPI must make biennial determinations of the education system's capacity to accommodate increased resources and report to the Legislature. "System capacity" includes capital facilities, qualified staff and the higher education system's capacity to prepare them, and data and data systems capable of helping the state allocate resources.

Other Programs.

Early Learning Working Group. The Legislature finds that disadvantaged young children need supplemental instruction in preschool to assure they have the opportunity to meaningfully participate and reach the necessary levels of achievement in the regular Program of Basic Education. The Legislature intends to establish a Program of Early Learning for at-risk children and intends to include it within the overall Program of Basic Education.

The OSPI, with assistance from the DEL, convene a technical working group to continue developing a proposal for a statewide Washington Head Start Program. The working group:

- recommends eligibility criteria focusing on children aged 3 and 4 considered most at-risk;
- develops options for a mixed service delivery system;
- develops options for shared governance including the DEL and the SPI;
- recommends parameters and minimum standards; and
- continues development of a statewide kindergarten assessment process.

The working group submits progress reports to the QEC by September 1, 2010, and September 1, 2011, with a final report due by September 1, 2012.

Graduation Requirements. The SBE must forward any proposed changes to minimum high school graduation requirements to the legislative education committees and the QEC, and the Legislature must be provided an opportunity to act before changes are adopted. Changes with a fiscal impact on school districts take effect only if formally authorized and funded by the Legislature.

Highly Capable. The Legislature finds that, for highly capable students, access to accelerated learning and enhanced instruction is access to a Basic Education. The Legislature does not intend to prescribe a single method to identify highly capable students. Instead, the Legislature intends to allocate funding based on 2.314 percent of each school district's population and authorize districts to identify through multiple, objective criteria those students eligible to receive accelerated learning and enhanced instruction through the Highly Capable Program of the district. Access to the Highly Capable Program does not constitute an individual entitlement for any particular student. A Safety Net process is

created for districts with demonstrated needs for funding for Highly Capable Programs beyond amounts provided in the formula.

Pupil Transportation. A new pupil transportation funding formula is authorized using a regression analysis to allocate funds to school districts. The funding basis of a radius mile is removed. Ridership counts are increased to three times per year, and extended academic day transportation is included within allowable trips. Implementation of the formula is phased-in beginning with the 2013-14 school year, and a method of allocating any increased funding during the phase in period is specified.

Efficiency reporting also begins in the 2013-14 school year. Individual reviews will be conducted on districts with 90 percent or less efficiency. A report summarizing the efficiency reviews and resulting changes made by districts must be submitted to the Legislature by December 1 of each year.

Other Topics.

Certification. By January 1, 2010, the PESB must adopt articulated standards for effective teaching that are evidence-based, measurable, associated with improved student learning, and calibrated on a career continuum. To the extent possible, the PESB must incorporate standards for cultural competency.

Also by January 1, 2010, the PESB must:

- adopt a definition of "master teacher," consistent with and including certification by the National Board for Professional Teaching Standards;
- submit an update on implementation of the uniform external assessment for professional certification;
- develop a proposal for a uniform classroom-based means of evaluating teacher effectiveness at preservice, to be used during student teaching. The assessment must include a common and standardized rubric for determining performance and use multiple measures of classroom performance, artifacts, and student work. The proposal must establish a timeline for when the assessment would be required, taking into account the capacity of the education system to accommodate a new assessment;
- recommend the length of time that a residency certificate is valid and the time period for professional certification; and
- estimate the costs and authority needed to implement these provisions.

Beginning no earlier than September 1, 2011, professional certification will be based on two years of successful teaching experience and the results of the external assessment, and may not require candidates to enroll in a professional certification program. Beginning July 1, 2011, residency certificate programs must demonstrate how the program produces effective teachers.

Compensation Working Group. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2011, to recommend the details of an enhanced salary allocation model that aligns educator certification with the compensation system.

Recommendations from the working group must include:

- reducing the number of tiers in the salary allocation model;

- accounting for geographic and labor market adjustments;
- the role and types of bonuses;
- accomplishing salary equalization over a set period of years; and
- fiscal estimates to implement the recommendations, including permanently grandfathering current staff on the current schedule.

The working group must also conduct or contract for a comparative labor market analysis of salaries and other compensation for specified groups of educators and school staff. The working group makes an initial report to the Legislature by December 1, 2012.

A statute regarding LID is amended so that school districts are eligible to receive funding that is limited to specific activities related to student learning.

Local Funding Working Group. The Legislature finds that the value of permitting local levies to support public schools must be balanced with the value of equity and fairness to students and taxpayers. Local finance through levies and the LEA are key components of the overall system of financing public schools even though they are outside the definition of Basic Education. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2010, to develop options for a new system of supplemental funding through local school levies and the LEA. The working group must recommend a phase-in plan that ensures no school district suffers a decrease in funding from one year to the next due to implementation of the new system. A report to the Legislature is due December 1, 2011.

Education Data Improvement System. It is the Legislature's intent to establish a comprehensive K-12 data improvement system for financial, student, and educator data. The objective of the system is outlined. It is the further intent to provide independent review and evaluation of the system by the OFM Data Center.

It is the Legislature's intent that the K-12 data improvement system include the following:

- comprehensive educator and student information, with numerous variables specified;
- capacity to link educator assignment and certification information, and educator information with student information;
- common coding of courses and major areas of study;
- a common, standardized structure for reporting the costs of programs;
- separate accounting of state, federal, and local revenues and costs;
- information linking state funding formulas to school district budgeting and accounting;
- information that is centrally accessible and updated regularly; and
- an anonymous copy of data that is updated at least quarterly and made available to the public.

To the extent data is available, the OSPI must make various specified reports available on the Internet, which must be run on-demand against current data or run on the most recent data. The reports include: various measures of spending per student and by student, estimated according to a specified algorithm; improvement on statewide assessments, computed as specified; and various calculations of student to teacher ratios.

A K-12 Data Governance Group (Governance Group) is established within the OSPI to:

- create a comprehensive needs requirement document detailing the specific information and technical capacity needed by districts to meet the Legislature's expectations for a K-12 data improvement system;
- conduct a gap analysis of current and planned information;
- focus on financial and cost data necessary to support new K-12 financial models and on assuring the capacity to link data across systems;
- define the operating rules and governance structure for K-12 data collection, as specified; and
- establish minimum standards for K-12 data systems, as specified.

The OSPI must submit a preliminary report to the Legislature by November 15, 2009, and a final report by September 1, 2010.

The Data Center must identify critical research and policy questions and the data needed to address them. Annually, the Data Center provides a list of data elements and quality improvements to the Governance Group. Within three months of receiving the list, the Governance Group returns a feasibility analysis, and the Data Center submits a recommendation to the Legislature for any statutory changes or financial resources needed to collect or improve the data. The Data Center and the OSPI must take all actions necessary to secure federal funds to implement these provisions.

Shared Accountability. The Legislature finds that comprehensive finance reform must be accompanied by a new mechanism for defining relationships and expectations for the state, school districts, and schools. The Legislature intends to develop a proactive, collaborative system in which the state and school districts share accountability for supporting continuous improvement and achieving state standards.

The SBE is directed to continue development of an accountability framework that creates a unified system of support for schools. The SBE must develop an accountability index based on student growth using fair, consistent, transparent criteria and multiple indicators including graduation rates and assessment results. Once the index has identified schools needing assistance, a more thorough analysis will be done that includes examination of state resources, achievement gaps, and community support.

Based on the accountability index and in consultation with the OSPI, the SBE must develop a proposal and timeline for implementing a comprehensive system of voluntary support and assistance, taking into account the capacity limitations of the K-12 system. The proposal and timeline must be submitted to the Legislature for review before being implemented, and changes with a fiscal impact on school districts take effect only if authorized by the Legislature.

The SBE also develops a proposal and timeline for a more formalized comprehensive system targeted to those that have not demonstrated improvement in a voluntary system and also taking into account the capacity limitations of the K-12 system. The proposal takes effect only if formally authorized by the Legislature and includes:

- an academic performance audit conducted by peer review teams;
- corrective action plans, which would be developed by local school boards, be subject to approval by the SBE, and become binding on the school districts; and

- monitoring of district progress by the OSPI.

The SBE must work with the Data Center and the Funding Working Group to: determine the feasibility of using the prototypical school funding model as a reporting tool; seek federal approval to use the state accountability system for federal accountability purposes; and submit proposals and timelines to the Legislature by December 1, 2009.

Votes on Final Passage:

House	71	26	
Senate	26	23	(Senate amended)
House	67	31	(House concurred)

Effective: July 26, 2009

May 19, 2009 (Section 112)

September 1, 2011 (Sections 101-110 and 701-710)

September 1, 2013 (Sections 304-311)

Partial Veto Summary: A section was vetoed that declared legislative intent to establish a Program of Early Learning for at-risk children to be included within the overall Program of Basic Education. The section also directed the DEL and the OSPI to convene a technical working group to develop a proposal for the Program of Early Learning and established reporting timelines. A section was also vetoed that established a Safety Net process for school districts with demonstrated needs for funding for the Highly Capable Program beyond amounts provide in the funding formula.

FINAL BILL REPORT

ESHB 2261

PARTIAL VETO C 548 L 09

Synopsis as Enacted

Brief Description: Concerning the state's education system.

Sponsors: House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Hunter, Anderson, Maxwell, White, Quall, Liias, Dammeier, Rodne, Wallace, Pedersen, Kelley, Goodman, Springer, Hope, Nelson, Miloscia, Carlyle, Hunt, Morris, Morrell, Probst, Pettigrew, Eddy, Simpson, Kenney, Moeller, Smith, Condotta, McCoy, Kagi, Chase, Rolfes, Clibborn, Ormsby, Haler and Cox).

House Committee on Education Appropriations

House Committee on Ways & Means

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

Background:

Introduction.

Basic Education. Article IX, Sections 1 and 2 of the State Constitution declare that: (1) it is the paramount duty of the state to make ample provision for the education of the state's children; and (2) the Legislature is required to provide for a general and uniform system of public schools.

In response to a superior court ruling which held that the state had not expressly defined, determined the substantive content of, or funded a Program of Basic Education (School Funding I), the Legislature adopted the Basic Education Act (BEA) of 1977. Subsequent court decisions (School Funding II in 1983 and *Tunstall v Bergeson* in 2000) have held that other educational programs are also part of the state's constitutional obligations, including:

- Special Education programs for students with disabilities;
- Transitional Bilingual education programs;
- remediation assistance programs (now known as the Learning Assistance Program);
- transportation for some students; and
- education for students in residential programs and juvenile detention and for juveniles detained in adult correctional facilities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Through this combination of statutory law and judicial decisions, these programs have come to be collectively referred to as "Basic Education," signifying a constitutional obligation by the state under Article IX to provide for the programs.

The courts have also established various principles that are associated with the Basic Education designation. For example, under the School Funding II superior court ruling, once the Legislature has defined and fully funded the Program of Basic Education, it may not reduce that level of funding, even in periods of fiscal crisis. However, the definitions and funding formulas are subject to review, evaluation, and revision by the Legislature to meet the current needs of the children in the state.

Joint Task Force on Basic Education Finance. In 2007 the Legislature established the Joint Task Force on Basic Education Finance (Task Force). The Task Force was charged with reviewing the definition of Basic Education, developing options for a new funding structure and funding formulas, and proposing a new definition of Basic Education that was realigned with the expectations for the state's public education system. The Task Force's final report was issued on January 14, 2009.

Program of Basic Education.

Definition. The 1977 BEA defines the Program of Basic Education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the Instructional Program to be made available by school districts; and
- the determination and distribution of state funding to support the Instructional Program.

Instructional Program. School districts must: make the Instructional Program accessible to all students aged 5 to 21; offer a district-wide average of 1,000 instructional hours in grades 1 through 12 and 450 hours for kindergarten; provide a minimum school year of 180 days; and provide instruction in the Essential Academic Learning Requirements. In addition, each school district must maintain a ratio of at least 46 Basic Education certificated instructional staff (CIS) for each 1,000 full-time equivalent (FTE) students. The CIS includes teachers, counselors, nurses, librarians, and other school staff required to have state certificates.

In 2007 legislation was enacted to phase-in the provision of full-day kindergarten, starting with schools with the highest number of low-income students. This expansion is expressly outside the definition of Basic Education.

Funding Allocation for Instructional Program. The distribution formulas for the Instructional Program are based primarily on staffing ratios that drive an allocation for each 1,000 FTE students. There are minimum staffing ratios for CIS, administrative staff, and classified staff, with the numeric ratios set forth in statute. The formulas must also recognize non-salary costs. The formulas are "for allocation purposes only," leaving it to school districts to determine how best to use the resources. The remaining detail of the funding and distribution formulas, including any enhancements beyond the statutory minimums, are found in the state appropriations act and associated documents.

Categorical Programs. State funding for the Learning Assistance Program (LAP) and the Transitional Bilingual Instruction Program (TBIP) must be expended on the students to be served in the program. A statute directs that funding for the LAP be based on the income level of students; otherwise, the funding formulas for these programs are contained in the state appropriations act.

Special Education for students with disabilities is funded on an "excess cost" basis. The formula, which appears in the state appropriations act, is a percentage (1.15 percent for children aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the Instructional Program allocation. The allocation is based on a maximum of 12.7 percent of total FTE student enrollment in grades kindergarten through 12. The state appropriations act also establishes a Special Education Safety Net where funds are made available for safety net awards for school districts with demonstrated needs for special education funding beyond the amounts provided through the excess cost allocation.

Other Programs.

Early Learning. State and federally-supported preschool programs are overseen by the Department of Early Learning (DEL). The Legislature provides funding to support the Early Childhood Education and Assistance Program, which is similar to the federally funded Headstart program. The programs are delivered under contract with the DEL, and providers include school districts, Educational Service Districts, community colleges, and non-profit community organizations. Early Learning has not been considered part of Basic Education.

Graduation Requirements. Minimum high school graduation requirements are established by the State Board of Education (SBE) and include 19 course credits with a distribution of courses across subject areas. In 2008 the SBE adopted a policy framework for new graduation requirements called "Core 24" that is based 24 course credits. The SBE has also adopted a definition of a meaningful high school diploma: the opportunity for students to graduate from high school ready for success in postsecondary education, gainful employment, and citizenship.

Highly Capable. The courts have previously declined to include supplemental instruction for highly capable (gifted) students under the Program of Basic Education. The statutes for the Highly Capable Program say that state funds, if provided, are to be based on a per-student amount not to exceed 3 percent of a district's FTE student enrollment. The 2007-09 appropriations act allocates funding at 2.314 percent of FTE enrollment.

Pupil Transportation. The pupil transportation funding formula is intended to fund the costs of transportation of eligible students to and from school at 100 percent or as close as reasonably possible. The formula calculates costs based on a radius mile for each student transported, adjusted by various factors. A study in 2006 by the Joint Legislative Audit and Review Committee found a 95 percent probability that "to and from" pupil transportation expenditures exceeded the state allocation by between \$92 and \$114 million in the 2004-05 school year.

In 2007 the Legislature directed the Office of Financial Management to contract for a study recommending two alternative student transportation funding formula options. The final report was presented to the Legislature in December 2008.

Other Topics.

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- a recommended schedule for concurrent phase-in of any changes in the Basic Education Program and funding with full implementation to be completed by September 1, 2018;
- a recommended schedule for phasing-in implementation of the new pupil transportation funding formula beginning in 2013;
- consideration of a statewide mentoring program; and
- recommendations for a Program of Early Learning for at-risk children.

The QEC is staffed by the Office of the Superintendent of Public Instruction (OSPI) and the Office of Financial Management (OFM). After 2009, the QEC meets no more than four times per year.

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- the Instructional Program of Basic Education provided by public schools;
- the program for students in residential schools and juvenile detention facilities;
- the program for individuals under age 18 who are in adult correctional facilities; and

- transportation and transportation services to and from school for eligible students.

The Program of Basic Education also includes the opportunity for students to develop the knowledge and skills necessary to meet graduation requirements, intended to allow them the opportunity to graduate with a meaningful high school diploma, that prepares them for postsecondary education, gainful employment, and citizenship.

Instructional Program. Also effective September 1, 2011, the minimum Instructional Program of Basic Education offered by school districts is as follows:

- 180 school days per school year, with 180 half-days for kindergarten, which is increased to 180 full days beginning with schools with the highest percentages of low-income students;
- a district-wide average of 1,000 instructional hours across all grade levels, to be increased according to an implementation schedule adopted by the Legislature to 1,080 hours in grades 7 through 12 and 1,000 instructional hours in grades 1 through 6; and
- 450 instructional hours in kindergarten, to be increased to 1,000 hours as full-day kindergarten is phased-in.

The Instructional Program also includes the opportunity for students to complete 24 credits for high school graduation, subject to a phase-in of course and credit requirements by the Legislature; supplemental instruction through the Learning Assistance Program (LAP), the Transitional Bilingual Instructional Program (TBIP), and the Highly Capable Program; and Special Education for students with disabilities.

Funding Allocation for Instructional Program. Beginning September 1, 2011, a new distribution formula is created for the allocation of state funds to school districts to support the Instructional Program of Basic Education, to be implemented to the extent the technical details of the formula have been adopted by the Legislature. The formula is for allocation purposes only. Nothing requires a particular teacher-to-student ratio or requires use of allocated funds to pay for particular types or classifications of staff.

The formula is based on minimum staffing and non-staff costs to support prototypical schools. Prototypes illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs. Allocations to school districts will be adjusted from the prototypes based on actual full-time equivalent (FTE) student enrollment in each grade in each school in the district, adjusted for small schools and to reflect other factors in the state appropriations act.

The school prototypes are defined as:

- High school: 600 FTE students in grades 9 through 12;
- Middle school: 432 FTE students in grades 7 and 8; and
- Elementary school: 400 FTE students in grades kindergarten through 6.

For each school prototype, the core allocation consists of four parts:

1. *Class Size:* an allocation based on the number of FTE teachers calculated using the following factors: the minimum instructional hours required for the grade span, one

teacher planning period per day, and average class sizes of various types as specified in the state appropriations act;

2. *Other Building Staff*: an allocation for principals, teacher-librarians, student health services, guidance counselors, professional development coaches, teaching assistance, office and technology support, custodians, and classified staff providing student/staff safety;
3. *Maintenance, Supplies, and Operating Costs (MSOC)*: a per-FTE student allocation for student technology, utilities, curriculum, instructional professional development, other building costs, and central office administration. The allocation will be enhanced for student enrollment in certain career and technical education and science courses; and
4. *Central Office Administrative Staff*: a staffing allocation calculated as a percentage of the allocations for teachers and other building staff for all schools in the district, with the percentage specified in the state appropriations act.

Allocations for middle and high schools that are based on the number of low-income students will be adjusted to reflect underreporting of eligibility for Free and Reduced Price Lunch (FRL) among these students.

Categorical Programs. Within the distribution formula for the Instructional Program of Basic Education are enhancements in addition to the core allocation for the following categorical programs:

1. *Learning Assistance Program*: an enhancement based on the percent of FRL students in each school to provide an extended school day and school year, plus an allocation for MSOC;
2. *Transitional Bilingual Instruction Program*: an enhancement for students eligible for and enrolled in the TBIP based on the percent of the school day a student is assumed to receive supplemental instruction, plus an allocation for MSOC;
3. *Highly Capable Program*: an enhancement based on 2.314 percent of each district's FTE student enrollment to provide an extended school day and school year, plus an allocation for MSOC; and
4. *Special Education*: an enhancement made on an excess cost basis that is a specified percentage (1.15 percent for students aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the core allocation for basic class size, other building staff, and MSOC. The excess cost allocation is based on district-wide enrollment not to exceed 12.7 percent of total FTE enrollment in grades kindergarten through 12.

The Special Education Safety Net is placed into statute. Clarifications and corrections are made to other statutes to align with the new distribution formulas.

Finance Working Group. The OFM, with assistance from the SPI, convenes a technical working group to develop the new funding formulas and propose an implementation schedule for concurrent phase-in of increased program requirements and increased funding. The working group also examines possible sources of revenue to support increased funding and presents options to the Legislature and the QEC. The working group submits its recommendations to the Legislature by December 1, 2009.

System Capacity. The OSPI must make biennial determinations of the education system's capacity to accommodate increased resources and report to the Legislature. "System capacity" includes capital facilities, qualified staff and the higher education system's capacity to prepare them, and data and data systems capable of helping the state allocate resources.

Other Programs.

Early Learning Working Group. The Legislature finds that disadvantaged young children need supplemental instruction in preschool to assure they have the opportunity to meaningfully participate and reach the necessary levels of achievement in the regular Program of Basic Education. The Legislature intends to establish a Program of Early Learning for at-risk children and intends to include it within the overall Program of Basic Education.

The OSPI, with assistance from the DEL, convene a technical working group to continue developing a proposal for a statewide Washington Head Start Program. The working group:

- recommends eligibility criteria focusing on children aged 3 and 4 considered most at-risk;
- develops options for a mixed service delivery system;
- develops options for shared governance including the DEL and the SPI;
- recommends parameters and minimum standards; and
- continues development of a statewide kindergarten assessment process.

The working group submits progress reports to the QEC by September 1, 2010, and September 1, 2011, with a final report due by September 1, 2012.

Graduation Requirements. The SBE must forward any proposed changes to minimum high school graduation requirements to the legislative education committees and the QEC, and the Legislature must be provided an opportunity to act before changes are adopted. Changes with a fiscal impact on school districts take effect only if formally authorized and funded by the Legislature.

Highly Capable. The Legislature finds that, for highly capable students, access to accelerated learning and enhanced instruction is access to a Basic Education. The Legislature does not intend to prescribe a single method to identify highly capable students. Instead, the Legislature intends to allocate funding based on 2.314 percent of each school district's population and authorize districts to identify through multiple, objective criteria those students eligible to receive accelerated learning and enhanced instruction through the Highly Capable Program of the district. Access to the Highly Capable Program does not constitute an individual entitlement for any particular student. A Safety Net process is

created for districts with demonstrated needs for funding for Highly Capable Programs beyond amounts provided in the formula.

Pupil Transportation. A new pupil transportation funding formula is authorized using a regression analysis to allocate funds to school districts. The funding basis of a radius mile is removed. Ridership counts are increased to three times per year, and extended academic day transportation is included within allowable trips. Implementation of the formula is phased-in beginning with the 2013-14 school year, and a method of allocating any increased funding during the phase in period is specified.

Efficiency reporting also begins in the 2013-14 school year. Individual reviews will be conducted on districts with 90 percent or less efficiency. A report summarizing the efficiency reviews and resulting changes made by districts must be submitted to the Legislature by December 1 of each year.

Other Topics.

Certification. By January 1, 2010, the PESB must adopt articulated standards for effective teaching that are evidence-based, measurable, associated with improved student learning, and calibrated on a career continuum. To the extent possible, the PESB must incorporate standards for cultural competency.

Also by January 1, 2010, the PESB must:

- adopt a definition of "master teacher," consistent with and including certification by the National Board for Professional Teaching Standards;
- submit an update on implementation of the uniform external assessment for professional certification;
- develop a proposal for a uniform classroom-based means of evaluating teacher effectiveness at preservice, to be used during student teaching. The assessment must include a common and standardized rubric for determining performance and use multiple measures of classroom performance, artifacts, and student work. The proposal must establish a timeline for when the assessment would be required, taking into account the capacity of the education system to accommodate a new assessment;
- recommend the length of time that a residency certificate is valid and the time period for professional certification; and
- estimate the costs and authority needed to implement these provisions.

Beginning no earlier than September 1, 2011, professional certification will be based on two years of successful teaching experience and the results of the external assessment, and may not require candidates to enroll in a professional certification program. Beginning July 1, 2011, residency certificate programs must demonstrate how the program produces effective teachers.

Compensation Working Group. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2011, to recommend the details of an enhanced salary allocation model that aligns educator certification with the compensation system.

Recommendations from the working group must include:

- reducing the number of tiers in the salary allocation model;

- accounting for geographic and labor market adjustments;
- the role and types of bonuses;
- accomplishing salary equalization over a set period of years; and
- fiscal estimates to implement the recommendations, including permanently grandfathering current staff on the current schedule.

The working group must also conduct or contract for a comparative labor market analysis of salaries and other compensation for specified groups of educators and school staff. The working group makes an initial report to the Legislature by December 1, 2012.

A statute regarding LID is amended so that school districts are eligible to receive funding that is limited to specific activities related to student learning.

Local Funding Working Group. The Legislature finds that the value of permitting local levies to support public schools must be balanced with the value of equity and fairness to students and taxpayers. Local finance through levies and the LEA are key components of the overall system of financing public schools even though they are outside the definition of Basic Education. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2010, to develop options for a new system of supplemental funding through local school levies and the LEA. The working group must recommend a phase-in plan that ensures no school district suffers a decrease in funding from one year to the next due to implementation of the new system. A report to the Legislature is due December 1, 2011.

Education Data Improvement System. It is the Legislature's intent to establish a comprehensive K-12 data improvement system for financial, student, and educator data. The objective of the system is outlined. It is the further intent to provide independent review and evaluation of the system by the OFM Data Center.

It is the Legislature's intent that the K-12 data improvement system include the following:

- comprehensive educator and student information, with numerous variables specified;
- capacity to link educator assignment and certification information, and educator information with student information;
- common coding of courses and major areas of study;
- a common, standardized structure for reporting the costs of programs;
- separate accounting of state, federal, and local revenues and costs;
- information linking state funding formulas to school district budgeting and accounting;
- information that is centrally accessible and updated regularly; and
- an anonymous copy of data that is updated at least quarterly and made available to the public.

To the extent data is available, the OSPI must make various specified reports available on the Internet, which must be run on-demand against current data or run on the most recent data. The reports include: various measures of spending per student and by student, estimated according to a specified algorithm; improvement on statewide assessments, computed as specified; and various calculations of student to teacher ratios.

A K-12 Data Governance Group (Governance Group) is established within the OSPI to:

- create a comprehensive needs requirement document detailing the specific information and technical capacity needed by districts to meet the Legislature's expectations for a K-12 data improvement system;
- conduct a gap analysis of current and planned information;
- focus on financial and cost data necessary to support new K-12 financial models and on assuring the capacity to link data across systems;
- define the operating rules and governance structure for K-12 data collection, as specified; and
- establish minimum standards for K-12 data systems, as specified.

The OSPI must submit a preliminary report to the Legislature by November 15, 2009, and a final report by September 1, 2010.

The Data Center must identify critical research and policy questions and the data needed to address them. Annually, the Data Center provides a list of data elements and quality improvements to the Governance Group. Within three months of receiving the list, the Governance Group returns a feasibility analysis, and the Data Center submits a recommendation to the Legislature for any statutory changes or financial resources needed to collect or improve the data. The Data Center and the OSPI must take all actions necessary to secure federal funds to implement these provisions.

Shared Accountability. The Legislature finds that comprehensive finance reform must be accompanied by a new mechanism for defining relationships and expectations for the state, school districts, and schools. The Legislature intends to develop a proactive, collaborative system in which the state and school districts share accountability for supporting continuous improvement and achieving state standards.

The SBE is directed to continue development of an accountability framework that creates a unified system of support for schools. The SBE must develop an accountability index based on student growth using fair, consistent, transparent criteria and multiple indicators including graduation rates and assessment results. Once the index has identified schools needing assistance, a more thorough analysis will be done that includes examination of state resources, achievement gaps, and community support.

Based on the accountability index and in consultation with the OSPI, the SBE must develop a proposal and timeline for implementing a comprehensive system of voluntary support and assistance, taking into account the capacity limitations of the K-12 system. The proposal and timeline must be submitted to the Legislature for review before being implemented, and changes with a fiscal impact on school districts take effect only if authorized by the Legislature.

The SBE also develops a proposal and timeline for a more formalized comprehensive system targeted to those that have not demonstrated improvement in a voluntary system and also taking into account the capacity limitations of the K-12 system. The proposal takes effect only if formally authorized by the Legislature and includes:

- an academic performance audit conducted by peer review teams;
- corrective action plans, which would be developed by local school boards, be subject to approval by the SBE, and become binding on the school districts; and

- monitoring of district progress by the OSPI.

The SBE must work with the Data Center and the Funding Working Group to: determine the feasibility of using the prototypical school funding model as a reporting tool; seek federal approval to use the state accountability system for federal accountability purposes; and submit proposals and timelines to the Legislature by December 1, 2009.

Votes on Final Passage:

House	71	26	
Senate	26	23	(Senate amended)
House	67	31	(House concurred)

Effective: July 26, 2009
 May 19, 2009 (Section 112)
 September 1, 2011 (Sections 101-110 and 701-710)
 September 1, 2013 (Sections 304-311)

Partial Veto Summary: A section was vetoed that declared legislative intent to establish a Program of Early Learning for at-risk children to be included within the overall Program of Basic Education. The section also directed the DEL and the OSPI to convene a technical working group to develop a proposal for the Program of Early Learning and established reporting timelines. A section was also vetoed that established a Safety Net process for school districts with demonstrated needs for funding for the Highly Capable Program beyond amounts provide in the funding formula.

Final Report of the Joint Task Force on Basic Education Finance

January 14, 2009

**Report to the
Washington State Legislature
As Directed by SB 5627, 2007 Legislature**

Joint Task Force on Basic Education Finance

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Dan Grimm, Chair
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House of Representatives
Terry Bergeson
Superintendent of Public Instruction
Lisa Brown
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January 14, 2009

The Honorable Christine O. Gregoire
Governor of Washington
P.O. Box 40002
Olympia, WA 98504-0002

The Honorable Brad Owen
Lieutenant Governor of Washington
P.O. Box 40482
Olympia, WA 98504-0482

The Honorable Frank Chopp
Speaker of the House
P.O. Box 40600
Olympia, WA 98504-0600

Dear Governor Gregoire, Lieutenant Governor Owen, and Speaker Chopp:

As required by Senate Bill 5627, I am submitting the Final Report of the Joint Task Force on Basic Education Finance. Attached to the Final Report are five minority reports submitted by individual Task Force members.

Developing education finance and related policy recommendations has been every bit as challenging as it is essential to the future of our state. Task Force members deserve to be commended for their commitment, their insights, and their civility. I have been honored to serve with them.

The Task Force report would not have been possible without the expertise and dedication of Director Roxanne Lieb and the staff of the Washington State Institute for Public Policy, Assistant Superintendent of Public Instruction Jennifer Priddy, Ben Rarick and Barbara McLain of the House Office of Program Research, and Susan Mielke and Bryon Moore of Senate Committee Services.

At the final meeting, Task Force members voted to include the attached statement to this letter of transmittal.

Sincerely,



Dan Grimm
Chair
Joint Task Force on Basic Education Finance

Statement from the Joint Task Force on Basic Education Finance:

We are aware of the state's financial circumstances and the difficult choices facing state leaders. However, the Task Force believes that all current K–12 funding should be retained. Numerous studies have demonstrated that the state's K–12 system is underfunded. To make cuts to the education of the state's children would be contrary to the paramount duty that is so clearly stated in our Washington State Constitution.

Adopted December 9, 2008

Final Report of the Joint Task Force on Basic Education Finance

January 14, 2009

Report to the
Washington State Legislature
As Directed by SB 5627, 2007 Legislature

Washington State Joint Task Force on Basic Education Finance
<http://www.leg.wa.gov/Joint/Committees/BEF/>

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Acknowledgments

The Task Force would like to thank several individuals who contributed technical assistance to the deliberations of the Joint Task Force on Basic Education Finance.

Technical Advisory Committee

Jerry Bender, Association of Washington School Principals; Barbara Billingham, Washington State PTA; Jack Daray, Daray & Associates; John Dekker, Washington Association of School Administrators; Denise Graham, Director, Operating Budgets, State Board for Community and Technical Colleges; Ken Kanikeberg, Assistant Executive Director, Public School Employees of Washington; Laura Kohn, Director, New School Foundation; Randy Parr, Washington Education Association; and Lydia Sellie, Director of Finance, Northshore School District

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EXECUTIVE SUMMARY

Education: The Paramount Duty

“It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex.”

– Article IX, Washington State Constitution

This provision of our constitution seems perfectly clear, but for most of our state’s history, we have struggled to implement it.

Today’s laws reflect multiple waves of court decisions and education reforms. In 1978, a state Supreme Court decision reiterated the state’s constitutional obligation to pay for basic education, and that court decision resulted in the creation of the funding formulas and levy laws now in the Revised Code of Washington (RCW).

Layered over those 1970s-era funding formulas is the state’s 1993 school reform legislation, which established the learning goals now in the RCW. The 1993 law recognized that dramatic changes in our economy and technology had raised the bar for students, and that higher levels of skill and knowledge would be required for meaningful participation in the emerging knowledge-driven world.

In 2006, Washington Learns—a Governor-led study of Washington’s cradle-to-career education system—called for raising the educational attainment of citizens even further, noting that all students will need some form of post-secondary education or job training, and that our state’s employers also need more people with baccalaureate and advanced degrees, especially in math, science, engineering and health care.

Washington Learns also led to the creation of the state’s Department of Early Learning and expansion of the state’s early learning efforts. Recent research has highlighted the importance of ensuring that all children “learn to learn” in the crucial first years before they begin kindergarten. Early learning opportunities were also identified as a critical part of the state’s efforts to close the achievement gap between children from low-income families and those from more economically privileged families.

The Joint Task Force on Basic Education Finance

So what exactly is basic education in the 21st century? How do we know whether the state is meeting its constitutional obligation to fully fund it, in accord with the constitution’s clarion call to make it our “paramount duty”?

Following the work of Washington Learns, the Joint Task Force on Basic Education Finance (Task Force) was commissioned to answer these questions, and to provide the missing link between the state’s learning goals and its funding formulas. The Task Force sought ways to move from piecemeal reform and episodic patchwork to a coherent, durable, and transparent system that lives up to our constitutional mandate to define and fully fund basic education.

The Task Force that took on this challenge included legislators, educators, a representative of the Governor, and a local school board member. For 17 months, we worked to craft answers to these daunting questions. This report presents our conclusions, and proposes legislative action to implement them over the next six years.

The Definition of Basic Education

The State Board of Education, which sets high school graduation requirements, recently proposed that the state increase the current number of required courses from 19 to 24, and specify a more rigorous distribution of required subjects. This proposal, called “Core 24,” recognizes the need for all students to graduate from high school ready for post-secondary education, apprenticeship programs, or other job training.

The Task Force supports this change, and its definition of basic education begins with the need to implement Core 24. Thus, the starting point for the Task Force’s recommended definition of basic education is the opportunity for all students to meet the new, more rigorous high school graduation requirements proposed by the State Board of Education. To make achievement of this goal possible for all students, basic education must include pre-school for children from low-income families, specialized instruction for English language learners and students with disabilities, and extra time and teaching for struggling students. The definition of basic education must also include the means to achieve these goals, including the associated funding formulas.

The Task Force’s most important recommendation is to link the goals of education to the means of achieving those goals, and to the necessary funding formulas required to make “ample provision” for the education of all children. This should include all the elements described below in the legal definition of “Basic Education.”

This definition means that the state is obligated to fund a program of education sufficient to provide every child in Washington with the opportunity to meet the graduation requirements set by the State Board of Education.

The Task Force recommends a specific program of education based on its broad review of education research, but recognizes that individual districts will need flexibility to respond to unique differences in

their populations. The program we recommend has significantly more instructional time than current state funding provides, which is necessary to meet the increased demands of the Core 24 program.

The Task Force recommends a system of allocations to school districts that will provide smaller class sizes for both academic and career and technical education programs, and additional days for teacher professional development. The allocation formulas also provide increased funding for school counselors, teacher-librarians and other specialist professionals, and funding for classified staff, school administration, and other costs. All these allocations are based on the number of students to be served.

These funding allocations are more specific and more easily understood than current funding formulas. This clarity will help citizens and the legislature gauge the impact of funding allocations and measure results. In our current funding system, we are missing this vital feedback mechanism.

The Task Force recommends that the legislature also include the following elements in the funding formulas, as they are necessary adjustments that enable ALL children to take advantage of the core program.

- **Early learning**

Because many students will need pre-school to be prepared to succeed in our public schools, the Task Force recommends including pre-school for all children from low-income families in the definition of basic education. The proposed pre-school program would be funded based on the federal Head Start model.

- **Demographic adjustments**

The Task Force recommends specific allocations sufficient to fund additional time and resources for struggling students, students who need to learn English, students with disabilities, and students who live in state residential facilities.

Allocations for additional time and instruction for struggling students will be based on the percentage of students in a school who come from low-income families, because this is the best predictor of the level of need. However, these funds will be used to serve all students who need extra help, regardless of family income.

The Task Force did not include programs for highly capable students as part of basic education, but strongly recommends that districts continue to develop programs best suited to their students' specific needs. We also urge the state to continue to fund these programs.

The quality of instruction in the classroom is the most important factor in determining student learning outcomes, and thus the Task Force also recommends revamping the teacher preparation and compensation system.

- **A new compensation system for new teachers**

Quality teaching is the most vital investment we make in education, and so improving teacher quality is the investment that matters most.

A new career ladder for teachers will require a new model for teacher compensation that provides increases in pay for increases in classroom effectiveness, based on new categories of residency, professional, and master teachers.

The new salary allocation model also provides for mentoring of new teachers by master teachers, a mechanism for comparing educator salaries to similar non-education salaries in regional labor markets, school-wide bonuses for improving student learning, and special incentives to attract teachers in shortage areas such as math, science, bilingual education, and special education.

- **A new system of teacher preparation and a new career ladder**

The current system of teacher preparation assumes that more post-graduate coursework and degree attainment translates into increased student learning, but research contradicts this belief. The Task Force recommends that the state invest in intensive mentoring of new teachers by expert teachers, coupled with an ongoing system of objective, structured peer review of teachers' classroom practice, and school-wide rewards and incentives for improvement.

The Task Force recommends creation of a career ladder for teachers that includes three levels: residency, professional, and master teacher. Moving up this career ladder will require successively higher scores on an objective, structured peer review process. The Professional Educator Standards Board will create this peer review process and set scores for entry into the teaching profession and advancement on the career ladder. The master level will be equivalent in skill and effectiveness to teachers who have earned National Board for Professional Teaching Standards certification.

Peer reviews will be performed by master teachers who have no conflicts of interest.

Funding and Oversight

Today's education funding system is an accumulation of patches, remedies for specific problems, and arcane formulas that are fully understood by only a handful of people. The allocation models created by the Task Force replace this rickety structure and keep only those pieces that contribute to the structural integrity of the new system.

The Task Force recommends retaining the provisions of Initiative 732 (not as part of basic education) and folding Initiative 728 into the basic education core allocation. This initiative provides cost of living increases for educators and school staff. The Task Force also proposes to continue a small school district funding enhancement, in recognition of the diseconomies of scale in small districts.

To promote fiscal accountability, the Task Force proposes a requirement for all school districts to use a new common fiscal accounting and budgeting system. A new statewide student data system is also proposed to better track information about students, test scores, teachers, and overall student achievement, and to provide for quick transfer of student records when students change schools. Recognizing that parental involvement is the key to educational success, this new data system will also provide parents with a better means to stay involved in their child's education, allowing them easy access to records concerning their child's grades, attendance, and homework completion.

The Task Force supports implementation of the State Board of Education's accountability principles, which outline a system for intervention and improvement in schools where student achievement is insufficient.

Local School Levies and Levy Equalization

Local levies should remain a part of the way Washington funds public education. They provide flexibility for local communities to go beyond the basics, use local funds to enrich their school programs, experiment and innovate, and tailor programs to local needs.

The ability of local districts to experiment and innovate will help drive educational improvement, letting districts innovate with new technologies and enhanced teacher training. Local levies also ensure that communities are connected with their schools and increase the likelihood of community support for public schools, support for state funding of basic education, and community accountability for continuing educational improvements.

Local levies should be limited and equalized, with consistent formulas and no grandfathering of variable rates. These changes are necessary to ensure a basic equity across the state. Unlike the current system, the new levy system should be based on how much local support is permitted per student, rather than on either local property values or the revenues generated by the district.

These are complex and technical questions. The legislature should create a technical team to develop a new local levy and equalization system for implementation in the 2011–13 biennium and later.

Costs and Phase-In of the New System

A model was developed to estimate costs of the new system. Cost estimates involving large-scale system changes require a number of assumptions about future student and staff behavior. Future enrollment and demographic changes also factor heavily into future costs. With more time and a more sophisticated model, we would be able to further refine and more accurately gauge the additional costs involved.

The goal, however, is to phase in these changes over six years. It will take time for technical experts to develop details of the new formulas, and for schools, districts, and the state to create the support systems necessary for changes in teacher preparation, compensation, mentoring, and peer review. Reductions in class size will also create additional demand for teachers and other school staff, and these positions cannot be filled quickly.

It is important to recognize that a significant part of the proposed increases in state allocations will cover expenses now being paid for by local school levies, including many that most parents would call “basic education.” Supplanting these expenditures with state funding will allow local districts to reduce their levies, thus reducing the total impact on taxpayers.

The phase-in plan should be flexible, but the state’s commitment to creating the new systems and providing full funding for basic education should be incontrovertible.

1. TASK FORCE ASSIGNMENT

The 2007 Washington State Legislature created the Joint Task Force on Basic Education Finance to review the definition of basic education, and to develop options for a new funding structure. The Task Force was asked to build on the foundational work of Washington Learns, a 2005–06 Governor-led effort that analyzed and recommended improvements to Washington’s early learning, K–12, and higher education systems. (Exhibit 1 outlines the specific legislative direction provided to the Task Force.)

The Task Force was composed of 14 members. Five, including the Chair, were appointed by the Governor; the other members included eight legislators and the superintendent of public instruction. (Exhibit 2 lists Task Force members.)

In 2007 and 2008, the Task Force met 17 times for a total of 25 days (see Exhibit 3). Early meetings included staff presentations on basic education finance history, current funding formulas, and research evidence. Later, the meetings included public hearings, presentations from nationally known experts, and initial Task Force discussions. Funding proposals were first presented to Task Force members in June 2008. Formal Task Force proposals for preliminary decision-making were distributed in October and November 2008. The Task Force website, <http://www.leg.wa.gov/Joint/Committees/BEF/>, includes all interim reports, presentations, and links to meeting podcasts from the group’s deliberations.

This document summarizes the recommendations of the Task Force following its final meeting on December 8-9, 2008.

Exhibit 1

SB 5627 Assignments for the Joint Task Force on Basic Education Finance

- ✓ “Review the definition of basic education and all current basic education funding formulas.”
- ✓ “Develop options for a new funding structure and all necessary formulas.”
- ✓ “Propose a new definition of basic education that is realigned with the new expectations of the state’s education system.”
- ✓ “[R]eview and build upon the following:
 - Reports related to K–12 finance produced at the request of or as a result of the Washington Learns study, including reports completed for or by the K–12 advisory committee;
 - High-quality studies that are available; and
 - Research and evaluation of the cost-benefits of various K–12 programs and services developed by the institute.”
- ✓ The recommended “funding structure should reflect the most effective instructional strategies and service delivery models and be based on research-proven education programs and activities with demonstrated cost benefits.”
- ✓ “Consider the following issues:
 - (a) Professional development for all staff;
 - (b) Whether the compensation system for instructional staff shall include pay for performance, knowledge, and skills elements; regional cost-of-living elements; elements to recognize assignments that are difficult; recognition for the professional teaching level certificate in the salary allocation model; and a plan to implement the pay structure;
 - (c) Voluntary all-day kindergarten;
 - (d) Optimum class size, including different class sizes based on grade level and ways to reduce class size;
 - (e) Focused instructional support for students and schools;
 - (f) Extended school day and school year options;
 - (g) Health and safety requirements”; and
 - (h) “Staffing ratios and other components needed to support career and technical education programs.”*
- ✓ “The recommendations should provide maximum transparency of the state’s educational funding system in order to better help parents, citizens, and school personnel in Washington understand how their school system is funded” and “be linked to accountability for student outcomes and performance.”
- ✓ “In light of recent court decisions, the task force shall specifically consider issues related to equalizing school employee salary allocations among school districts.”*
- ✓ Report to the legislature by December 1, 2008.*

**Added in 2008 legislation*

Exhibit 2

Washington State Joint Task Force on Basic Education Finance

Dan Grimm, Chair
Representative Glenn Anderson
Terry Bergeson, Superintendent of Public Instruction
Senator Lisa Brown
Cheryl Chow, Board President, Seattle School District
Laurie Dolan, Governor's Executive Policy Office
Senator Mike Hewitt
Senator Janea Holmquist
Representative Ross Hunter
Superintendent Bette Hyde, Bremerton School District
Superintendent Jim Kowalkowski, Davenport School District
Representative Skip Priest
Representative Pat Sullivan
Senator Rodney Tom

Alternates:

Representative Kathy Haigh
Representative Fred Jarrett

Exhibit 3

**Washington State Joint Task Force on Basic Education Finance
Meeting Days**

September 10, 2007
October 22, 2007
November 19-20, 2007
December 13, 2007
January 11, 2008
March 24, 2008
April 14, 2008
May 6, 2008
June 9-10, 2008
July 8, 2008
August 6, 2008
September 15-16, 2008
October 20-21, 2008
November 10-11, 2008
November 17-18, 2008
November 24-25, 2008
December 8-9, 2008

2. BASIC EDUCATION DEFINITION

Task Force Recommendation:

Define basic education as the opportunity for all students to meet new, more rigorous high school graduation requirements (Core 24) proposed by the State Board of Education. To make achievement of this goal possible for all students, basic education should include pre-school for children from low-income families, specialized instruction for English language learners and students with disabilities, and extra time and teaching for struggling students.

Key Ideas

Current Washington law calls for all students to have “the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives.” Current law also calls for students to learn the skills to:

- “Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and with a variety of audiences;
- Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness;
- Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems; and
- Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.”

The connection must be strengthened between these goals and both the funding or programmatic requirements needed to ensure that students have the opportunity to meet them.

In addition, students need to learn progressively higher levels of skill and knowledge as our society and economy evolve. The State Board of Education now recommends raising state high school graduation requirements from 19 to 24 credits (this proposal is called “Core 24”), with course requirements that will prepare students for postsecondary education, job training or apprenticeship programs, lifelong learning, and citizenship. (Because this change will have a fiscal impact, it must be approved by the legislature before taking effect.)

Given this new benchmark for what students need to know and do to lead “productive and satisfying lives,” the definition of basic education must include educational programs that provide all students

with the opportunity to earn the required 24 course credits and other state-established requirements for high school graduation.

Students have differing needs, and so the new definition of basic education, and the new funding structure, should include specific programs to address those needs: early learning for children from low-income families, extra time and teaching for struggling students, programs for English language learners, and special education services for students with disabilities.

Students from low-income families are the most likely to start kindergarten without the academic and social skills they need to succeed. Therefore, the definition of basic education includes pre-school for three- and four-year olds so that they can begin public school at the same starting line as their peers.

The complete text of the proposed definition is in Appendix A.

During the Task Force discussions, members noted that the statutes related to basic education are not consolidated in the Revised Code of Washington (RCW). In the future, it would be helpful for policymakers and citizens alike to have access to a single statutory reference point or RCW chapter for the program of education and financing system that the legislature defines as basic education.

3. INSTRUCTIONAL PROGRAM OF BASIC EDUCATION

Task Force Recommendation:

Adopt a specific description of the educational opportunities that all students need in order to graduate from high school ready for post-secondary education, job training, apprenticeships, and lifelong learning and citizenship.

Key Ideas

All students should receive the instruction necessary to prepare them to complete the proposed Core 24 class requirements and to graduate from high school prepared for post-secondary success. An instructional program of basic education must include sufficient time, expertise, resources, and support so that students with a wide variety of educational needs will all be able to achieve this goal.

Students from low-income families are also likely to need extra time and teaching during their K–12 years. Therefore, the funding system provides extra resources to schools, based on the percentage of students from low-income families, for this purpose. However, the percentage of low-income students in a school is intended to be a measure for predicting the level of need for additional time and teaching.

The intent of the Task force is that schools will use these resources for all struggling K–12 students, regardless of family income.

Basic education should also include specialized instruction for students whose first language is not English, and special education for students with disabilities.

Summary of Proposed Allocations

- Pre-school programs for three- and four-year-olds from low-income families.
- Allocations sufficient to provide the time and teaching needed for students to have the opportunity to successfully complete the Core 24 high school graduation requirements:
 - ✓ Middle school (grades 7–8) and high school (grades 9–12): 1,080 hours/year (sufficient to fund six instructional hours per day for 180 days, with the understanding that some schools may choose different ways of scheduling the school day);
 - ✓ Elementary school (grades 1–6): 1,000 hours/year;
 - ✓ Kindergarten: 1,000 hours/year (for voluntary full-day kindergarten) or 450 hours/year (for half-day kindergarten);
 - ✓ Institutions and residential programs, which provide year-round education programs: 1,320 hours/year;
 - ✓ Regularly scheduled teacher preparation periods;
 - ✓ The hours-per-year definitions apply to each grade level and may not be averaged across grade levels; and
 - ✓ In recognition of the additional annual hours of instructional time, allocations to school districts for teacher full-time equivalent units will be adjusted to maintain established staff workloads.
- The hypothetical model schools, on which the allocation system is based, define elementary schools as grades K–6 and middle school as grades 7–8, but school districts can design their schools' grade configurations based on local preference. The allocation model will be adjusted to accommodate either 1,000 or 1,080 instructional hours per year to sixth grade students, depending on their grade configurations in middle school. The Office of Superintendent of Public Instruction will implement rules to allocate the appropriate resources to each school district. (This provision applies to all references to middle schools in the report.)
- Extra time and teaching for struggling students.
- Specialized instruction for English language learners.
- Special education for students with disabilities.
- Instruction for students in institutions and residential programs.

- Unless the district receives a waiver approved by the State Board of Education as provided below, each school district’s basic education instructional program will consist of a minimum of 180 school days per school year in all grades, and a minimum of 180 half-days or equivalent in kindergarten, to be increased to a minimum of 180 full-time days, consistent with the state’s progress in reaching its goal of universal full-day kindergarten.
- Waivers from these requirements are limited. The State Board of Education may authorize waivers only within these limits:
 - ✓ A school district may apply for a waiver of the minimum instructional school year if necessary to provide a very specialized instructional program. The district’s application must describe the educational advantages of offering the program for fewer than 180 days, and demonstrate how the minimum annual instructional hour requirement for students will be maintained;
 - ✓ The total number of 180-day waivers authorized statewide may not include more than 2 percent of the overall student population; and
 - ✓ 180-day waivers will not be granted for purposes of professional development or teacher/parent-guardian conferences.

4. CORE ALLOCATIONS FOR THE BASIC EDUCATION INSTRUCTIONAL PROGRAM

Task Force Recommendation:

Allocate funding to local school districts based on hypothetical model schools that establish funding levels for the required number of teachers and other staff; maintenance, supplies, and other operating costs; specialized programs for struggling students, English language learners, and students with disabilities; and pre-school for low-income four- and five-year-olds. Funding for highly capable students should be provided as an enhancement to basic education.

Key Ideas

The proposed finance model builds a program of basic education based on three hypothetical model schools: an elementary school with smaller class sizes in the primary grades (K–3) than in grades 4–6; a middle school with grades 7–8; and a high school that includes grades 9–12. (Local districts may choose different grade configurations than this model, which is for allocation purposes only.)

The distribution formula is an optimal, long-term goal. Implementing the degree of change required by this new formula will require a well-planned strategy over the next three biennia at a minimum.

The Task Force also recognizes that the global demands on our students and our education system will continue to evolve, and that the formula proposed today may need to be modified to reflect continuing change. This recommendation is presented as a template that can be adapted by the legislature as required.

Exhibit 4. Summary of Recommended Staffing Levels

Student and Staff Schedule			
	<u>High School</u>	<u>Middle School</u>	<u>Elementary School</u>
Total Instructional Blocks	6	6	5
Total Blocks for Planning, Preparation, Professional Development	1	1	1
Teacher Course Load (Courses/Day)	5	5	4
Teacher Course Load Expressed as a Percentage	83%	83%	80%
Full-Day Kindergarten Program	n/a	n/a	yes

Class Size		
	<u>High School</u>	
	<u>FRPM* <=50%</u>	<u>FRPM >50%</u>
Standard Classroom	25	22
Career/Technical	16	16
Lab Science	16	16
Advanced Placement/International Baccalaureate	16	16
	<u>Middle School</u>	
Standard Classroom	25	23
	<u>Elementary School (Grades 4–6)</u>	
Standard Classroom	25	22
	<u>Elementary School (Grades K–3)</u>	
Standard Classroom	15	15

*Free and reduced price meals

Assistance for Struggling Students			
<u>Extended-Day Tutoring Assistance</u>	<u>Additional Hours per Week</u>	<u>Size of Class</u>	
Elementary School	2	5	
Middle School	2	5	
High School	2	5	
<u>Extended Year (summer school)</u>	<u>Additional Hours per Week</u>	<u>Size of Class</u>	<u>Number of Weeks</u>
Elementary School	10	10	4
Middle School	10	10	4
High School	10	10	4

Assistance for English Language Learners		
	Percentage of Mainstream Instruction for ELL	Class Size in ELL Classrooms
Elementary School	80%	8
Middle School	83%	8
High School	83%	8

Assistance for Special Education Services			
	Funding Multiple Applied to Basic Education Allocation Rate (K–12)	Funding Multiple Applied to Basic Education Allocation Rate (Birth–5*)	Cap on Enrollment
Elementary School	0.9309	1.15	12.7%
Middle School	0.9309	1.15	12.7%
High School	0.9309	1.15	12.7%

*Students ages birth to four and those five year olds not yet enrolled in kindergarten

Student Support and Other Staff (Non-Teaching Staff)			
	<u>High School</u>	<u>Middle School</u>	<u>Elementary School</u>
School Prototype Sizes	600	432	400
<u>Administration and Student Support Services</u> <i>(indicated below are staff/per school)</i>			
Principals/Assistant Principals/Other Administrators	1.8	1.3	1.2
Librarians/Media Specialists	1.0	1.0	1.0
Guidance Counselors/Parent Outreach	1.5	1.0	0.0
Student Health Services (Nurses/Social Workers)	1.0	1.0	1.0
<u>Classified Staff</u>			
Office Support (Secretaries, Administrative Aides)	3.0	3.0	3.0
Maintenance (Custodians, Buildings/Grounds, etc.)	4.0	4.0	4.0
Security Staff	1.0	1.0	1.0

Professional Development			
	<u>High School</u>	<u>Middle School</u>	<u>Elementary School</u>
Learning Improvement Days	10	10	10
Professional Development Coordinator per School	0.75	0.5	0.5
1 mentor provided for every ____ teachers in their first 3 years of teaching.	3	3	3

Non-Employee Related Costs (NERC/Student)	
<u>Per Student Amount by Category</u>	
Student Technology	\$200
Textbook, Library Books, and Other Materials	\$155
Utilities	\$216
Instructional Professional Development	\$103
Central Office	\$310
All Other (e.g. maintenance, insurance, other building costs)	\$102
Total	\$1,086

Staffing Levels for the Core Instructional Program

Core Teachers

School districts can use allocated funds to hire a combination of classroom teachers and instructional aides to provide instruction and services, even though the allocation model is based on “teachers.” Because teacher allocations will be calculated using the Salary Allocation Model, which includes Learning Improvement Days (additional, non-school days beyond the 180-day school year) for professional development. The allocations presume funding for professional development for instructional aides as well as teachers.

- Elementary schools, grades K–3: Class size of 15.
- Elementary schools, grades 4–6: Class size of 25.
- High and middle schools: Class size of 25 (average across the school).
- Career and Technical Education (CTE) exploratory classes, laboratory science, and Advanced Placement (AP) and International Baccalaureate (IB) courses: staffing ratio 19:1. Grade span: 7–12 for CTE; 9–12 for AP, IB, and lab sciences.
- CTE preparatory programs: staffing ratio 16:1. These programs will lead to industry certification, apprenticeship, or postsecondary placement; 9–12 grade span.

- Skill Center Preparatory programs: staffing ratio 16:1. These courses will lead to industry certification, apprenticeship, or postsecondary placement; 11–12 grade span. Funding for administration, classified, grounds, maintenance, and other staff enhancements is at the same level of hypothetical high schools.
- Teacher-librarians, a function that includes information literacy, technology, and media to support school library media programs: 1 FTE per hypothetical school.
- Consider basing student enrollment drivers on a three-year rolling average.
- Class size adjustments for schools with more than 50 percent of students from low-income families (measured by eligibility for free and reduced price meals), with an additional adjustment to correct for lower reporting rates for eligibility for free and reduced priced meals in middle and high schools.

Educational Staff Associates (Counselors, Nurses, and Other Specialist Professionals)

- Nurses and social workers: 1 FTE per 400 students in elementary, 1 FTE per 432 in middle, and 1 FTE per 600 in high school.
- Guidance counselors/parent outreach: 1.5 FTE per 432 students in middle school, 1.5 FTE per 600 in high school.

Principals and Other Building-Level Administrators

- Elementary principal/administrators: 1.2 FTE per 400 students.
- Middle school principal/administrators: 1.3 FTE per 432 students.
- High school principal/administrators: 1.8 FTE per 600 students.
- Professional development coordinator (instructional coach): 0.5 FTE per elementary and middle school, 0.75 FTE per high school.

Central Office Administration and Classified Staff

The legislature needs to ensure that policies regarding classified staff are sufficient for school districts to maintain classified staffing that reflects current levels that districts employ in the 2007–08 school year plus 2.0 custodians/facilities maintenance staff per model school reflective of Task Force intent to improve facilities maintenance. The proposed distribution system will provide flexibility in staffing between teachers and instructional aides, as well as specific allocations for office, maintenance, and security staff, and a block-grant allocation for central office administration.

These levels are estimated for each hypothetical model school:

- Office support and non-instructional aides: 3 FTE per school.
- Custodians and facilities maintenance: 4 FTE per school.
- Student and staff safety: 1 FTE per school.

Maintenance, Supplies, and Operating Costs

Allocate maintenance, supplies, and operating costs funding per student as follows:

- Student technology: \$200.
- Utilities: \$216.
- Curriculum, textbooks, library materials, and instructional supplies: \$155.
- Instructional professional development: \$103.
- Other building-level costs including maintenance, custodial, and security: \$102.
- Central office administration: \$310.

Central Office

Because of significant differences in administrator and classified staffing needs of school districts depending on their size, the Task Force proposes to provide a flat percentage allocation of about 6 percent for staffing costs, rather than identifying specific categories of central office staff. However, it is the intent of the Task Force to ensure, with further analysis if necessary, that the percentage allocations are sufficient for school districts to maintain current levels of central office classified and certificated administrator staff.

Extra Time and Teaching for Struggling Students

Funding allocations to provide extra time and teaching for struggling students will continue to be defined as part of basic education in a categorical formula, and will replace the current Learning Assistance Program funding formula.

This funding will be based on the number of students from low-income families enrolled in a school as measured by eligibility for free or reduced price meals, because these are the students most likely to need extra help. However, schools may use these funds to help all struggling students, regardless of family income.

Instruction for English Language Learners

Funding for specialized instruction for English language learners will continue to be part of basic education and funded categorically.

Special Education

Special education for students with disabilities will continue to be part of basic education. The new model maintains the current multiplier: funding per student is the core allocation multiplied by .9309 for children in K–12, and multiplied by 1.15 for students ages birth to four and those five year olds not yet enrolled in kindergarten (hereinafter, birth to five). However, because the core allocation will rise, the special education allocation will also rise. In addition, the new model preserves the “safety net” process that allows extra funding for districts that have students with exceptional needs.

Highly Capable Students

Funding for teaching highly capable students should be included as an enhancement to basic education. There are multiple definitions of “highly capable” that include intellectual, academic, artistic, leadership, or other special talents. The Task Force recommends the use of multiple measures to identify highly capable children. Local school districts can define highly capable as they see fit.

Although access to accelerated and enhanced instruction should not be construed as an individual entitlement for any particular child, funding should be provided for up to 3 percent of each school district’s population, identified as highly capable by the district through use of multiple objective measures.

Funds are for allocation purposes only; it is up to the school and district to determine how extra opportunities will be offered, and to whom.

Institutional and Residential Education

The superintendent of public instruction shall calculate and increase the minimum allocations for institutions and residential education programs by an amount reflective of the increases in certificated instructional staff per 1,000 students for general education in prototypical schools.

5. EARLY LEARNING

Task Force Recommendation:

Pre-school for three- and four-year-olds from low-income families will be included in the definition of basic education.

Key Ideas

The Task Force believes that an important purpose of public education is to help equalize opportunities for children from all demographic and income groups. To do this effectively, the Task Force intends to ensure an opportunity for students to enter kindergarten ready to succeed. Today, students from low-income families are likely to start kindergarten behind their peers, and many are never able to catch up.

Therefore, the Task Force proposes defining basic education to include funding for pre-school programs for all children age three and four whose family income is at or below 130 percent of the federal poverty level, and whose parents choose to enroll in the program.

The 2008 Legislature directed the Department of Early Learning (DEL) to develop a proposal for implementing a statewide pre-school program based on Head Start standards (HB 3168). Due to later directions from the Governor for all agencies to find budget savings, the activity was suspended. If these tasks are again undertaken at some future point, the recommendations can form the basis of a basic education pre-school program.

A statewide kindergarten readiness assessment should be adopted to provide accountability for basic education pre-schools.

In addition, the legislature should explore service delivery, program, and funding options for providing early learning services for eligible children aged birth to five, and make recommendations on how and to what extent these should be considered part of a basic education.

Funds will be appropriated on a per-student basis (initially based on current Head Start levels) to public schools either to provide pre-school programs directly, or to contract with Educational Service Districts (ESDs) and/or community-based providers. Pre-school programs (school, ESD, or community-based) must be approved by the Department of Early Learning. In providing the pre-school programs, districts shall ensure that the provisions of Article IX, Section 4, of the Washington State Constitution are adhered to and all programs are free from sectarian control or influence.

6. SCHOOL EMPLOYEE COMPENSATION

Task Force Recommendation:

School employee compensation should be sufficient to attract and retain highly competent teachers and other school staff; reward increasing levels of teacher effectiveness in the classroom; provide school-wide bonuses for improvement in student achievement; be competitive with similar non-education jobs in regional labor markets; provide time for professional development; include special incentives to attract teachers in shortage areas such as math, science, bilingual education, and special education, and incentives for experienced teachers to teach in schools with a significant percentage of low-income students.

Key Ideas

Today's compensation system rewards educators for earning more academic credits and degrees, but research shows little or no connection between these efforts and improved student learning. The Task Force recommends that the state invest in intensive mentoring of new teachers by successful experienced teachers, with objective peer review of classroom practice, and rewards and incentives based on improvements in teaching effectiveness.

A new compensation system based on this understanding should be established for new teachers. Incumbent teachers should be allowed to choose whether to remain in the existing system or transfer to the new one.

The compensation system should set salaries that are competitive with comparable non-education jobs, and recognize regional variations in labor markets.

The compensation system should also continue to provide robust incentives for master teachers (those who have earned National Board for Professional Teaching Standards certification) to teach in schools with a high percentage of low-income students.

Educators should also have time outside of class for professional development, including learning new course content, collaborating with peers, course planning, and other district-directed activities that have the potential to improve student outcomes.

To ensure that all students have the opportunity to meet high school graduation requirements, Washington must also increase its efforts to recruit and retain teachers for shortage areas such as math, science, bilingual education, and special education.

A New Salary Allocation Model

The current salary allocation model (SAM) awards pay increases to teachers when they earn advanced degrees, but there is little evidence that advanced degrees improve the quality of teaching. The Task Force proposes to replace the current SAM with one that creates a career ladder for teachers with incentives for improving teacher effectiveness and student learning. The new rungs on the ladder will be: residency, professional, and master teacher. Master teachers will be those who complete certification by the National Board for Professional Teaching Standards.

Mentoring of new teachers would be provided by master teachers with objective, structured peer reviews. Funding should be provided for these activities.

The new model also creates a mechanism for adjusting salaries based on regional labor markets, so that salaries are competitive with similar jobs in similar locations.

Current teachers could remain in the current SAM or opt into the new system during the next ten years.

Exhibit 5 displays the construct of a sample salary schedule based on the principles outlined above.

Exhibit 5
Salary Survey/Labor Market Analysis for New Salary Allocation Model

Professional Status	Experience (years)	Base Pay	Mentor Stipend	Peer Reviewer Stipend	Hard-to-Staff Supplement	School Performance Bonus	Regional Wage Adjustment
Residency	1	\$XX,XXX				\$X,XXX	(by district)
Residency	2	\$XX,XXX				\$X,XXX	(by district)
Residency	3+	\$XX,XXX				\$X,XXX	(by district)
Professional	1	\$XX,XXX				\$X,XXX	(by district)
Professional	2	\$XX,XXX				\$X,XXX	(by district)
Professional	3	\$XX,XXX				\$X,XXX	(by district)
Professional	4	\$XX,XXX				\$X,XXX	(by district)
Professional	5	\$XX,XXX				\$X,XXX	(by district)
Professional	6	\$XX,XXX				\$X,XXX	(by district)
Professional	7	\$XX,XXX				\$X,XXX	(by district)
Professional	8+	\$XX,XXX				\$X,XXX	(by district)
Master	1	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	2	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	3	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	4	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	5	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	6+	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)

State-Funded Contract Days

The Task Force recommends that the state should increase the number of Learning Improvement Days (LIDs, or non-school days in addition to the 180-day school year) from two to ten as part of the state-funded Salary Allocation Model.

The number of contract days for teachers will be 180 instructional days, plus 10 LIDs, for a total of 190 days. State funding for LIDs must be used for professional development or other district-directed activities and may not be used for salary increases.

Salary Survey/Labor Market Analysis

The state should collect information about compensation in occupations comparable to teaching and other school positions. To attract and retain the best and brightest teachers, school administrators, and other school staff, salaries must be competitive with comparable jobs. There is significant regional variation in job markets and salaries, and this variation should be reflected in what all school employees are paid.

The salary survey will include information about:

- Regional labor market differences in compensation;
- Different job descriptions/duties (e.g., math, science, special education, ELL teachers), based on other occupations; and
- Health, pension, and other benefits.

Pay for Performance, Knowledge, and Skills

The state should continue to pay bonuses to teachers who earn National Board for Professional Teaching Standards (NBPTS) certification, and provide extra pay for teachers who serve as mentors and/or peer reviewers.

Teachers who earn NBPTS certification will become master teachers in the proposed Salary Allocation Model, in recognition of their increased effectiveness in the classroom and their ability to provide leadership in their schools to help their peers improve student learning.

- Continue to provide a \$5,000 bonus (adjusted for inflation in 2009 and beyond) to teachers on the current SAM who achieve NBPTS certification.
- Continue to provide an additional \$5,000 bonus (adjusted for inflation in 2009 and beyond) to NBPTS teachers on the current SAM who work in high-poverty schools.
- Provide a bonus for teacher mentors and teachers who perform peer reviews under the new certification system (described in the following section on teacher preparation).

School-Wide Bonuses for Improvement in Student Learning

An incentive program should be developed to award bonuses to all school staff for significant improvements in student academic achievement. Awards will be determined based on multiple measures of student performance, including, at a minimum, narrowing the achievement gap, raising standardized test scores, and increasing student retention and graduation in secondary schools.

Stipends for Teachers on the Current SAM Who Earn Professional Certification

For teachers who choose to remain on the current SAM, provide a one-time payment of \$1,000 to offset the educational costs of obtaining the Professional Certificate. This stipend recognizes that the current salary system does not specifically compensate teachers for the investment they make to meet state requirements.

Loan Forgiveness

Continue to provide student loan forgiveness for teachers and other education professionals as an incentive to attract teachers to areas where there are staff shortages.

Add funding to the future teachers conditional scholarship and loan repayment program (RCW 28B.102) for teachers and educational staff associates (ESA) candidates in shortage areas such as math, science, bilingual instruction, and special education.

Supplemental Pay

Restrict supplemental pay beyond the standard contract for teachers and other education professionals to activities that require additional time. (Currently, teachers often have supplemental contracts based on “time, responsibilities, and incentives.”)

Supplemental contracts must specify the minimum amount of additional time required, its purpose, and the amount of the contract. This information must be reported in a common format to the Office of Superintendent of Public Instruction (OSPI) to improve transparency and analysis.

Continuing Contracts

Require new teachers to advance from residency to professional status within five years in order to be eligible for continuing contracts.

Currently, beginning teachers are employed on a provisional basis for two years. This change amends provisional status to last for up to five years, or until professional status is attained, whichever comes first. (Further explanation is in the following section.)

Collective Bargaining

Make no changes to collective bargaining laws. Taken together, the recommendations regarding employee compensation solve the problems in the current compensation system. They provide greater equity, more incentives for improvement in student learning, and far more transparency. No additional changes to collective bargaining are necessary.

7. TEACHER PREPARATION AND CAREER LADDER

Task Force Recommendation:

Create a teacher preparation and career ladder system that relies on evidence-based practices that have been shown to improve student learning.

Key Ideas

The current system of teacher preparation assumes that more post-graduate coursework and degree attainment translates into more student learning, but research shows this is not so. The Task Force recommends intensive monitoring of new teachers by highly effective veteran teachers combined with a system of objective, structured peer review of classroom practice, and rewards and incentives for improving student learning.

Career Ladder

- Create a career ladder with residency, professional, and master levels linked with the salary allocation model.
- In order to become a new teacher and earn residency status:
 - ✓ Candidates must pass an objective, structured review of their classroom practice, conducted by the state.
 - ✓ A successful score on the review will earn an initial certificate that is non-renewable and good for five years only.

- ✓ The Professional Educator Standards Board (PESB) will design the structured review and set passing scores.
- For professional status:
 - ✓ Teachers must teach for at least two years, pass peer reviews, and earn a significantly higher score on the objective, structured review of their classroom practice than they did when they earned residency status. (The passing score will be set by the PESB.)
 - ✓ Teachers must achieve professional status within five years to continue teaching.
- For master teacher status:
 - ✓ National Board for Professional Teaching Standards certification.
- For other educational professionals, a similar career ladder, with similar mentoring, peer review, and promotion practices should be adopted.

Mentoring for New and Early Career Teachers

A mentoring-based professional development program for new and early career teachers should provide intensive support during a teacher's first year in the classroom, with a progressive decrease in intensity based on need. Mentoring should be provided for up to five years, or until teachers attain professional status.

A statewide system for training and certifying master teachers to serve as mentors should be established, under the oversight of the Professional Educator Standards Board (PESB). Mentors may also be trained to become peer reviewers.

Peer Reviews

As the state salary schedule is modified through career ladders and the new residency, professional, and master teacher classifications, the peer review system must change to measure, recognize, and reward good instruction. To do this, a corps of well-trained peer reviewers should be developed and deployed. The principal is the lead reviewer and, as such, will be able to use data from peer reviews.

- Teachers' classroom practices will be observed and analyzed by master teachers who are state-certified reviewers.
- The PESB will establish standards and a process to train and certify peer reviewers and mentors.
- The PESB will establish a common and standardized review process, using multiple forms of evidence, including student performance on assessments, in-class visits, reviews of artifacts such as lesson plans, and possibly videos of actual teaching.
- Teachers who conduct peer reviews will:
 - ✓ Be trained in reviewing the practice of teaching;

- ✓ Use a uniform, structured rubric;
- ✓ Teach the same or similar subject as the teacher being reviewed;
- ✓ Be at the highest step in the performance and compensation system.
- ✓ Be assigned to avoid any personal conflict of interest so they can be independent evaluators of a teacher's performance.
- The system will be overseen by the PESB and delivered through regional networks managed by the Educational Service Districts.

8. FUNDING AND OVERSIGHT

Initiative 732

Task Force Recommendation:

Retain Initiative 732, but not as part of basic education; I-732 provides cost of living increases in the salary allocation model for educators and school staff.

Initiative 728

Task Force Recommendation:

Fold Initiative 728 funds into the basic education core allocations, and remove I-728 as a separate funding source.

Small School Districts' Funding Enhancements

Task Force Recommendation:

Maintain a small school district funding enhancement.

Levy Authority and Equalization

Task Force Recommendation:

Convene a technical team to redesign the levy equalization system to encourage local engagement in school funding and support, and to ensure equity in per-student spending.

Local levies should remain a part of the way Washington funds public education. While the state is responsible for providing a “general and uniform system of public schools,” it is also important to provide flexibility for local communities to go beyond the basics, and to use local funds to enrich their school programs, experiment and innovate, and tailor programs to local needs.

The ability of local districts to experiment and innovate will help drive educational improvement. Local levies also ensure that communities are connected with their schools, and increase the likelihood of community support for public schools, support for state funding of basic education, and community accountability for continuing educational improvements.

Local levies should be limited and equalized to assure a basic equity across the state. Unlike the current system, the new levy system should be based on how much local support is permitted per student, rather than being based on either local property values or the revenues generated by the district. Equity requires both an equitable base (local funding per student) and a mechanism for property-tax-poor districts to provide programs substantially similar to any other district.

These are complex and technical questions. The legislature should create a technical team to develop a new local levy and equalization system for implementation in the 2011–13 biennium and later.

Fiscal Accountability and Budgeting Data System

Task Force Recommendation:

Require all schools to use a common, state-developed, and state-funded budgeting and fiscal accountability system.

The system will include:

- Separate accounting of state and local revenues and costs;
- A common, standardized structure for cost classifications;
- Costs linked with student outcomes data; and
- Program costs reported at the school and district levels.

State funding should support the development, implementation (including costs of necessary software), training, and auditing of the data system.

Student Data System

Task Force Recommendation:

The statewide student data system should include individual student standardized test scores, including scores on diagnostic and college readiness tests, and an early warning system for dropouts.

A statewide student information system should connect information about students, test scores, teachers, and courses in real time. It should protect student privacy, but also ensure that student records are transferred quickly when students change schools.

The data system should be used by both local schools and districts and by the state to analyze where and how student achievement gains are being made, and where improvement is needed.

Recognizing that parental involvement is the key to educational success, this new data system will also provide parents with a better means to stay involved in their child's education, allowing them easy access to records concerning their child's grades, attendance, and homework completion.

Oversight and Accountability

Task Force Recommendation:

Implement the accountability system principles proposed by the State Board of Education (SBE).

Components of the SBE's proposed accountability system include:

- An accountability index that uses multiple criteria to evaluate school and district performance;
- Identification of schools with exemplary performance as well as those experiencing problems;
- Voluntary targeted assistance for struggling schools;
- Timelines for school improvement; and
- Specified district actions, required by the SBE, if districts do not improve.

Task Force Recommendation:

Appoint an oversight group to conduct further analysis and evaluation of the progress on Task Force recommendations.

The Task Force recommends that an oversight/implementation group be appointed and assigned to perform further analysis and evaluation of progress on the Joint Task Force on Basic Education Finance recommendations with periodic reports to the legislature and a six-year sunset.

9. COST ESTIMATE

Using the expenditure model developed by House of Representatives staff, estimates were made of the total costs of full implementation of the Task Force proposal detailed in this report. We calculated three expenditure levels: one based on teacher salaries at current levels (including the 10 total learning improvement days recommended by the Task Force), and second and third cases based on teacher salaries at the comparable wage levels suggested by the Task Force consultant Dr. Lori Taylor, based on a 10-month and 12-month work year, respectively.¹ The Task Force directed Institute staff to provide estimates at both 10- and 12-month work years.

The estimates are based on statewide average salary levels and are not derived from salary levels assigned to the steps on the sample salary grid on page 16 of this document.

It should be noted that cost estimates of this kind involve a high level of complexity, and require a number of assumptions about future student and staff behavior. For example, to the extent that the new system requires the adoption of new salary schedules, costs will vary considerably depending upon how quickly staff can meet the requirements of the new system and progress through the salary steps. Future enrollment and poverty trends also factor heavily into future costs. Accordingly, the projections provided are good faith estimates intended to convey a range of cost estimates, rather than precise costs.

Based on the staffing levels specified by the Task Force, the maintenance, supplies, and other operating costs, as well as other increases contained in this proposal, the resulting total increase in funding is estimated at approximately \$7.5, \$8.3, and \$10.1 billion per biennium, respective to the three aforementioned teacher salary levels. These amounts represent increases of approximately 63 percent, 69 percent, and 85 percent, respectively, in budgets supporting basic education activities. To the extent that existing, non-basic education programs (such as the Student Achievement Fund) are folded into the new system—meaning the programs are discontinued and their funding applied to the new system—the percentage increases are smaller. For example, when compared to total near general fund-state funding for K–12 education (a more complete picture of state funding sources available to fund public schools) the biennial cost increase estimates reduce to \$6.3, \$7.1, and \$8.9 billion, respectively, and represent percentage increases of 48 percent, 54 percent, 68 percent. These two methodologies provide a helpful range for estimating the costs of full implementation.

¹ Taylor, L. & Fowler, W. (2007, August). Data Files: NCES Comparable Wage Index, available at: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2007397>

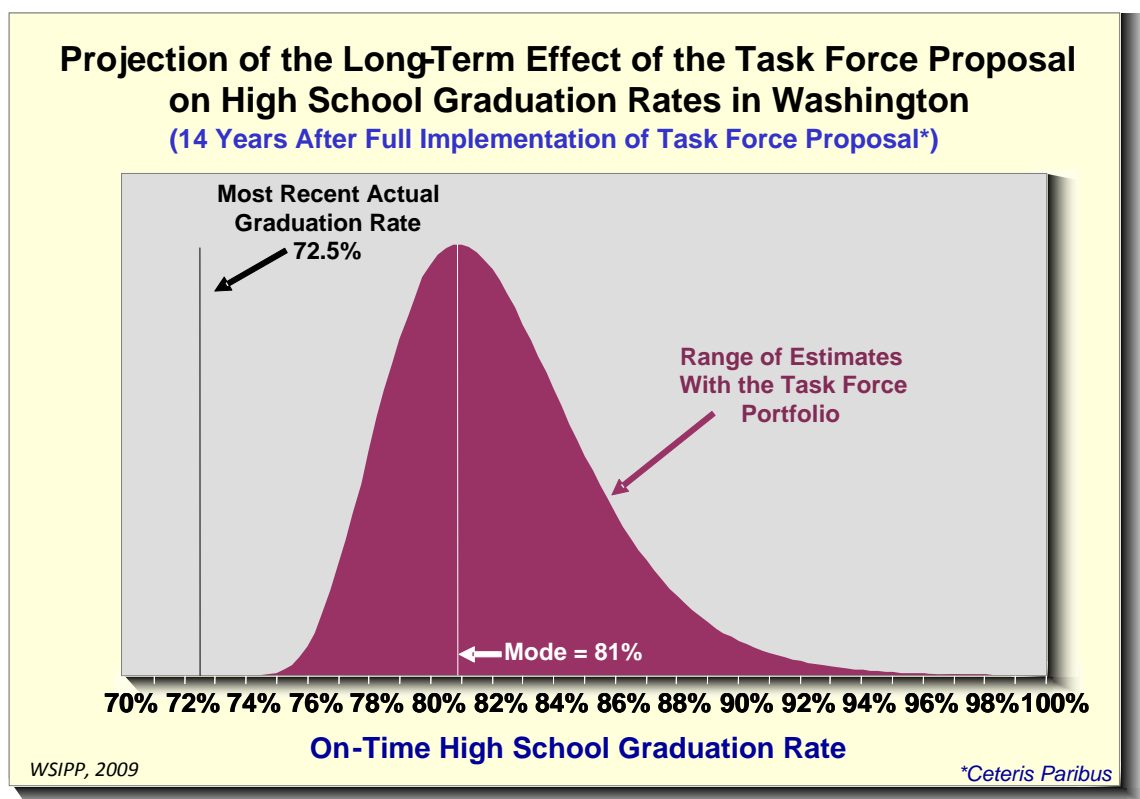
10. PROJECTION OF THE EXPECTED EFFECT OF THE INVESTMENT

The 2007 Washington State Legislature directed the Washington State Institute for Public Policy (Institute) to develop “a projection of the expected effect of the investment made under the new funding structure”(SB 5627). To perform this analysis, the Institute built a projection model that is described in Appendix B of this report and in other reports prepared for the Task Force. The projection model is designed to transform evidence-based inputs to the education system into estimates of statewide student gains in standardized test scores and high school graduation rates. Since any projection of this kind involves a great deal of uncertainty, Institute staff developed a modeling approach that produces a range of estimates that reflect the uncertain nature of the process of turning educational inputs into student outcomes.

As an illustrative projection, the Institute presents an estimate of how the Task Force recommendations could be expected to affect high school graduation rates in Washington. According to the Office of Superintendent of Public Instruction, the current high school graduation rate in Washington is about 72.5 percent. This is a cohort “on-time” graduation rate for school year 2006-2007. The Institute model projects how the Task Force proposal could be expected to affect this rate. We present estimates of the long-term impact of the recommendations. That is, the effects shown here are estimates 14 years after full implementation of the options to reflect the long-run effect of investments in pre-school and the other grades at the end of the education cycle in 12th grade.

The Institute projects that the Task Force recommendations would increase the modal graduation rate to about 81 percent from its current level of 72.5 percent. Exhibit 6 plots these two figures and also indicates the significant amount of uncertainty around the estimated effect of the Task Force portfolio. The total area under the curve represents all of the cases from our simulation modeling. For example, in a small number of cases, the graduation rate could be expected to be much higher—over 90 percent; in most cases, however, it would be in the 78 percent to 84 percent range, with the modal case of 81 percent. The range largely reflects the underlying uncertainty in the expected effect of educational resources on student outcomes.

Exhibit 6



11. PHASE-IN

Task Force Recommendation:

Development of the funding formulas for the new instructional program of basic education and the supporting compensation, personnel, and accountability systems should begin immediately, and be phased in over a six-year period, starting in the 2011–12 school year. The phase-in plan should be flexible but ensure that the legislature is committed to full and timely implementation.

The goal of this proposal is to be ready to implement the new funding formulas in 2011–12 in school districts, which requires authorization by the 2011 Legislature and budget development beginning in mid-2010. It will take time for technical experts to develop the details of the formulas, and the 2010 Legislature will need an opportunity to review those details and provide additional statutory direction if necessary. Furthermore, the supporting systems of teacher compensation, certification, evaluation, mentoring, and accountability must be developed and ready to implement across the state.

Even given this timeframe, funding of the new instructional program will need to be phased in. No school district can reasonably expect to hire in a single year the numbers of new teachers, aides,

librarians, and other school staff that full funding will permit. The experience of California's class size reduction initiative provides valuable lessons about the educational costs of rushed hiring of unprepared staff and lack of adequate facilities to house them. Our state's previous experience with I-728 funding and Student Learning Improvement Grants (SLIGs) from the 1990s also show the value of giving school districts time to set priorities and craft high-quality programs when new resources are provided, rather than rushing to "spend the money."

The phase-in plan should be at a level of detail that permits flexibility to adapt to circumstances as they arise. However, the authorizing legislation should set parameters and priorities as guides for future legislatures. The end goal has been clearly articulated and should be placed in statute.

Within the six-year phase-in, the funding priorities should be:

- Cover the fundamental costs of operating a district with enhanced allocations for maintenance, supplies, and operating costs, and adequate salary allocations for staff.
 - ✓ The proposed funding model contains specific allocations, by category, for maintenance, supplies, and operating costs that can be adopted as soon as the new finance model is implemented and adjusted as needed for inflation.
 - ✓ OSPI will be directed to calculate the actual average salaries for the allocated categories of administrators and classified staff, plus authorized adjustments, to use when the new funding formula is implemented.
 - ✓ A working group, with legislative oversight, will develop a new Salary Allocation Model (SAM) for the legislature's consideration. The new SAM will be aligned with the mentoring, evaluation, and certification system that OSPI and PESB will design and put into place by 2012.
 - ✓ The state Department of Personnel will be directed to conduct labor market surveys so that the Office of Financial Management can develop a regional wage adjustment schedule to be applied to the SAM and to administrator and classified salary allocations, also effective by 2011.
- Expand enhanced learning opportunities for struggling and ELL students, as well as full-day kindergarten, to accelerate progress in closing the achievement gap.
 - ✓ The proposed funding model contains specific enhancements for struggling students and English language learners, which can be implemented as a priority over other enhancements.
 - ✓ A phase-in plan for full-day kindergarten has already begun and should continue.
- As soon as a quality program can be clearly defined and the delivery system developed, early learning expansion should occur.
 - ✓ The Department of Early Learning was directed to report to the Legislature in December 2009, with a proposed plan for a state pre-school program that better aligns with federal

Head Start. Due to the state's budget situation, this activity was suspended before completion. If these tasks are undertaken at some future point, the recommendation can form the basis of the basic education pre-school program.

- ✓ In the meantime, resources could be provided for school districts to conduct outreach, build partnerships, and provide curriculum and professional development to the local early learning community.
- Class size reduction should start in the early grades.
- ✓ The legislature has already demonstrated years of commitment to enhanced staffing for early grades, and this must continue as a priority.
- Core 24 should be phased in according to the State Board of Education's detailed plan.

While all parameters of the phase-in plan have not yet been articulated, it is understood that the very act of placing into statute a detailed description of the instructional program of basic education as presented in this report, along with a commitment to a six-year phase-in timetable, obligates the legislature to demonstrate that any future modifications are based on a rationale directly related to education, rather than on a purely financial basis.

APPENDIX A: PROPOSED DEFINITION OF BASIC EDUCATION

A basic education is an evolving program of instruction that must provide students with the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives. Students must have the opportunity to learn the skills to:

- (i) Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and with a variety of audiences;
- (ii) Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness;
- (iii) Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems; and
- (iv) Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

In order to have the opportunity to learn the basic education skills and knowledge, students must have the opportunity to complete graduation requirements of 24 credits, with course distribution requirements adopted by the State Board of Education that are intended to prepare students for postsecondary education, gainful employment, lifelong learning, and citizenship. Any change to graduation requirements proposed by the State Board that would have a fiscal impact must be approved by the legislature before taking effect.

In order to provide this opportunity to students, the state must make available resources to the various school districts to enable them to provide the following program of education. Districts may find it appropriate to modify the model program to fit the unique circumstances of their population.

In addition to the resources necessary to fund the model program, the state must provide resources that enable districts to provide supplemental instruction as necessary to provide students with a reasonable opportunity to meet the graduation requirements, including, underachieving students, English language learners receiving transitional bilingual instruction, and students with disabilities receiving special education services.

In order to take advantage of the program of basic education, some at-risk students will need early learning instructional programs.

APPENDIX B: Projection of the Expected Effect of the Investment, and a Zero-Based Research-Proven Option Developed by the Washington State Institute for Public Policy

The 2007 Washington State Legislature directed the Washington State Institute for Public Policy (Institute) to provide staff support to the Joint Task Force on Basic Education Finance (Task Force). The legislation instructed the Institute to develop “a projection of the expected effect of the investment made under the new funding structure”² proposed by the Task Force.

Separately from its assignment to staff the Task Force, the legislation also directed the Institute to analyze a zero-based, research-proven option. The legislative language indicated that “one of the options [for the Institute to analyze] must be a redirection and prioritization within existing resources based on research-proven education programs.”³

This appendix describes how we produced the expected effect of the investment portfolio recommended by the Task Force as well as the zero-based and research-based option the Institute analyzed. In both cases, the analytical goal was to project how each option could be expected to affect selected student outcomes in Washington State.

Procedure Used to Analyze the Task Force Recommendation

To analyze the expected effect of the investment of the Task Force proposal, we built a projection model. In a previous report to the Task Force, we described the technical detail behind the basic model.⁴ The model is designed to transform evidence-based inputs to the education system into estimates of student gains in standardized test scores and high school graduation rates. The model structures 14 separate time-related investment opportunities, from pre-K through 12th grade. The model applies meta-analyzed effect sizes for different educational resource options to estimate the expected gains to standardized test scores of Washington students. Based on a regression analysis conducted by the Institute, the model also estimates how the expected changes to standardized test scores can be expected to change the probability of graduation from high school, everything else being held constant.⁵

² E2SSB 5627, § 2(5)(c), as amended in 2008.

³ Ibid.

⁴ A. Pennucci, S. Aos, & I. Ngugi. (2008). *September 15, 2008, Report to the Joint Task Force on Basic Education Finance*. Olympia: Washington State Institute for Public Policy, Document No. 08-09-2201. Some modifications to the model’s methodology were made after this September 2008 publication was issued, principally concerning the degree to which subsequent K–12 investments made attenuate the long-run decay rate of short-run resource changes.

⁵ As noted in Pennucci, 08-09-2201, op. cit., most of the credible research on the effectiveness of educational resources measures short-run gains in student test scores. For example, most of the evaluations of class size reductions measure how a change in class size affects student test scores shortly after class sizes are reduced. Whether these gains persist over time is an open empirical question; there is some evidence that short-run gains decay over time. The projection model we built includes estimates of the decay of resource effectiveness. We also model how effective resources applied in later grades may attenuate the long-run decay rate for any given resource.

We followed a three-step procedure to estimate the expected effect of the Task Force recommended portfolio of resources.

Step One. We use the results of our meta-analysis of the effect of an average change in per pupil expenditures on student outcomes. The goal of Step One is to establish a baseline for the Task Force recommendations. That is, if the overall effect of the Task Force’s recommendations are no more or no less effective than simply increasing K–12 expenditures, and if Washington’s funding system is similar to that of other systems that have been the subject of studies in our meta review, what effect can be expected on student outcomes?

As we described in an earlier report to the Task Force, we meta-analyzed studies that have examined the basic relationship between student outcomes (as measured by test scores) and spending more money in typically structured K–12 systems. We only included studies that employed instrumental variables estimators, studies that used value-added models, or regression studies with very extensive student-level datasets. We focused on these more credible research studies because simple cross-sectional correlation studies have a difficult time identifying cause and effect relationships. This research topic has been an active and controversial field of inquiry for over four decades.⁶ In recent years, several new studies using improved data and statistical methods have been published. We included these newer studies, along with higher quality studies from earlier reviews, in our systematic review of this literature. The purpose of this review was to arrive at a best estimate of the relationship between student outcomes and K–12 resources spent in a typical funding system. We found statistically significant, though fairly small, effects for general increases in K–12 spending as applied in typical K–12 structures. The effects are larger in the early grades than in later grades.⁷

The Task Force’s proposal results in an estimated increase in spending between 48 percent and 85 percent (see page 24). Our estimates from the meta-analysis were, however, based on a 10 percent increase in per pupil expenditures. That is, very few of the studies in our review measured the effects of an increase as large as 48 to 85 percent. Rather than simply scaling up the effect of a 48 to 85 percent increase, we applied the concept of diminishing returns and tested the relationship in our simulation runs.⁸

Step Two. After establishing a base case, we then modified the effect sizes where there is empirical evidence that the Task Force’s recommendations can be expected to out-perform the simple effect of spending more money (from Step One). For example, the Task Force recommends an increase in pre-kindergarten expenditures and a reduction in class sizes. We estimated that the pre-K investment and

⁶ See, for example, the debate summarized in: G. Burtless (Ed.) (1996). *Does money matter? The effect of school resources on student achievement and adult success*. Washington, D.C.: Brookings Institute Press.

⁷ S. Aos, M. Miller, & A. Pennucci. (2007). *Report to the Joint Task Force on Basic Education Finance: School employee compensation and student outcomes*. Olympia: Washington State Institute for Public Policy, Document No. 07-12-2201. The current meta-analysis review includes 33 studies with 66 separate effect sizes (some studies measure several student tests). The regression results are available upon request.

⁸ To scale effect sizes, we modeled a triangular range of diminishing return rates, from 0 percent to 20 percent for each 10 percentage point increase in per-pupil expenditures.

some of the class size reductions would have a greater effect on student outcomes than those generated from the simple change in per pupil expenditures.⁹

Step Three. We used our projection model along with the inputs from Steps One and Two to estimate a range of expected changes to key student outcomes such as high school graduation rates. Again, the technical detail of the simulation model is described in an earlier Institute report.¹⁰

Procedure Used to Analyze the Zero-Based Research-Proven Option

To analyze the zero-based research-proven option, we followed the same general procedures we used to estimate the effect of the Task Force recommended portfolio. The first criterion for this option is that elements must be research-proven, while the second criterion is that the portfolio of research-proven elements must be zero-based—that is, budget neutral. After selecting a “portfolio” of resources that met these two criteria, we then projected the effect of the portfolio on long-run statewide student outcomes.

The “Research-Proven” Criterion. To construct this option, the Institute used the work we previously published for the Task Force and the legislature on evidence-based options that improve student outcomes. In these earlier reports, the Institute systematically analyzed existing research studies on “what works” to improve student outcomes as measured by test score improvements (or increased high school graduation rates).¹¹ To date, the Institute has studied the research literature on the following topics:

- **Class size reductions.** We found that reductions in the early grades have a statistically significant effect on short-run test scores, while the effect in higher grades is either statistically non-significant or very slightly positive.¹²
- **Per-pupil expenditure changes.** We found statistically significant, though fairly small, effects for general increases in K–12 spending as applied in typical K–12 structures. The effects are a bit larger in the early grades than in later grades.¹³

⁹ For example, based on our Step One meta-analysis, we estimate that a 10 percent increase in per-pupil expenditures results in an effect size of .021 standard deviation test score units in grades K–3. From our analysis of class size effects (see: S. Aos, M. Miller, & J. Mayfield. (2007). *Benefits and costs of K–12 educational policies: Evidence-based effects of class size reductions and full-day kindergarten*. Olympia: Washington State Institute for Public Policy, Document No. 07-03-2201, Exhibit 3), we estimate that a one unit drop in class size in grades K–3 results in a .017 standard deviation gain. We estimate that a 10 percent increase in spending could, ceteris paribus, lower class sizes by 2.4 units. Therefore, a 10 percent increase applied to class size reduction in K–3 could raise effect sizes by .041 (.017*2.4). Thus, dividing the Task Force’s class size reduction (.041) by the general effect of K–3 per pupil expenditures (.021) indicates that the Task Force proposal is expected to be about 1.95 times more effective than simply raising overall expenditures for these early grades. We performed similar analyses for grades 4–6, 7–8, and 9–12. Our resulting ratios were: 1.07, 1.0, and 0.69, respectively. That is, the Task Force’s expected gains “beat” a simple increase in per pupil expenditures by 1.95 in grades K–3; 1.07 in grades 4–6; no increase in grade 7–8, hence the ratio is 1.0; and a decrease in effectiveness in grades 9–12 by .69 (.31 lower than just spending more money).

¹⁰ Pennucci, 08-09-2201, op. cit.

¹¹ For some topics where the existing research literature is more developed, we conducted formal meta-analyses. In other areas, there were too few studies to conduct formal systematic analyses, and, as a result, we simply conducted a narrative review of the available studies.

¹² S. Aos. (2008). *Current state K-12 budget drivers: Key trends and tradeoffs*, <<http://www.leg.wa.gov/documents/joint/bef/Mtg05-06-08/Aosmay08.pdf>>; see, also, Aos, 07-03-2201, op. cit.

¹³ Aos, 07-12-2201, op. cit.

- **Teacher pay for graduate degrees and teacher experience.** We found no statistically significant effect for graduate degrees and a non-linear effect for teacher experience with the largest gains in the first few years of teaching.¹⁴
- **Professional development for teachers.** There are very few credible studies of the effect of teacher professional development on student outcomes; the few studies we found suggested small or non-statistically significant results, but, again, there are too few studies from which to form reliable estimates.¹⁵
- **Early childhood education.** We found a substantial effect on the later test scores for low-income 3- and 4-year-olds who attended the average pre-school.¹⁶
- **Full-day vs. half-day kindergarten.** We found a significant short-run improvement in test scores for full-day kindergarten, but the effect appears to decay in grades 1–3. More research is needed on how to maintain the initial substantial gains.¹⁷
- **New performance-based systems for teacher compensation.** We found too few credible studies, to date, that have evaluated the pay experiments that are underway in some parts of the United States.¹⁸
- **Mentoring programs.** In an unpublished and incomplete review, we have found only a few credible studies on this topic, and the results are mixed.

Thus, in some of these areas, the existing research literature is more advanced, and reasonable conclusions can be drawn about the efficacy on student outcomes of different options. In other areas, however, we found too few credible studies from which to form “research-proven” conclusions at the present time.

The “Zero-Based” Criterion. After we selected resource options that met the research-proven criterion, we then balanced the resulting portfolio so that it would not result in increased state K–12 expenditures. To do this, we used the financial model that has been constructed by staff at the House of Representatives.¹⁹ This model adds up the financial costs of changing state-funded inputs to the K–12 system. For example, if class sizes are lowered, then total operating costs go up; if class sizes are raised, then total operating costs go down. Thus, this fiscal model allowed us to construct a zero-based option by setting total expenses to zero, while changing the funding levels for the selected research-proven options.

¹⁴ Ibid.

¹⁵ A. Pennucci & S. Aos. (2008). *Preliminary review of research: Does teacher professional development affect student test scores?* <http://www.leg.wa.gov/documents/joint/bef/Mtg08-06-08/WSIPP_profdevel.pdf>.

¹⁶ S. Aos. (2008). *Early childhood education and full-day kindergarten: Effects on K-12 outcomes*, <http://www.leg.wa.gov/documents/joint/bef/Mtg10-20_21-08/II-c-ii.pdf>; see, also, S. Aos, R. Lieb, J. Mayfield, M. Miller, & A. Pennucci. (2004). *Benefits and costs of prevention and early intervention programs for youth*. Olympia: Washington State Institute for Public Policy, Document No. 04-07-3901.

¹⁷ Aos, *Early childhood education and full-day kindergarten*, op. cit.; see, also, Aos, 07-03-2201, op. cit.

¹⁸ A. Pennucci. (2008). *Pay for performance, knowledge, and skills*. <<http://www.leg.wa.gov/documents/joint/bef/Mtg04-14-08/PayInitiatives.pdf>>; see, also, Aos, 07-12-2201, op. cit.

¹⁹ The model was constructed by Ben Rarick, Office of Program Research, Washington State House of Representatives.

Projecting the Effect of the Portfolio. After selecting a portfolio of research-proven options that, in total, has a zero-based effect on K–12 funding, we then ran our projection model to forecast how statewide student outcomes could be expected to change after full implementation of this option.²⁰

Results

At the December 8, 2008, meeting of the Task Force, we presented preliminary long-run effects of the Task Force portfolio on high school graduation rates in Washington.²¹ We update these estimates here. According to the Office of Superintendent of Public Instruction, the current high school graduation rate in Washington is about 72.5 percent. This is a cohort on-time graduation rate.²² We used the procedures described earlier to project two estimates: how both the Task Force proposal and the zero-based option could be expected to affect this rate. These effects are estimated 14 years after full implementation of the options to reflect the estimated long-run effect of investments in pre-school and the other grades at the end of the education cycle in 12th grade.

Task Force Recommendation

We project that the Task Force recommendations would increase the modal graduation rate to about 81 percent from its current level of 72.5 percent. Exhibit B-1 plots these two figures and also indicates the significant amount of uncertainty around our estimated effect of the Task Force portfolio. The total area under the curve represents all cases from our simulation modeling. For example, in a small number of cases, the graduation rate could be expected to be much higher—over 90 percent; in most cases, however, it would be in the 78 percent to 84 percent range, with the modal case of 81 percent. The range largely reflects the underlying uncertainty in the expected effect of additional educational resources on student outcomes.

Zero-Based Research-Proven Option

For this Institute-created option, we selected changes to two key resources from the list of options described earlier. We included pre-school for low-income 3- and 4-year-olds, and we lowered class sizes (from their current levels) in kindergarten to third grade.

In terms of fiscal magnitude, we “funded” (in this option) the pre-K investment assuming that, statewide, 40 percent of eligible low-income children would be served by this voluntary program. This assumption is consistent with the proposal presented to the Task Force at its December 2008 meeting. The annual price for this pre-K investment is estimated to be \$126 million per year. For the class size reductions, we lowered class sizes in K–3 by two students per class, statewide. We kept class sizes at their current levels in grades 4–6. To pay for the increased expenditures associated with the pre-K investment and K–3 class size reductions under the zero-based criterion, we had to increase class sizes for secondary grades by 5.3

²⁰ See footnote 3.

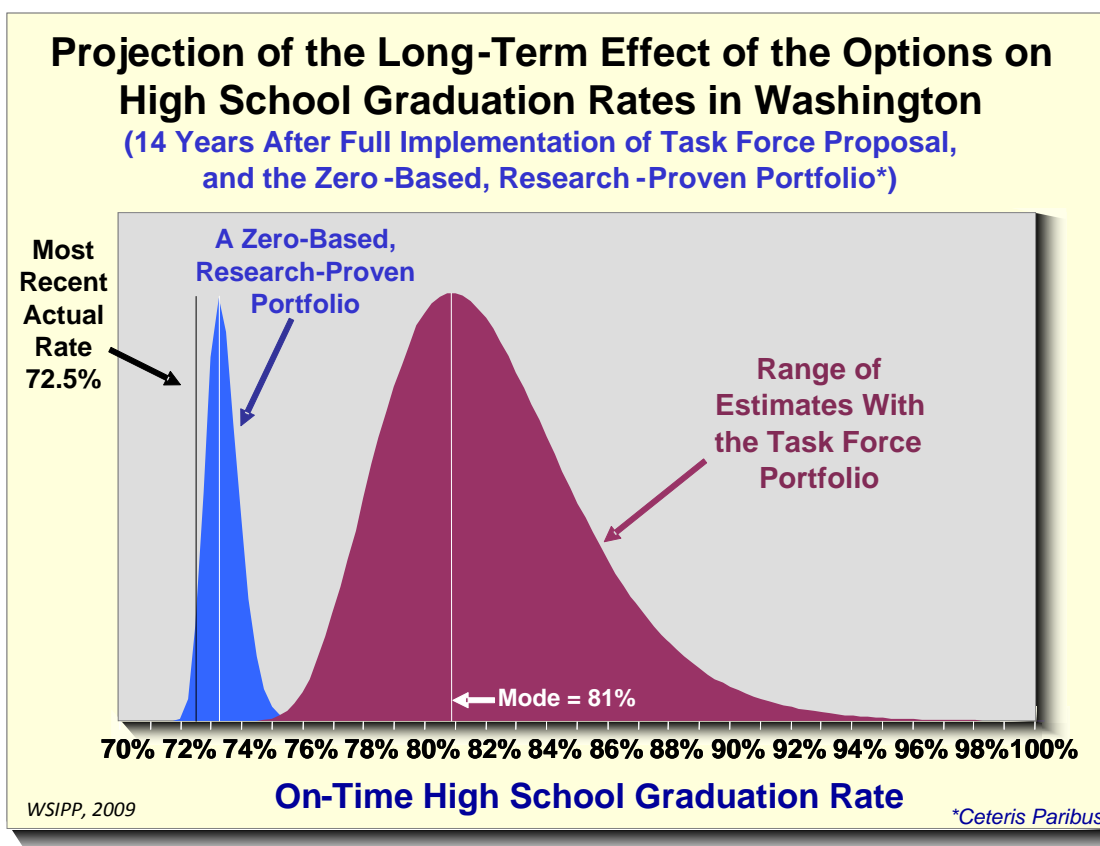
²¹ S. AOS. (2008). *Projections of the “expected effect of the investment” on student outcomes*. <<http://www.leg.wa.gov/documents/joint/bef/Mtg12-08-08/Projections.pdf>

²² Statistics download from OSPI website, for the class of 2006–07.

students per class. This latter effect would raise class sizes to 35 students per class in middle and high school. Again, this was done to meet the requirements of the zero-based criterion: the costs of the pre-K investment and the costs of the reduction in K–3 class sizes had to be funded with a change in another research-proven option.

Our projection is that this zero-based research-proven option could raise mean statewide high school graduation rates from their current level of 72.5 percent to 73.2 percent, 14 years after implementation of the option. The figure also shows an estimated range of uncertainty around this result.

Exhibit B-1



APPENDIX C: Minority Reports

Minority reports from the following Task Force members are in this appendix:

- Representative Glenn Anderson, page C-3
- Dan Grimm, Chair, page C-7
- Bremerton School District Superintendent Bette Hyde, page C-37
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STATE OF WASHINGTON
HOUSE OF REPRESENTATIVES
2008

Representative Glenn Anderson
5th Legislative District



Higher Education
K-12 Education
Appropriations

December 18th, 2008

Dan Grimm, Chair
Basic Education Finance Task Force
c/o Washington State Institute for Public Policy
110 Fifth Ave. SE, Suite 214
P.O. Box 40999
Olympia, WA 98504-0999

Dear Mr. Grimm:

I'd like to express my personal thanks to you and the members of the Basic Education Finance Task Force (BEFTF), as well as the legislative participants and Washington State Institute for Public Policy staff for the months of persistent and comprehensive efforts to consider reform alternatives to our state's current basic education budget funding model. After 25 years and 109 previous reform study initiatives over that time, I believe the BEFTF recommendations to the Legislature are an authentic bipartisan proposal that can substantively remedy the shortcomings of our state's current budget funding model.

Considering the size and diversity our state's public school system, our proposal is inherently imperfect. However, the backbone of our proposal to integrate the State Board of Education CORE 24 curriculum structure and convert teacher compensation to a skills-and knowledge-based career ladder model is truly progressive. This new backbone provides a strong platform to significantly improve the equity of opportunity for the academic achievement of all children and much clearer accountability to state taxpayers.

Three items remain outstanding:

- 1) Maintaining the structural integrity of the BEFTF's high quality work product during the upcoming legislative session. While significant details must be worked out during the legislative process, the work product must be moved through the process as a single legislative initiative. Breaking up the recommendations into separate and partitioned bills would assure the breakdown and corruption of key reform elements that are finely balanced in the integrated and complex proposal.

- 2) Executive authority to implement the BEFTF reform recommendations must be clear and have unified support. Such an aggressive reform initiative will not be successfully implemented by the current gaggle of K-12 education administrative entities with conflicting, disconnected, vague, and sometimes competitive mandates. Definitive executive accountability is essential to success of the task force's efforts. The constitutional office of Superintendent of Public Instruction should be given broad and full action authority to organize and apply existing and new resources to fully implement the BEFTF recommendations.
- 3) Adequate funding within the budget must be allocated to align with the structure of the proposed BEFTF reforms, and the outline for phasing in the new structure must be reliably made available by the Legislature to ensure the timeline is met and to assure successful implementation. Legislative history of providing consistent resources, oversight and direction necessary to successfully implement K-12 education reform efforts over the past 25 years is, at best, bad. For example, the current biennial budget increases K-12 education funding by 15 percent over the previous budget, yet most of the K-12 education funding flaws still exist. Indeed, we are in the perverse situation of numerous school districts facing potential financial insolvency. The historical data is clear; the general assumption that increased spending is closely correlated with improvements in student academic achievement is categorically false. Equally, where increased funding is applied *with* meaningful oversight it can provide dramatic improvements in student achievement. The BEFTF recommendations significantly strengthen the probability the funding will result in greater student academic achievement for the tax dollars invested. Without a firm legislative commitment to stable funding for our proposed reforms there is little reason for parents, teachers and students to embrace them.

The BEFTF recommendations provide a unique once-in-a-lifetime opportunity for our generation to successfully reinvigorate our state's commitment to our children's future prosperity and security. Additionally, the "Great Economic Meltdown of 2008" is profoundly and unalterably changing conventional wisdom of state economic and budget priority dynamics. The cliché is "in chaos there is opportunity," but we must embrace this opportunity even if doing so means taking political risks and realizing potentially harsh, short-term, transition consequences.

Our state constitution's mandate that K-12 funding is our state's "paramount duty" is very clear and powerful. The common definition of "paramount" is "superior to all other things." The magnitude of the state's current budget deficit of \$6 billion and growing is extraordinary. As a relative baseline, to balance the state operating budget would require an across-the-board actual spending cut averaging 20 percent across all state programs. After protecting existing K-12 related education funding, the actual funding reductions across all other state programs could potentially be 30-40 percent.

The abrupt and severe consequences of such reductions on the public are jolting to even the most disinterested or cynical observers. So, the question is, how are we to fund such an ambitious and essential educational reform initiative and sustain it until completion?

Foremost, it is essential to strictly adhere to the defining characteristic that allows our representative Democracy, and its benefits, to exist at all – the rule of law. Our state constitutional mandate is that the state's commitment to educating our children is superior to *all*

other things. It is explicit that the priority of educating our children is *not* to be considered as an equal and fair share of state resources when balanced against all other possible state government commitments regardless of what they may be. Why? Because a well educated citizenry is the best firewall to minimize the dysfunctions of society, encourage limited government with low costs and empower individuals to prosper from their freedoms.

The state should enact a separate dedicated “Fund Education First” K-12 budget and fund it prior to deciding *any* other state program appropriations. This simple procedural change assures that the state budgeting process is directly aligned with our constitutional paramount duty mandate. It assures that regardless of economic or political circumstances, consideration of K-12 education policy and funding adequacy will be superior to all other things in each and every legislative session. It also provides a strong deterrent to politically “game” education funding levels to satisfy the political agenda of numerous special interest groups seeking public dollars.

The BEFTF recommendations will require additional funding on top of existing budgeted funding for K-12 education, probably about \$2 billion once the final details are settled. It has been proposed by the current governor that a new package of additional taxes be put forward to fund the BEFTF reform recommendations. I can think of no suggestion more likely to undermine such an essential reform initiative for three reasons:

- 1.) Over the last 15 years, there has been more than a 36% increase in inflation-adjusted new funding put into K-12 education, but the impact on improved student academic achievement overall is questionable;
- 2.) The consistent behavior of the Legislature to advocate for increased taxes for education and then later shifting those new revenues to other general government operations or politically favored programs encourages a deserved lack of public confidence, and;
- 3.) At a time of increasingly extraordinary financial stress for state taxpayers and growing long-term instability of the state economy, such a suggestion is callous to the real sacrifices with which taxpayers and families are already living, particularly when such sacrifices are likely to continue increasing.

As a Legislature and as a state we have come to a decision point with irreversible consequences.

We know that the competitiveness of the global economy is going to demand far more of our children and a world-class education is the only competitive advantage they will have. Yet, three quarters of our state’s children do not have the most basic proficiency for entry-level college mathematics, and even with current increased state funding, a rapidly rising number of school districts are facing potential insolvency to meet state essential learning requirement standards. These are the clear bell weathers of a failing public school system.

Will we act? Deferral of hard and unpleasant choices by the Legislature and the Governor’s Office has been raised to a high art form. Unfortunately, we are at the end of the runway of the debate and deferral of critical education reforms. Continuing political sophistry serves only to make matters catastrophically worse and very literally rob our children of their future potential.

The BEFTF reforms should be funded without new increases in state taxes. All existing aggregate K-12 funding should be preserved from budget cuts, but reallocations from current

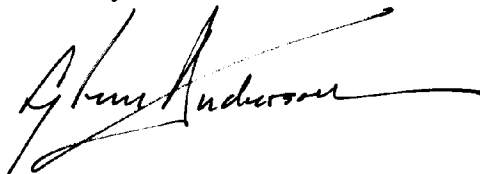
purposes within education programs' spending should not be precluded. Additional new revenues to fund the implementation of the BEFTF recommendations must come from existing revenues, even after possible draconian budget cuts are made in all other state programs to balance the extraordinary state budget deficit.

The politically correct status quo response is that the budget deficit numbers are too big and the money math just can't be resolved without a tax increase. That is nonsense. That doesn't mean that a fiscally viable solution would not be very politically painful, but taking the politically easy road got us into this situation in the first place. There is no free lunch even when spending other people's money for seemingly good and necessary reasons.

After a complete assessment of the funding required to implement the BEFTF recommendations, the phased-in spending requirement should be funded with the first dollar of state revenues received according to our state constitutional "paramount duty" mandate. If additional state service programs are considered essential priorities by the Legislature and sufficient revenue is not available to fund them, then the Legislature can enact or submit to the people for a vote a new higher tax revenue package based on those issues, not K-12 education.

Our sworn oath is to honor the rule of law and abide by our constitutional mandate that K-12 education is the paramount priority of state government. Our children's future should not be held hostage for new tax revenue for a state government that has knowingly overspent at reckless rates for the past several years. Using our children's education and future prosperity as bait for new and higher tax revenues to cover bad judgment really isn't much of a legacy for the history books.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Anderson", with a long horizontal flourish extending to the right.

Glenn Anderson
Washington State Representative
5th Legislative District

MINORITY REPORT

Submitted by Dan Grimm
Chairman
Joint Task Force on Basic Education Finance

“It is an economic necessity that we change our entire education system.”

Washington Learns

“The joint task force...shall...propose a new definition of basic education [and a] funding structure...based on...student outcomes and performance.”

Senate Bill 5627

Members of the Joint Task Force on Basic Education Finance have devoted a great deal of time and effort to developing recommendations in accordance with the provisions of Senate Bill 5627. Improving the funding and related policies of our public schools has been every bit as challenging as it is essential to the future of our state. Task Force members deserve to be commended for their commitment, their insights, and their civility. I have been honored to serve with them.

Four Task Force recommendations are worthy of enactment but the final report does not include several essential reforms. In other instances, Task Force recommendations address but do not correct fundamental flaws in state education policies.

A comprehensive reform proposal titled “Improving Student Performance” is attached. Submitted to the Task Force November 4, 2008, it has been revised to include a new section identifying sources of revenue sufficient to fund proposed spending increases totaling \$3.1 billion.

Task Force recommendations worthy of enactment include:

- A refinement of the “model school” funding system developed for Washington Learns;
- A refinement of the information system recommended by Washington Learns;
- A public school employee salary survey; and
- A compensation system that recognizes regional labor markets and eliminates teacher salary increases based on academic credentials.

Essential reforms missing from the Task Force report include:

- **Basic Education Definition**
- **Revenue**
- **Collective Bargaining**

Basic Education Definition

“The joint task force shall propose a new definition of basic education that is realigned with the new expectations of the state’s education system as established [by] Washington Learns.”

Senate Bill 5627

“The state should align high school graduation requirements and college admission standards.”

Washington Learns

The new Task Force definition of Basic Education is not aligned with student outcomes and performance. It would increase funding for additional instructional hours with no commensurate increase in accountability.

“Improving Student Performance” recommends aligning high school graduation requirements and college admission standards, consistent with the mandate of Senate Bill 5627 and the recommendation of Washington Learns.

Students meeting the new requirements would be guaranteed admission to one or more of the state’s public four-year colleges and universities. Aligning graduation requirements with college admission standards will create an incentive for local districts to offer high quality instructional programs.

Alternative diplomas would be awarded to students who complete alternative graduation requirements.

Revenue

“[L]egislators...have flunked school funding for lack of will and prioritization, not a need to know all the details.”

Seattle Post-Intelligencer

June 15, 2008

The Task Force does not include any source of funding to pay for the spending increases it recommends. In a letter to the Task Force dated December 5, 2008, Governor Gregoire stated, “Task Force members must provide recommendations on how the state can fund their funding level recommendations.”

Proposing cuts in other state programs already marked for reductions is impractical. So, too, is waiting for an economic recovery. The legislature has failed to fund significant increases in education spending even in the best of economic times. Waiting for an economic recovery will force students to suffer the consequences of a public school system that is inadequate to prepare them for success in the 21st Century.

The Task Force should propose sources of funding sufficient to pay for its recommendations or reduce its spending recommendations to match existing expenditure levels.

“Improving Student Performance” includes a new definition of basic education. Staffing ratios and other reforms would improve the current system within the “existing resources” option stipulated by Senate Bill 5627. The January 2009 version adds proposed tax increases and related budget cuts sufficient to pay for spending increases beyond the funding required by the proposed new Basic Education Act.

Collective Bargaining

“State funding must displace the levies’ role in hiring and paying teachers.”

Seattle Post-Intelligencer

December 4, 2008

“Give the Governor the authority to bargain with the teachers. This would end the practice of the state’s responsibility being settled at the local level.”

Seattle Times

December 7, 2008

The Task Force considered but rejected a proposal to transfer teacher collective bargaining from local districts to the state. The lack of alignment between the state’s authority and its constitutional responsibilities will perpetuate the inequitable distribution of highly competent teachers and the educational opportunities they provide students.

Richer districts are able to attract more experienced and better qualified teachers by using local levy funds to offer higher salaries than poorer districts can afford. Unable to compete, poorer districts are consigned to offering chronically inequitable educational opportunities.

In addition to perpetuating inequitable opportunities, local bargaining will continue to:

- Increase class sizes by diverting funds to compensation;
- Permit contracts that extend far beyond the ability to project budget implications;
- Disregard prevailing wages in the general labor market; and
- Thwart innovations such as merit pay and higher pay for math and science teachers.

“Improving Student Performance” recommends transferring control of collective bargaining to the state. Eliminating local bargaining will impose on the state clear accountability for fully funding the salaries that make up the major cost of basic education. Existing employee bargaining rights would not be impaired.

The governor and legislature should be responsible for final approval of all agreements. The governor should be authorized to delegate bargaining authority to district officials as deemed appropriate.

Task Force recommendations that address but do not correct fundamental policy flaws include:

- **Early Learning**
- **Teacher Compensation**
- **Math and Science Teachers**
- **Professional Development**

Early Learning

The Task Force appropriately recommends expanding the definition of basic education to include programs for low-income pre-school children but does not clearly stipulate that the programs should be administered by the superintendent of public instruction and emphasize numeracy and literacy programs that prepare children for academic success.

Assigning program approval authority to the Department of Early Learning is contrary to the Washington Learns recommendation that the state “must shift our thinking away from that of separate, independent education delivery systems.”

“Improving Student Performance” recommends integrating Early Learning and all other programs for students at risk of failing to achieve their full academic potential. Funding for the programs should be separated from all other expenditures to prevent the diversion of resources.

Standardized programs and procedures should be established by the superintendent of public instruction. Services and programs provided to individual students should be uniformly documented to make sure the state is fulfilling its obligations to those who need the most help. Instruction should be supervised by certificated teachers.

Teacher Compensation

Peer Review. Evidence presented to the Task Force indicates that the vast majority of advanced teaching degrees and education credits do not contribute to improved student performance. The Task Force appropriately recommends eliminating teacher salary increases based on academic credentials but replaces the existing system with an equally flawed system based on peer reviews.

Peer reviews will minimize the threat of unfair evaluations by principals. They also will minimize the likelihood of critical evaluations. Peer reviewers will risk personal and professional ostracism if they criticize a teacher but will suffer no consequences if their reviews are lenient. The result will be perpetuation of a system that tolerates substandard teaching. Peer reviews will also be administratively burdensome and costly.

“Improving Student Performance” recommends a simpler, more efficient evaluation system. The authority of principals should be aligned with their responsibilities as educational leaders. “Continuing contract” protection for principals should be replaced with financial incentives to properly evaluate teachers based on student performance. Principals should be free to use peer reviews or other evaluation procedures they deem appropriate.

Time, Responsibilities, and Incentives Pay. Time, Responsibilities, and Incentives (TRI) compensation was originally authorized so local districts could use levy funds to augment state salary allocations. It has created significant salary disparities that lack any rational justification.

The original Task Force proposal recommended eliminating additional compensation for “Responsibilities” and “Incentives” and limiting compensation attributable to “Time.” The limitation was subsequently replaced by a requirement that districts disclose the terms of Time compensation to the superintendent of public instruction. Existing law already requires disclosure of all terms, with no discernible limitation on TRI compensation.

Compensation previously attributed to Responsibilities and Incentives will simply be attributed to Time. The result will be no real change in TRI, only a change in what it is called. The state will continue to avoid its constitutional obligations by forcing local districts to rely on inequitable and unstable local levy funds to pay teachers for providing basic education programs. Students in poorer districts will continue to suffer inequitable educational opportunities.

Math and Science Teachers

The Task Force recommends relying on the forgiveness of student loans to attract and retain math, science, and other teachers with high-demand qualifications. The proposal acknowledges the inadequate supply of teachers with specialized skills but ignores the obvious solution of paying them appropriately.

As with the proposed peer review system for teachers, the loan forgiveness proposal will be cumbersome, complex, and costly. It will do nothing for existing or potential teachers who did not rely on—or already have repaid—student loans, and will fall far short of providing students with the qualified math and science teachers they need.

“Improving Student Performance” recommends the governor negotiate agreements that include higher compensation for math, science, and other teachers with specialized skills. The solution would be direct, adequate, flexible, and simple, requiring no administrative burden or cost.

Professional Development

The Task Force recommends allocating funds to compensate school employees for an additional ten days of service dedicated to professional development and related matters. The report acknowledges the need to improve teacher qualifications but does not recommend an objective assessment of any skills or knowledge derived from professional development programs. There is no reliable evidence to indicate professional development programs improve student performance.

“Improving Student Performance” recommends providing teachers and principals with financial incentives tied to student academic achievement. Instead of simply filling an allotment of days, district officials should be motivated to assure professional development programs are the best possible use of limited resources.

District officials should be encouraged to consider alternative uses of additional days, including instructional days devoted to teaching. The goal is to improve student outcomes and performance. The Task Force recommendation discourages consideration of alternatives by designating a specific number of days for a specific purpose of questionable value.

The Joint Task Force on Basic Education Finance has completed its work. For those committed to improving student performance, much work is left to be done.

“It will not be easy.”

Washington Learns, page 6

IMPROVING STUDENT PERFORMANCE

THE FUNDAMENTALS

DAN GRIMM

Submitted to the Joint Task Force on Basic Education Finance
November 4, 2008
Revised January 12, 2009

DEDICATED

*To those who have no vested interest in protecting the status quo
but aren't sure exactly what needs to be done.*

"It is an economic necessity that we change our entire education system."

Washington Learns, page 4

"It will not be easy."

Washington Learns, page 6

Introduction

Enacted in 2007, Senate Bill 5627 stipulates, “The joint task force...shall...propose a new definition of basic education that is realigned with the new expectations of the state’s education system as established in the November 2006 final report of the Washington Learns Steering Committee.”

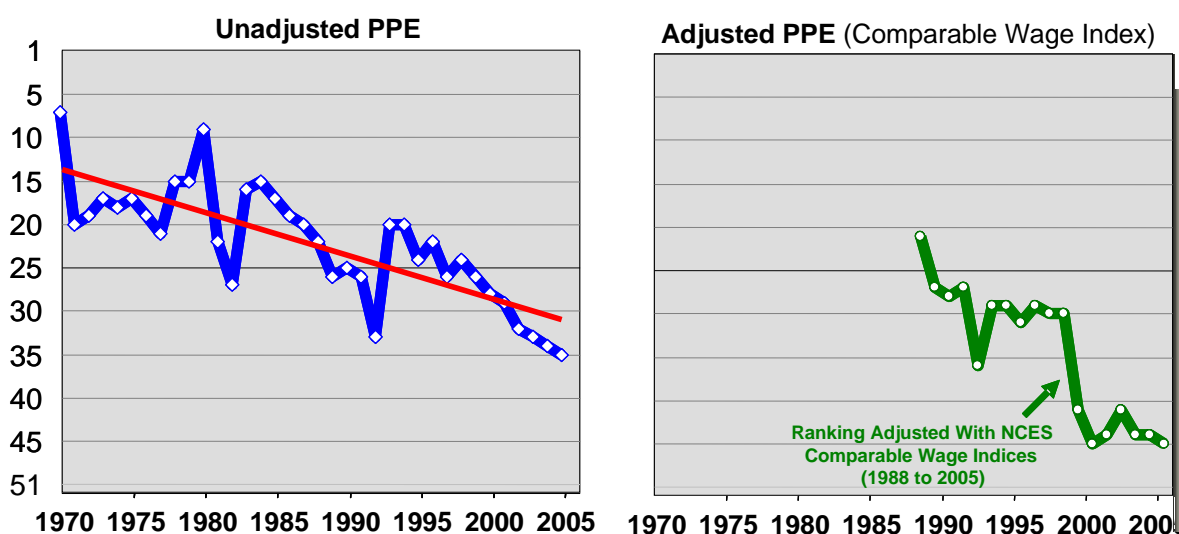
In addition to several specific assignments, section three stipulates, “The funding structure should...be based on research-proven education programs...” and “linked to accountability for student outcomes and performance.” One of the proposed options “must be...within existing resources.”

The Washington State Institute for Public Policy was assigned responsibility for conducting research and reviewing existing research. Despite the limited rigor of most education research, Institute staff identified selected findings of significance, many of which are cited in the recommendations following this introduction.

According to the Washington Learns Steering Committee and the League of Education Voters, a non-profit organization dedicated to improving education, Washington State public school funding is not keeping up with other states (see Charts 1 and 2).

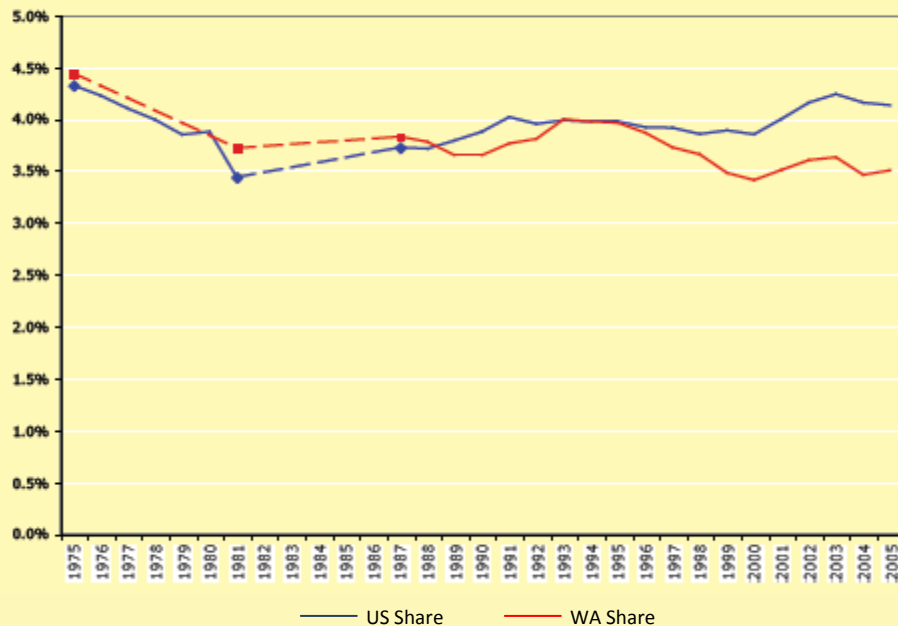
Chart 1. Washington’s Ranking on Per-Pupil K–12 Educational Expenditures (PPE)

(1 is the state with the highest PPE, 51 is the state with the lowest)



Source: Washington State Institute for Public Policy. Data from the U.S. Department of Education, National Center for Education Statistics. Data are for academic years 1969-70 to 2004-05. The Comparable Wage Index used here is a composite of the Comparable Wage Index by L. Taylor & W. Fowler (2007), and the General Wage Index by Dan Goldhaber (1999).

CHART 2. A Decade of Underinvestment: Washington has invested less in K-12 operations—measured as a share of personal income—than the US average



Source: ECONorthwest calculated using data from the US Bureau of Economic Analysis and National Center for Education Statistics.

From the June 2008 League of Education Voters proposal

Student academic achievement is dramatically better today than it was ten years ago but has stagnated. The dropout rate has barely budged and research published by the Washington League of Education Voters indicates student performance is only average when adjusted for family income and ethnicity (see Chart 3 on next page).

Improving student performance will require increased funding. It also will require structural reforms, in the absence of which any infusion of new funding will leave in place the deficiencies of the current system and create another cycle of inequitable and inadequate educational opportunities inimical to improved student performance.

Essential structural reforms include a new definition of basic education, improved student testing programs, fundamental changes in the way we certify and compensate teachers, and greater authority for the governor to provide oversight and assistance. Each area of reform is addressed in a separate section of the following proposal.

The first five sections are submitted with the intent of complying with the Senate Bill 5627 stipulation that an alternative “funding structure” should be submitted “within existing resources.”

The sixth section proposes spending increases and reforms. The final section proposes tax increases and related budget cuts sufficient to fund the proposed spending increases.

CHART 3. A Closer Look at NAEP Scores Suggests Washington's K-12 Performance is Average at Best: Most Student Subgroups Don't Outperform their US Peers

Testing Year	Assessment	All Students	White	Black	Hispanics	Asian / Pacific Islander	Lunch Eligible	Lunch Ineligible
2007	Mathematics 4th Grade	H	S	S	S	S	S	S
	Mathematics 8th grade	H	S	S	S	S	S	S
	Reading 4th Grade	H	S	S	S	S	H	S
	Reading 8th grade	H	S	S	S	S	S	S
2002	Writing 4th Grade	H	S	S	S	S	S	S
	Writing 8th grade	S	S	S	S	S	S	S
2005	Science 4th Grade	H	L	H	S	S	H	S
	Science 8th grade	H	S	H	S	S	H	H

H Share of subpopulation scoring at or above the basic achievement level is **HIGHER** in Washington than for the US

L Share of subpopulation scoring at or above the basic achievement level is **LOWER** in Washington than for the US

S Share scoring at or above the basic achievement level in Washington is **STATISTICALLY INDISTINGUISHABLE** from US

Source: ECONorthwest calculated using National Assessment of Education Progress (NAEP) data.

From the June 2008 League of Education Voters proposal

Specific recommendations are based on several principles aligned with the goal of improving student performance:

- All students must have the opportunity to achieve their full academic potential;
- Students have diverse needs, abilities, and aspirations;
- Effective teachers are essential to academic success;
- Standardized tests are essential to assure program quality;
- Incentives to instill motivation are better than sanctions; and
- The authority of the state must be aligned with its responsibilities.

Many recommendations will be dismissed and opposed as an attack on “local control.” The arguments will be specious. The issue is not state versus local control. The issue is figuring out what needs to be done to improve “student outcomes and performance.” The state is constitutionally responsible for providing a *common* school system. The administration and operation of local districts must be aligned with and subordinate to the obligations of the state as a whole.

State control of the public school system is well established and greater control is inevitable. The state assumed primary responsibility for school funding following numerous levy failures in the 1970s. The state subsequently assumed primary responsibility for education standards in the 1990s.

The status quo will be vigorously defended. The challenge before us is to resist the temptation to acquiesce. In a 1989 speech at a meeting of the Washington State School Directors’ Association, former Governor Booth Gardner said, “It’s the status quo in education that puts us, as a nation, at risk.”

My recommendations are not as detailed or as comprehensive as additional time and expertise would allow. I also recognize fundamental reforms will take time to implement.

I am grateful for the information and insights offered to me over the past several months. Assistant Superintendent of Public Instruction Jennifer Priddy deserves special recognition and appreciation as do members and staff of the League of Education Voters. The recommendations in this proposal are nonetheless my sole responsibility, as are all errors and omissions.

I also greatly appreciate the contributions of Task Force members and everyone else who has been involved in our deliberations, especially the staff of the Washington State Institute for Public Policy: Director Roxanne Lieb, Associate Director Steve Aos, Annie Pennucci, Irene Ngugi, Shawn Whiteman, and Janie Maki.

1. BASIC EDUCATION

Recommendations:

- Stipulate that the state will offer basic education programs sufficient to provide students with a reasonable opportunity to meet college admission standards;
- Stipulate that academic achievement will be the sole responsibility of each student;
- Enact new basic education staffing and student instructional hours;
- Prohibit waivers of minimum student instructional hours; and
- Expand and standardize programs for struggling students, including pre-school children.

“The joint task force shall develop...a new definition of basic education...”

SB 5627, section 2(1)

“We must shift our thinking away from that of separate, independent education delivery systems.”

Washington Learns, page 6

“We must compare ourselves to the best education systems...and set clear goals...”

Washington Learns, page 7

Basic Education

The existing definition of basic education specifies the number of teachers and instructional hours deemed necessary to provide students with appropriate educational opportunities. As stipulated by Senate Bill 5627, a new definition should be “linked to accountability for student outcomes and performance.”

High school graduation requirements should be aligned with college admission standards. College admission will set a clear and meaningful goal for students and determine the basic staffing, instructional hours, and program quality necessary for the state to meet its constitutional obligations. Standards should be recommended by the Higher Education Coordinating Board and approved by the governor and legislature.

No student should be required to pursue a college admission course of instruction. All students should be free to pursue other educational opportunities consistent with their aspirations and abilities, such as career and technical programs.

Student Responsibility

Academic achievement ultimately must be the sole responsibility of students. As acknowledged in the 2006 Washington Learns report, “State government cannot and should not be the only party responsible for education.” The state cannot control student ability or commitment and must not be responsible for matters beyond its control.

Minimum Hours

The Basic Education Act should guarantee five annual credit hours of instruction in grades 9 through 12 for a total of 20 credit hours. Twenty hours would meet existing suggested college admission standards of 15 hours and provide an additional five hours in career and technical education, Advanced Placement programs, fine arts, health and fitness, and other courses of instruction.

The existing state requirement of 180 days and 1,000 hours of student instructional time per year should be reduced to 900 hours, the equivalent of 180 five-hour days. Local districts should be allowed to determine the number of school days necessary to provide the required 900 hours of instructional time.

Funding for additional hours of instruction, teacher preparation, and other matters can—and should—be provided by the state but should be subject to appropriations, not guaranteed by statute.

Student instructional time is a major factor in the state's school funding formula. There is as yet little evidence to indicate the number of instructional hours necessary for students to achieve any specific academic standard. When sufficient student performance information is available, state funding formulas should be based on staffing ratios and student performance, not instructional hours.

Minimum Certified Instructional Staffing

Existing statutes and budget policies do not specify daily instructional hours or teacher planning time. The state should establish minimum staffing allocations based on five hours of instruction per day.

Table 1 indicates the state can reduce class sizes and increase funding for nurses, librarians, and other support services by reducing the hours of student instruction and maintaining staffing ratios comparable to existing standards.

Table 1. State-Funded Certificated Instructional Staff per 1,000 Students

Type of Staff	Current Implicit Staffing Ratios at 6 Hours of Instruction for Students, 1 Hour Teacher Planning	Proposed Basic Education Based on 5 Hours Instruction for Students, 0 Hours Teacher Planning
Grade K–5 Teachers	24.7	21.2
Grade 6–12 Teachers	29.0	25.5
Instructional Coaches	1,250.0	1,000.0
Librarians	786.0	500.0
Counselors/Support	462.0	400.0
Nurses	2,659.0	750.0
Average for all staff, grades K–5	18.8	18.5
Average for all staff, grades 6–12	21.7	21.7

Certificated staffing allocations by type of staff should specify the hours of student instruction and teacher planning as well as staffing ratios. Allocations should be for appropriation purposes only. Local districts should be authorized to determine specific certificated staff requirements.

Minimum Classified Staffing

Classified staffing allocations by type of staff should be based on existing district practices, as displayed in Table 2. Allocations should be for appropriations purposes only. As with certificated staff, local districts should be authorized to determine specific classified staff requirements.

Table 2. State-Funded Classified Staff per 1,000 Students

Type of Staff	Current Funding Allocation	Current Funding With Defined Allocations by Category
Aides (including Library Aides)	Not specified	2.8
Secretaries	Not specified	3.0
Central Office	Not specified	4.0
Service Workers	Not specified	0.9
Safety	Not specified	0.1
Technology	Not specified	0.4
Graduation Advisor	Not specified	0.0
Custodians	Not specified	4.3
Groundskeepers	Not specified	0.5
Maintenance Workers	Not specified	1.1
Total	17.1	17.1

Waiver Prohibition

The State Board of Education and Office of Superintendent of Public Instruction should be prohibited from waiving the statutory minimum hours of student instructional time. Local districts should be allowed to determine the number of days necessary to provide the required hours.

Students at Risk

The state must provide for the identification of pre-school and K–12 students at risk of failing to meet appropriate academic standards. Eligibility criteria and instructional programs should be uniform and incorporate the English Language Learners program and Learning Assistance Program.

Funding for at-risk programs should be separated from all other expenditures and based on best practices identified by the superintendent of public instruction. Instruction should be supervised by certificated teachers. Services and programs provided to individual students should be uniformly documented to make sure the state is fulfilling its statutory obligations.

Programs for pre-school children should be integrated with existing K–12 programs for struggling students, consistent with the Washington Learns finding that “we must shift our thinking away from that of separate, independent education delivery systems.”

2. Graduation Standards, Testing, and College Admissions

Recommendations:

- Establish four high school graduation standards:
 - ✓ Certificate of Academic Mastery;
 - ✓ Certificate of Academic Achievement;
 - ✓ Certificate of Academic Completion; and
 - ✓ Certificate of Individual Achievement.
- Establish performance requirements for end-of-course achievement tests or comprehensive national or international standardized tests aligned with college admission standards;
- Guarantee public four-year college or university admission to students who earn a Certificate of Academic Mastery; and
- Adopt a national or international standardized testing program to replace the WASL.

“...our students are falling behind international standards.”

Washington Learns, page 4

“[We can do better than] one-size-fits-all.”

Washington Learns, page 7

“[The state should A]lign high school graduation requirements and college admissions standards...”

Washington Learns, page 34

Diploma Alternatives

The state currently offers two graduation certificates, a Certificate of Academic Achievement and a Certificate of Individual Achievement. Two additional diplomas would provide students with incentives to stay in school and achieve their full academic potential.

A Certificate of Academic Mastery would require students to pass tests based on Higher Education Coordinating Board college admission standards. Students passing the appropriate tests would be exempt from attending classes and other district requirements.

The Certificate of Academic Achievement would require students to complete college admission course requirements to the satisfaction of local districts and pass a 10th grade test comparable to the existing WASL. Students earning a Certificate of Academic Achievement would not be required to pass the standardized tests necessary to earn a Certificate of Academic Mastery.

A Certificate of Academic Completion would be awarded to students who meet class attendance and other district requirements but do not earn either a Certificate of Academic Mastery or Certificate of Academic Achievement.

The Certificate of Individual Achievement would be awarded to eligible special education students in accordance with existing state standards.

A Certificate of Academic Achievement will prepare students for family-wage jobs and the responsibilities of community citizenship. A Certificate of Academic Mastery will prepare students to create the next generation of family-wage jobs and the responsibilities of community leadership. A Certificate of Academic Completion will prepare students for continuing academic and civic opportunities.

Not all students develop in the same way at the same time, physically or intellectually, and there is no evidence to indicate the opportunity to earn alternative diplomas will diminish teacher accountability or the incentive for students to achieve their full academic potential. Students and their parents are capable of and responsible for making informed decisions. They should have instructional options that accommodate different skills and aspirations.

Graduation Tests

Certificates of Academic Mastery and Certificates of Academic Achievement will be meaningful only if students meet standardized general and end-of-course test requirements. Course titles and class attendance are insufficient, as are alternative assessments such as grade comparisons, collections of evidence, and equivalent performance on aptitude tests.

College Admission

Students who earn a Certificate of Academic Mastery should be guaranteed admission to one or more of the six four-year state colleges and universities. The prospect of guaranteed college admission will encourage students to stay in school, promote academic excellence, and establish a “seamless” educational system.

WASL Replacement

The Washington Assessment of Student Learning (WASL) established the value of standardized achievement tests but has limited instructional value and does not allow comparisons with other states or nations.

The WASL should be replaced with a national or international test that will maintain state standards, allow comparisons with competing states and nations, and make it easier to use test results to improve individual student instructional programs. A national or international test also is likely to reduce administrative time and expense. Options include the Programme for International Student Assessment (PISA), the Trends in International Mathematics and Science Study (TIMSS), and the Iowa Test of Educational Development (ITED).

The use of a national or international test would not preclude the use of additional state or local assessment programs.

3. Teacher Certification

Recommendations:

- Adopt a national standardized subject-matter teacher certification test;
- Eliminate all other certification requirements and alternatives;
- Prohibit classroom assignment of unqualified teachers; and
- Eliminate state oversight and certification of college teacher preparation programs.

“The nation’s leading teacher educators...concede that there is...little empirical evidence to support the methods used to prepare the nation’s teachers.”

Kate Walsh, President
National Council on Teacher Quality

“It seems hard to know who is going to be effective in the classroom until they are actually in the classroom.”

Thomas Kane
Professor of Education and Economics
Harvard University

Certification

The current system of teacher preparation and certification is fundamentally flawed, with “little empirical evidence to support the methods used to prepare the nation’s teachers.”

Appropriate performance on a national test (e.g., Praxis) should be the only standard for basic teacher certification, exclusive of pedagogical skills and other matters unrelated to the command of subject matter. The use of advanced “endorsement” tests developed by the state should be limited to instructional assignments for which there are no acceptable national tests.

Local districts should retain the right to impose additional employment requirements, including pedagogical courses of instruction and knowledge. Evaluations of pedagogical skills should be separated from certification and based on student academic performance and classroom evaluations conducted by supervisors who have appropriate training and merit pay incentives.

Evaluations should be conducted in conjunction with periods of probationary employment or during provisional or pre-employment internships. School districts should be authorized to administer internship programs directly or enter into contracts for support services. Internships should be subject to the same employer rights and responsibilities associated with existing student-teacher programs and should be authorized for periods not to exceed one year.

Teachers lacking appropriate certifications should be prohibited from teaching classes requiring those certifications.

College Teacher Preparation Programs

According to Arthur Levine, Columbia University Teachers College Dean Emeritus, “[Colleges] treat teacher-preparation programs as cash cows, leading them to set low admission and graduation standards for their students.” A review of spending practices is likely to reveal our state colleges spend less per student on teacher preparation programs than they receive from the state to provide those programs.

Certification should not require enrollment in or completion of any accredited or other teacher preparation program. Colleges with the best record of preparing successful teachers will thrive; others will be forced to improve or cease operations.

All state involvement in the accreditation and management of teacher preparation programs should be eliminated.

4. Compensation

Recommendations:

- Transfer collective bargaining authority from local school districts to the state;
- Merge the classified school personnel system with the state personnel system;
- Conduct school employee compensation surveys;
- Repeal the salary increase provisions of Initiative 732;
- Repeal Time, Responsibility, and Incentive compensation (TRI);
- Repeal continuing contract protections for principals;
- Subject continuing contract protections for teachers to collective bargaining; and
- Establish merit pay programs for teachers and principals.

“Our education system must encourage...and reward performance.”

Washington Learns, page 3

“How can the legislature be accountable...for state spending if it does not have a voice in teacher salary negotiations?”

Miller Report, 1975, page 7

“There is a need [to determine an appropriate] collective bargaining [mechanism].”

Washington Association of School Business Officials
July 7, 2008, letter to the Task Force

“Determine employee compensation allocations rationally and systematically.”

Attaining a World Class K-12 System
Full Funding Coalition, June 10, 2008, page 17

“Compensation reform is a promising strategy for improving principal and subsequently school quality.”

Dan Goldhaber, December 2007, page 2
Principal Compensation: More Research Needed on a Promising Reform

“It could be argued...that...relieving local school board[s] of any [bargaining] responsibility would simply be hastening the inevitable.”

Doherty Report, 1973, page 23
State Assumption of School Costs and Collective Bargaining Structure

“Teachers are not all alike. They differ in their...knowledge and skills.”

Miller Report, 1975, page 214

Collective Bargaining

Local bargaining allows and encourages different compensation with no justification other than the arbitrary availability of inequitable and historically unstable local levies. Existing salary disparities have created an inequitable distribution of teachers and educational opportunities for students.

The recent decision by Superior Court Judge Michael Heavey establishes the principle that arbitrary salary differences are unacceptable. Salaries need not be uniform but differences must be “rational.”

Prudent management of limited state funds requires the centralized management of collective bargaining. Since the state is primarily responsible for paying employees, the state must negotiate compensation and terms of employment. Authority and responsibility must be aligned. Local districts should be allowed to use levy funds to hire additional staff compensated in accordance with agreements between the state and school employees.

Existing school employee collective bargaining rights and responsibilities should be retained. Only the rights and responsibilities of the employer should be transferred from local districts to the state.

The elimination of local bargaining will impose on the state an obligation to fully fund the salaries that make up the major cost of basic education. It also will minimize imprudent management practices such as five-year contracts with employee groups, and increase the likelihood of prudent management practices such as differential pay for different labor markets, higher pay for teachers with specialized skills, and merit pay.

Classified Staff

Classified school employees should be made part of the state personnel system, with appropriate classifications, job descriptions, and salary schedules. As with state employees, the state should enter into collective bargaining agreements with representatives selected by classified school employee groups as provided by existing statutes. State funding of compensation should be appropriated in a manner similar to that of state agencies.

Compensation Surveys

Biennial compensation surveys should include all factors a reasonable person would consider when comparing career opportunities. Surveys for teachers should identify different teaching qualifications and duties by subject area and by grade level. Surveys for all public employees should identify regional labor markets.

Salary Increase Provisions in Initiative 732

Initiative 732 should be repealed. Teacher salary increases should be established by collective bargaining based on compensation surveys.

Time, Responsibility, and Incentive Pay (TRI)

TRI compensation is inequitable. Equally well-qualified teachers performing the same duties in different districts are paid different salaries with no justification other than the arbitrary availability of inequitable and historically unstable local levies. TRI pay promotes the inequitable distribution of qualified staff and educational opportunities.

The statutory prohibition on the use of TRI compensation for basic education purposes is disingenuous; TRI pay is frequently used to increase teacher base salaries without regard to additional time, responsibilities, or performance attributable to financial incentives. It must be repealed.

Continuing Contracts

Continuing contracts for teachers should be subject to collective bargaining. The state's responsibility to students should not be impaired by arbitrary constraints on its authority to terminate teachers unable to meet appropriate student performance standards. Increasingly refined student performance information and merit pay for supervisors based on student performance will minimize the threat of subjective and erroneous personnel evaluations.

Continuing contracts for principals should be repealed.

Merit Pay

Increasingly sophisticated and regular student performance assessments will make it possible to evaluate the performance of teachers. A merit pay system should award bonuses to all teachers and their supervisors in

each school building based on student academic achievement in primary schools and a combination of student academic achievement and student retention in secondary schools.

The legislature should immediately appropriate merit pay funds for principals and other supervisory staff. Significant student performance improvements could be achieved at relatively low cost.

5. State Assistance and Oversight

Recommendations:

- Delegate to the governor the authority to alter general apportionment allocations by no more than 5 percent to accommodate diverse district needs and to promote innovation; and
- Delegate to the governor the responsibility to impose performance standards appropriate to each district and to intervene in the absence of satisfactory performance.

“Our education system must encourage creativity and innovation...”

Washington Learns, page 3

“Competition sparks innovation.”

Washington Learns, page 12

“What is needed is much greater flexibility in both pay and staffing arrangements.”

Doherty Report, 1973, page 38

Assistance

The governor’s authority to target assistance should include but not be limited to:

- Providing enhanced staffing and related expenditures for “hard-to-staff” schools;
- Supporting alternative school and staffing models (e.g., magnet schools, math coaches);
- Providing small school district consolidation incentives; and
- Directing the use of philanthropic contributions and grants awarded to the state.

The ability of the legislature to accommodate the diverse, shifting, and evolving needs of students and to promote innovation is limited. Using statutes and budgets to provide increasingly refined programs and services is like trying to perform surgery with mittens; it just does not work very well.

The governor should establish minimum general apportionment staffing allocations and minimum requirements no later than the first day of February preceding each school year. Funds withheld for discretionary allocation should not be used for other than support of the common school system.

Discretionary expenditure authority will allow support of innovative programs initiated by local districts and encourage further innovation throughout the state.

Enhanced funding of small school districts lacks any educational justification. It is a luxury that subsidizes small communities by creating administrative inefficiencies. The governor should have the authority to offer financial incentives for small district consolidations that will improve educational opportunities and minimize unnecessary expenditures.

Oversight

The responsibility of the governor to impose informed oversight and timely intervention is essential to protect the best interests of students and the state. Students must not be forced to suffer the consequences of inadequate educational programs while adults debate the merits of state versus local control. Increasingly refined management information systems and student performance information will make it possible to identify problems in a timely manner.

Districts meeting student and management performance standards likely will be granted commensurate autonomy over the conduct of district affairs.

6. Funding

Recommendations:

- Fund two additional hours of instruction;
- Increase appropriations for classified staffing, facilities maintenance, and Non-Employee Related Costs;
- Limit the use of local levy funds; repeal the levy lid; eliminate levy equalization;
- Repeal Initiative 728;
- Eliminate the state teacher salary schedule;
- Eliminate enriched state funding of small school districts; and
- Develop a single accounting and reporting system that separates state and local funds and improves student achievement data systems.

“[D]evelop...a new transparent accounting...and reporting system...that separates expenditures by revenue source.”

Washington Learns, page 49

“Distinguish local levies from state basic education funding...to prevent commingling of local levy funds with state basic education funds.”

Attaining a World Class K-12 System
Full Funding Coalition 2008 Report, page 16

“Extra education of teachers does not appear...to produce [student] achievement results, although it is a characteristic for which teachers are rewarded.”

Miller Report, 1975, page 213

Proposed net spending increases in this section total approximately \$3.1 billion based on preliminary projections of numerous factors, including student enrollment and inflation.

Enhanced School Hours

The state should fund staffing ratios to accommodate seven-hour school days for students and a one-hour period of teacher planning, preparation, and professional development. The seven hours would include five hours provided in accordance with the proposed new Basic Education Act and two additional hours subject to appropriation.

The recommended ratios in Table 3 are based on best practices recommended by the 2006 Picus and Associates report to Washington Learns, *“An Evidence-Based Approach to School Finance Adequacy in Washington”* and the 2007 Conley *“Washington Adequacy Funding Study”* for the Washington Education Association, as well as the professional judgment of educators and the state superintendent of public instruction.

Table 3. State-Funded Certificated Instructional Staff per 1,000 Students

Type of Staff	Current Implicit Staffing Ratios at 6 Hours of Instruction for Students, 1 Hour Teacher Planning	Proposed Basic Education Based on 5 Hours of Instruction for Students, 0 Hours Teacher Planning	Proposed Enhancement to Basic Education Based on 7 Hours of Instruction for Students, 1 Hour Teacher Planning
Grade K–5 Teachers	24.7	21.2	21.2
Grade 6–12 Teachers	29.0	25.5	25.5
Instructional Coaches	1,250.0	1,000.0	1,000.0
Librarians	786.0	500.0	500.0
Counselors/Support	462.0	400.0	400.0
Nurses	2,659.0	750.0	750.0
Average for all staff, grades K–5	18.8	18.5	16.2
Average for all staff, grades 6–12	21.7	21.7	19.0

Enhanced Classified Staffing

The state should establish classified staffing ratios based on the professional judgment of educators and education finance researchers, as shown in Table 4.

Table 4. State-Funded Classified Staff per 1,000 Students

Type of Staff	Current Funding Allocation	Proposed Funding Allocation
Aides (including Library Aides)	2.8	4.6
Secretaries	3.0	4.0
Central Office	4.0	4.5
Service Workers	0.9	1.1
Safety	0.1	0.8
Technology	0.4	0.9
Graduation Advisor	0.0	0.3
Total	11.2	16.2

Combined with recommendations for facilities maintenance staffing in Table 5, basic education classified staffing should be re-defined in total as 24.7 staff per 1,000 students instead of 17.1 staff per 1,000 students.

Facilities Maintenance

The state Department of General Administration should establish standards for building maintenance and operations and the expenditures necessary to maintain those standards.

The state should increase the allocation for maintenance supplies to the actual average district expenditure of \$130 per student and adjust the allocation for inflation in succeeding years. Staffing allocations per 1,000 students should include 1.8 employees for facilities maintenance, 1.6 employees for grounds maintenance, and 5.1 employees for custodial services, as described in Table 5 below.

The allocation for facilities maintenance staffing is based on a recommendation in the 2006 Picus and Associates report to Washington Learns. There is ample evidence of deferred school maintenance, sufficient to warrant increased effort pending the adoption of permanent standards.

The state should prohibit the diversion of maintenance funds. Deferred maintenance accelerates the deterioration of buildings, with the greater eventual cost of repair or replacement imposed on the next generation of district officials. Maintenance funds are routinely diverted to compensation. The prohibition should be removed when collective bargaining is transferred to the state.

Table 5. State-Funded Facilities Maintenance Staff per 1,000 Students

Type of Staff	Current Funding Allocation	Proposed Funding Allocation
Custodians	4.3	5.1
Groundskeepers	0.5	1.6
Maintenance Workers	1.1	1.8
Total Staff	5.9	8.5
Supplies and Materials per Student	\$59	\$130

Non-Employee Related Costs (NERCs)

The state should increase the allocation for NERCs to \$1,223 per student and adjust the allocation for inflation in succeeding years. The increase would recognize actual average district expenditures for major non-employee related costs and improve allocations for items such as library books and computers. Allocations should be defined by category of expenditure and adjusted to reflect changes in the cost of goods and services such as utilities.

Local Levies

When the state fully funds basic education and local levy funds are separated from and limited to other than basic education obligations, the local levy lid should be repealed and levy equalization funding eliminated. Local school district voters should be allowed to exercise discretion in determining the extent and quality of educational programs above and beyond the obligations of the state.

Initiative 728

Initiative 728 artificially separates a portion of school funding without guaranteeing an overall increase in spending. The initiative should be repealed, with funds transferred to general apportionment.

Teacher Salary Schedule

The existing state teacher salary schedule is based on experience and academic credentials. With the exception of some advanced degrees directly related to subjects being taught, there is little evidence to indicate student performance is improved by teachers with advanced academic credentials. The rigidity of the salary schedule leaves little room for innovation or recognition of regional labor markets across the state. All compensation matters should be subject to collective bargaining.

Small School Districts

Adjusted for demographic characteristics, there is no evidence to indicate small school districts improve student performance. Enhanced funding for small school districts should be provided by local communities or economic development programs and grants, with the exception of remote districts that are necessary for the health and safety of non-district residents.

Establishing priorities is an essential obligation of elected officials. Small school district funding should be transferred to general apportionment for all districts. The re-distributed funds would be sufficient to hire 380 math and science teachers throughout the state—one for every high school—with salaries and benefits totaling \$100,000 per teacher.

Accounting, Expenditure, and Student Data Reporting

The state must establish a “new transparent accounting structure and reporting system that [separates] expenditures by revenue source” (SB 5627, section 3). The new system also should separate basic education from non-basic education expenditures.

Opaque accounting systems and the commingling of state and local funds allow the state to evade its basic education funding obligations. Only when local levy expenditures are separated from state expenditures and limited to other than state obligations will it be possible to hold the state accountable for fully funding basic education.

To improve teacher performance assessment, a statewide information system needs to identify teachers assigned to each student by grade level and standardized course descriptions, including the performance of each student on standardized tests.

7. REVENUE

Recommendations:

- Extend the sales tax to consumer, business, medical, and financial services, **or** combine the following sources:
- Authorize community college district residents to impose special property tax levies;
- Impose a payroll tax to support the state Basic Health Care Plan;
- Impose a capital gains tax; and
- Impose a sales tax on motor vehicle fuel.

“Task Force members must provide recommendations on how the state can fund their funding level recommendations.”

Governor Gregoire
December 5, 2008

“[L]egislators...have flunked school funding for lack of will and prioritization, not a need to know all the details.”

Seattle Post-Intelligencer
June 15, 2008

Sales Tax on Services

The extension of the sales tax to consumer, business, medical, and financial services would be simple to administer and would extract sufficient revenue to pay for the spending increases of \$3.1 billion proposed in Section 6.

Community College Levies

Local school districts have been forced to rely on special levies to support basic education programs. Community colleges have been exempt from a similar obligation since the creation of the system in 1967.

Residents of each of the state's 27 community college districts should be allowed to impose special levies by majority vote. Proceeds should be matched by the state dollar-for-dollar up to a state-wide maximum of 50 percent of current community college funding. Savings of approximately \$750 million should be transferred to the common school budget.

Community college trustees should be elected and districts should be allowed to consolidate.

Basic Health Care Payroll Tax

A payroll tax on employers and employees should be imposed to provide funding for the state Basic Health Care Plan. Savings of approximately \$500 million should be transferred to the common school budget.

Capital Gains Tax

The state property tax should be applied to income derived from capital gains. Revenue of approximately \$35 million should be used to fund proposed education spending increases.

Sales Tax on Gas

The state Constitution should be amended to replace the existing per gallon tax on motor vehicle fuel with a sales tax sufficient to maintain existing gas tax revenue projections and additional revenue necessary to fund the balance of common school funding requirements. If the community college property tax, Basic Health Care Plan payroll tax, and capital gains tax are enacted, the sales tax on gas would be approximately 26.25 percent, which would include \$2 billion to fund proposed education spending increases.

Alternatives

There are numerous other options for additional revenue, from selectively repealing tax cuts enacted since 2001 to across-the-board increases in sales and business and occupation tax rates.

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MEMORANDUM

Office of the Superintendent, Bremerton School District

To: Dan Grimm, Roxanne Lieb

From: Bette Hyde, Superintendent

Date: December 23, 2008

Subj: **Joint Legislative Task Force in Basic Education Finance – Minority Report**

I am writing to lend my support to two of the issues raised in Chairman Grimm's Minority Report submitted November, 2008, and to add a third area of serious concern to me.

I agree wholeheartedly with Chairman Grimm's support for collective bargaining at the State level. I believe that the only way to ensure equity in teacher compensation across the State is to have the Governor, or her designee, collectively bargain wages, benefits, and all monetary conditions of employment. It is our State's paramount duty to amply fund a system of basic education. Since 85% of school funding is in people, the State's responsibility for collective bargaining seems most appropriate. Local districts should certainly bargain non-monetary issues such as calendar, professional development calendar, and local leadership roles. Collective bargaining of financial issues ought to be transferred to the State.

Second, I agree with Chairman Grimm that our Task Force fell short on our assignment from the Governor to consider sources of funding for our recommendations. We all agreed that current funding is not sufficient to accomplish our goal of providing opportunities for all students to meet State standards. Earlier work by Picus and Odden with the Washington Learns K-12 Advisory Committee and current work done by the School Finance Redesign Project of the University of Washington's Center on Reinventing Public Education conclude this as well. Since our Task Force did not have the opportunity to discuss in depth the several tax increase/budget cut recommendations advised by Chairman Grimm, I can neither condone nor criticize them. I would, however, add to the list of possibilities a State income tax. It should be noted, that in the Washington Learns report, all the globally competitive states against which Washington would judge itself, have state income taxes.

A third area in which I am compelled to write this Minority Report is that of Early Learning. While I am convinced of its value and research base, I am not convinced of the wording in our final draft document. Our Task Force discussion focused on

standards based curriculum that focused on learning. Given the stress on learning, early learning then should be included in Basic Education. The current language that references Head Start standards and yet-to-be-developed DOL standards do not emphasize pre-academic learning. While I support the provision of their programs through partnerships with local school districts, I sincerely believe, and our work in the Bremerton Schools supports the fact, that the emphasis needs to be on teaching literacy and numeracy.

EMH:pt

c: Cheryl Chow

TO: Basic Education Finance Joint Task Force Members

FROM: Superintendent Bette Hyde and Senator Fred Jarrett

RE: Interim Concerns

DATE: January 9, 2009

We are writing to express our support of the Task Force Report. We are proud of the product and hopeful of its impact for the children of our State. We are, however, concerned about the functioning of our schools in the interim while the Task Force recommendations are being implemented.

As we have found throughout our Task Force deliberations over the past 18 months, many school districts are on the brink of financial collapse. Over the past two *decades*, only two districts have been in “binding conditions” in terms of budgets. “Binding conditions” means that the district cannot balance its budget and must budget receivables from a future budget year(s). Over the past two *years*, six districts have been thus labeled, with another four at risk. These districts vary by size and location, but are similar in their exceedingly tight budgets which could result in insolvency. Still many other superintendents increasingly worry about fiscal solvency.

Reasons for these financial concerns are many. The cost of simply keeping the school house door open continues to escalate. Simply “doing business as usual” costs more in terms of supplies, paper, textbooks, and transportation costs. Providing more differential instruction to students to ensure they meet standards and graduate requires smaller individualized classes, more space, and more teachers. Every time our legislature passes through a COLA, it funds some but not all staff raises, causing schools to need to lay off employees in order to cover the COLA’s of those who stay. For school districts with enrollment of 1,000 and below (the majority of school district in our State) average ending fund balance budgets have gone from 16% in 1999 to 8% in 2008-9. This trend is a threat to our State’s educational system and economy.

Additionally, Special Education deserves special notice. It seems generally agreed that Special Education has been systemically underfunded both locally and nationally, and the needs of many children with disabilities are increasing significantly, perhaps in part because of advances

in residential care that enables students to be educated in school as well as the stresses that our tight economy puts on families and, in turn, their children. While our report recommends improving Special Education funding by increasing the base to which the .9309 Special Education factor is applied, interim funding continues to be necessary while we await improvements to the base. We recommend changing current law to include all educational funding in the base for calculating Special Education funds.

Consequently, we recommend that the legislature be cognizant of the above and provide support and relief to school district to maintain programs as they await the implementation of our Task Force recommendations.

Minority Report

I am submitting a minority report on behalf of the “Full Funding Coalition.” Much of the detail in the final report of the Joint Task Force for Basic Education Finance represents the comprehensive proposal that was submitted by the hard working legislators who served on the Task Force. The Full Funding Coalition, representing five of the State’s largest educational organizations, also presented a comprehensive proposal to the Task Force. This proposal should also be considered by the Legislature as the work to improve funding for our K-12 education system must begin. It is important to note that the Full Funding Coalition’s proposal does specifically address potential sources of revenue for the initial implementation phase.

Jim Kowalkowski
Superintendent
Davenport School District

ATTAINING A WORLD-CLASS K–12 SYSTEM

Aligning Washington's Funding Structure with 21st Century Educational Expectations

*Submitted by The Full Funding Coalition
June 10, 2008*

Executive Summary

The Full Funding Coalition

In January of 2006, five of Washington State's largest education organizations (WSSDA, WASA, AWSP, WEA and PSE) signed a joint statement agreeing to work collaboratively with the legislature to develop a new funding formula for K-12 that provides the resources necessary to fully fund a 21st century education for all students. The 2007 Legislature established the Joint Task Force on Basic Education Finance to "review the current basic education definition and funding formulas, structure and... [to] propose a new definition of basic education that is realigned with the new expectations of the state's education system." In 2008, the Task Force invited interested stakeholders to submit proposals for a new K-12 finance system.

As a follow-up to the 2006 joint statement, WSSDA, WASA, AWSP, WEA and PSE formed the Full Funding Coalition. We established a committee comprised of the executive directors and officers of the associations, appointed a technical advisory work group, and hired Dr. David Conley, a nationally recognized expert in school funding models, as a consultant.

The recommendations set forth in this report represent the work of the Full Funding Coalition. Our goal is to create a framework for a new state basic education funding system that meets Washington's constitutional requirements, providing the necessary resources for students to have the opportunity to achieve the state's learning goals within a framework of accountability, transparency, flexibility, and simplicity.

The Problem

With the enactment of Education Reform in 1992 and 1993, the state established for the first time clear performance expectations for the K-12 system in the form of learning goals, challenging Essential Academic Learning Requirements (EALRs), and the Washington Assessment of Student Learning (WASL) to measure student knowledge and skills in the key areas identified in legislation. The objective of these education reforms was to create a world-class, internationally competitive K-12 system.

WASL results indicate that the proportion of students meeting state standards has more than doubled from 1999 to 2007. Despite this increase, a significant percentage of students fail to meet the state's performance expectations in reading, writing, math, and science.

Since the passage of the Basic Education Act in 1979-80 and its commitment to comprehensively fund basic education, Washington's national ranking in terms of per pupil

funding has declined substantially, to 34th among states on a nominal basis and 45th if adjusted for cost-of-living. Washington also has the nation's fifth-largest class sizes, is below the national average on teacher compensation, and dead last in teacher compensation among the West Coast states. Increasingly, special levy revenues are being used to support Basic Education programs. Recent newspaper stories document the budget difficulties numerous Washington school districts face as they are forced to make program cuts and reductions in their educator and support staffs.

Although Washington set ambitious performance goals for its K-12 system, the state never determined what it would cost to achieve these goals. K-12 funding has not kept pace with the state's increasing expectations for student learning. Annual improvements in student performance have slowed—an indication that the K-12 system has largely exhausted its ability to generate any further incremental gains within the available resource structure.

The current process for determining what goals schools are expected to accomplish and the funding they are provided to accomplish these goals are not connected. This disconnect results in schools being expected to do things they are not capable of doing with the resources they have available to them. In order to address this fundamental problem, we recommend creating new funding and accountability systems to generate adequate funding and ensure the state's basic education goals will be met.

Principles of New State Basic Education Funding Formulas

Our proposal shifts the focus of state basic education funding formulas from program compliance to student performance, from fiscal inputs to student outcomes. School accountability measures would transition from the current input and seat time variables to multiple indicators of performance.

Two-Way Accountability

Schools should be held accountable in proportion to state funding they receive for basic education. If state funding is less than 100 percent of what it takes to reach the state's goals in a particular year, then the state's performance goals and accountability targets should be adjusted accordingly.

Determining the relationship between funding and performance requires determining the level of resources necessary to fully achieve the state's performance goals. To make this determination, we rely on the Washington Adequacy Funding Study (WAF study), which identified the resource levels necessary to achieve the state's current goals (Conley & Rooney, 2007).

Under our proposal, the responsibility for fully funding this definition of basic education rests with the state. Because it is not feasible for schools and the state to implement all of the recommendations at once (even if funding were available), programs necessary to achieve state goals fully would need to be implemented gradually over the course of successive school years. As new state funding levels and distribution formulas are periodically introduced, the definition of basic education would change to encompass all funded elements. Each year's state funding level and education goals would establish the limits of the basic education definition.

Establishing and Updating Basic Education Funding Levels

We use the WAF study to guide initial 2009-11 biennium investments. However, adequacy studies require routine updates to account for changes in underlying facts, costs and new research findings. The appropriate mechanism would be a newly created Commission for Quality Education in Washington (CQEW), whose duties would include determining the resources necessary to make ample provision for the education of all Washington public school students by creating and updating prototype school models similar to those in the WAF study.

The CQEW would also develop a means to calculate expected performance of Washington schools in relation to the state funding provided, taking into account individual district and school demographic characteristics. Struggling schools and school districts not meeting expected performance would receive progressive state support and assistive measures.

WAF Study Prototype Levels Compared with State Funded Levels

The WAF study specifies resource allocations based on prototype schools at the elementary, middle, and high school levels, and identifies the various interventions necessary for all students to achieve the state's goals. Using prototype schools reduces the complexity of school budgeting to a manageable level by illustrating in a simple, transparent fashion the various necessary resources. Figure 1 provides an excerpt of the prototype schools.

Figure 1: Excerpt Drawn From Appendix A

	Elementary		Middle School		High School	
Total School Enrollment	482		660		1312	
Kindergarten	45					
Grades 1-3	263					
Grades 4-5	174					
Special Education Enrollment	62		85		170	
Disadvantaged LAP Enrollment	194		242		40	
English Language Learner Enrollment	37		54		108	
Staffing & Other Components	FTE Staff	Staff per Student Ratio	FTE Staff	Staff per Student Ratio	FTE Staff	Staff per Student Ratio
Principal's Office						
Principal	1.07	1 per 450	1.09	1 per 606	1.13	1 per 1,161
Assistant Principal	0.5	1 per 964	1.00	1 per 660	2.00	1 per 662
Building Office Cert. Staff	0.94	1 per 513	0.16	1 per 4,250	1.64	1 per 801
Building Office Classified Staff	3.23	1 per 149	4.10	1 per 161	6.53	1 per 201
Teachers						
K-3 (Including all day-Kindergarten and summer school)	20.79	1 per 17				
Grades 4-5	8.30	1 per 21				
Grades 6-8			28.70	1 per 23		
Grades 9-12					62.40	1 per 21
Special Education (1)	4.13	1 per 15	5.67	1 per 15	11.33	1 per 15
Learning Assistance (2)	3.88	1 per 50	4.84	1 per 50	8.00	1 per 50
English Language Learners (3)	1.48	1 per 25	2.16	1 per 25	4.32	1 per 25
Educational Staff Associates Staffing (Certified)						
Librarian/Media Specialist	1.00	1 per 482	1.00	1 per 681	2.03	1 per 645
Counselor	1.93	1 per 250	2.64	1 per 250	5.25	1 per 250
Occupational Therapist (1)	0.38	1 per 165	0.82	1 per 104	1.42	1 per 120
Social Worker	1.00	1 per 482	1.00	1 per 660	1.00	1 per 1,323
Speech/Language/Audio (1)	0.03	1 per 2,067	0.05	1 per 1,760	0.09	1 per 1,888
Psychologist	0.38	1 per 1,282	0.51	1 per 1,946	1.02	1 per 2,462
Nurse	1.00	1 per 482	1.00	1 per 681	1.00	1 per 1,323
Physical Therapist (1)	0.09	1 per 775	0.14	1 per 587	0.44	1 per 386
Reading Resource Specialist	0.03	1 per 14,827	0.05	1 per 12,122	0.08	1 per 15,510
Other Certified Support Staff	1.00	1 per 482	1.45	1 per 454	1.98	1 per 662
Regular Education Staffing (Classified)						
Aides	2.99	1 per 161	6.17	1 per 107	13.81	1 per 95
Crafts/Trades	0.16	1 per 3,073	0.35	1 per 1,868	0.81	1 per 1,627
Laborers	0.02	1 per 29,318	0.04	1 per 16,637	0.11	1 per 11,470
Office/Clerical	0.94	1 per 515	2.24	1 per 294	4.56	1 per 288
Professional	2.51	1 per 192	3.24	1 per 204	5.88	1 per 223
Technical	1.00	1 per 482	0.97	1 per 681	0.99	1 per 1,323
Director/Supervisor	0.15	1 per 3,314	0.31	1 per 2,128	0.70	1 per 1,870

Compared to current expenditure levels from all funding sources, WAF study prototype resource levels would provide improved classroom-centered supports, as well as educator, instructional and learning environment supports.

The WAF study compares 2004-05 baseline expenditure levels from all fund sources, including local, federal and state, with the adequacy prototypes. The WAF study is much easier to compare with current levels by excluding local and federal funds, as demonstrated in Figure 2.

Figure 2: Selected State-Funded Resource Levels Compared with Washington

Selected State Funded Resource Levels Compared With Washington Adequacy Funding Study Prototype Levels		
	2009-10 Maintenance Level	Adequacy Prototype
Grades K-3 - Students per Teacher **	21.7	17.0
Educational Staff Associate - K-12 Students per ESA	243.4	94.8
Classified - K-12 Students per staff	58.75	54.8
Non-Employee Related Costs - \$/Student (K-12)	\$531	\$1,691
Number of State Funded Staff Development Days **	3.3	10.0
Learning Assistance - Students per Teacher (Tutor)	146.3	50.0
All Day Kindergarten - Percent of students funded **	30%	100%
** Includes Initiative 728 funds based on 2006-07 reported expenditures		

Staff Compensation

A recent Superior Court decision determined that state salary allocations to school districts are not rationally determined. The WAF study utilizes several rational, systematic methods to set salary levels, one of which involves using comparative wage analysis. This method compares the average salaries of one profession with those of similar professions. Not only could this type of analysis be used to set statewide average salary levels, but it could also be used to reflect differences among districts in regional costs-of-living.

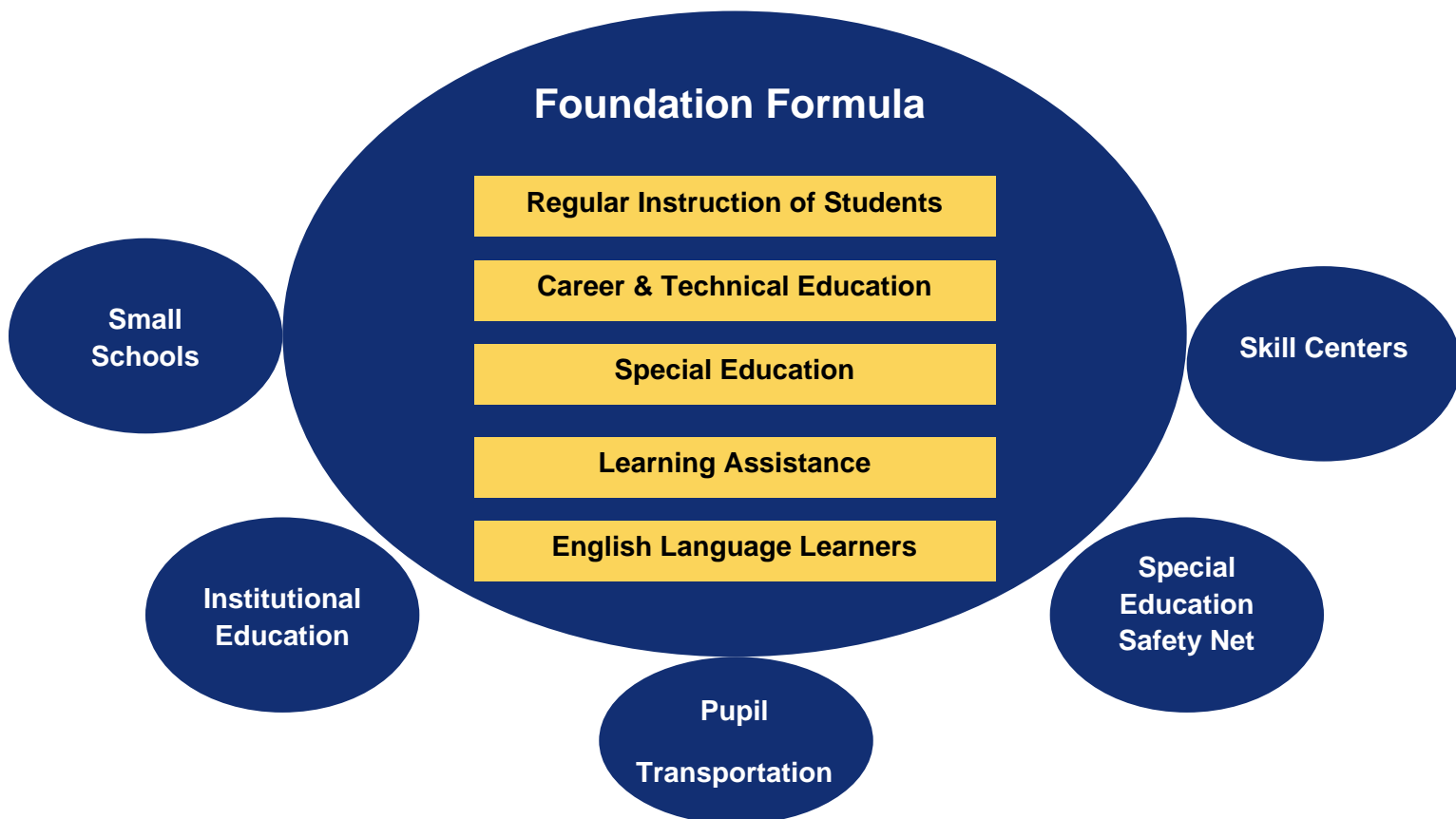
The WAF study, using a comparative wage analysis and other methods, recommended increasing teacher salaries by 18.25 percent. As a point of reference, Washington teacher salaries in 2007-08 were approximately \$3,000 below the national average. With respect to classified and administrator salaries, actual district classified salaries exceeded state funded

average salaries by 26 percent in 2006-07, while actual average administrator salaries exceeded the state funded average salary by 66 percent.

We propose that state-funded salary levels should be sufficient to attract and retain quality staff, but not require the use of local levy funds to accomplish that objective. The Coalition understands that the Institute for Public Policy will report on compensation levels to the Task Force in August 2008. The Coalition is interested in using comparative wage analysis to set salary levels. However, as revealed in “The Teaching Penalty” (2008, Mishel, et al.), such comparative analyses can be quite complex, so we recommend this analysis be conducted under the auspices of the newly created Commission on Quality Education in Washington (CQEW).

New Basic Education Funding Structure – Foundation Formula

To simplify the funding system and change the focus of accountability from inputs to outcomes, the Coalition proposes creating a new foundation formula that replaces 10 current basic education formulas with six. A schematic of the current foundation formula is shown below.



Although special education is included within the foundation formula, special education expenditures would continue to be reported separately.

Foundation formula dollars would be used for allocation purposes only, as is currently the practice for general apportionment funds. The focus of district expenditure accountability would change from inputs to student outcomes. Districts would choose how they expend the funds as long as their students meet state accountability requirements and expected performance. We propose a new set of accountability requirements, discussed at length in this report, to accompany the change to a new funding formula and increased state funding. The new accountability structure accounts for special levy expenditures separately to preclude mixing special levy dollars with basic education foundation formula expenditures.

Six-Year Implementation Plan for New Funding

Since it is not feasible for the state and the K-12 system to implement all of the WAF study recommendations at once, the changes would need to be implemented gradually. As such, this implementation needs to follow a logical progression wherein each investment supports the implementation of the next. Moreover, the initial funding phases need to alleviate the use of local levy funds to meet basic education requirements by providing resources that begin to approach the baseline prototype funding level in the WAF study. The following six-year phased implementation plan is consistent with the WAF study and proposes a basic strategy for adding resources in a systematic fashion so that Washington K-12 students meet state standards at levels specified by the CQEW.

Year One Implementation:

- Begin K-3 class size reduction. This intervention is gradually implemented because it requires the addition of teachers and, eventually, the re-organization or construction of classroom spaces.
- Continue full-day kindergarten implementation with higher poverty districts currently receiving funding priority.
- Add professional development for teachers focused on enabling more students to meet standards.
- Add resources for struggling students.
- Improve school-wide behavioral management by increasing allocations for better counselor staffing ratios and initiating funding for social workers.
- Increase classified support staff in the principal's office to coordinate assessments, collect and manage data, and ensure compliance with other federal and state accountability requirements.
- Increase compensation three percent above I-732 COLA to enable recruitment and retention of the most qualified educators.
- Phase in funding for education support costs (non-employee related costs) to ease dependence on levies.

Year Two Implementation:

- Continue K-3 class size reductions, all-day kindergarten, additional counselors, librarians and social workers and a professional outreach coordinator; and continue to improve classified staff allocations for teacher aides and other purposes.
- Add funding for key instructional programs in core subjects and instructional improvement coaches. The coaches mentor new teachers and help experienced teachers improve their instructional practices.
- Add a professional outreach coordinator for parent involvement to help ensure that school goals are supported in the home.
- Add campus security to the middle and high school levels to provide a safer learning environment for students as a key prerequisite to improving student learning.
- Increase two percent compensation above the I-732 COLA.

Years Three to Six Implementation:

- Authorize the CQEW to review progress made by schools and to make recommendations on the phase-in of further interventions designed to improve student learning. These recommendations would focus on groups most in need of additional support and those failing to make progress toward state goals. Some interventions, such as class size reductions, all-day kindergarten, educational support funding, technology and security, staff development, and compensation adjustments would necessarily be spread across all six years.
- Convert to the new Foundation Formula for budgeting and allocating state funds for school expenditures. The state would do this in consultation with the CQEW.
- Adopt a rational basis for setting staff compensation levels using comparative wage analysis.

Although the proposed phased implementation plan contains specific prescriptions regarding fund allocation to meet state goals, the basic principle remains that **schools and districts may allocate these additional revenues in response to locally determined needs as long as they are achieving all state goals.** The state provides increasing support toward full adequacy along with a road map of interventions that districts and schools can follow to achieve state goals. Districts retain authority for their instructional programs, but if they do not meet expected performance levels, then they will be held much more accountable for the decisions they make. The CQEW represents a rational means to detail this road map. The phased implementation model is designed to be instructive, not prescriptive, for schools and districts.

Summary 2009-11 Biennial State Costs

Summary of State Costs for 2009-11 (in millions)

Intervention	FY 2009-10	FY 2010-11	2009-11 Biennial Cost
Staff Development	\$19.9	\$46.0	\$66.0
K-3 Class Size	\$52.7	\$117.9	\$170.6
Classified Staff Ratio	\$8.3	\$19.3	\$27.6
Struggling Students	\$53.6	\$123.5	\$177.1
ESA Staff Ratio	\$69.3	\$154.9	\$224.2
Compensation Adj.	\$119.0	\$243.0	\$362.0
Non-Personnel Costs	\$47.0	\$118.0	\$165.0
All-Day Kindergarten	\$2.5	\$5.7	\$8.1
Total	\$372.3	\$828.3	\$1,200.6

Potential Sources of Revenue for Initial Implementation Phase

Assign a Portion of State Revenue Increases to Basic Education Funding

The 2008 Legislature enacted Engrossed Substitute Senate Bill 6573. Starting in 2011, in when biennial general state revenue collections increase by more than 5 percent, legislation requires the state treasurer to transfer (subject to appropriation) funds to a Local Public Safety Enhancement Account for retirement benefit improvements for law enforcement and firefighters. Estimated transfers from the general fund project \$5 million in 2011, \$10 million in 2013, \$20 million in 2015 and \$50 million in 2017. This signifies that retirement benefit improvements are a first priority for expenditure of revenue increases exceeding five percent.

This same concept could be adopted by the legislature to fund the state's paramount duty, which according to the state constitution, is to "make ample provision for the education of all children residing within its borders ..." (Article IX, Section 1).

The average increase in general fund-state revenues in current dollars (as in the provisions of ESSB 6573) from 1961 to 2009 is 17.3 percent. The expected increase for 2009-11 is 8.3 percent. Revenue increases in excess of 5.0 percent equals \$1.06 billion. Transferring half of that would amount to \$500 million, which would pay for nearly half of the K-12 basic education funding improvements shown in the [preceding] Table.

Recapturing the Uncollected State Property Tax for Schools

The state property tax rate for schools in calendar year 2010 is expected to be \$2.12 per \$1000 of assessed value. By statute, the state has reserved a total rate of \$3.60 per \$1000 of assessed value for the funding of the common schools.

The actual rate of \$2.12 per \$1000 of assessed value is lower than the statutory maximum of \$3.60 and has been declining due to the 1 percent limit on property tax revenue growth. The state could recapture some of that revenue by re-establishing a higher state collected property tax rate. A \$0.25 increase in the state rate would raise an estimated \$222 million in calendar year 2010 and \$229 million in 2011. For the 2009-11 biennium, such an increase could generate an additional \$341 million in state revenues.

Conclusion

The Full Funding Coalition supports achieving high standards by providing students with the educational opportunities necessary for them to lead productive, satisfying lives as contributing citizens. Washington State should not settle for anything less than the best educational experience it can offer to the young people of the state, who embody the hopes and dreams for the future.

The full report can be found at: http://wssda.org/wssda/WebForms/En-Us/News/2008/20080612_coalition.asp

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This document is available from the Joint Task Force on Basic Education Finance website:
<http://www.leg.wa.gov/Joint/Committees/BEF/>

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<http://www.wsipp.wa.gov/rptfiles/09-01-2201.pdf>
Document No. 09-01-2201