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INITIATIVE 793

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 793 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to education; amending 28A.150.260, 28A.150.420,
2 28A.230.010, 28A.400.100, and 28A.400.110; reenacting and amending RCW
3 28A.330.100; adding a new chapter to Title 28A RCW; and providing an
4 effective date.

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

6 NEW SECTION. **Sec. 1.** SHORT TITLE. This act shall be known and
7 cited as the little red schoolhouse act.

8 NEW SECTION. **Sec. 2.** COMMON PUBLIC SCHOOLS. This chapter shall
9 only apply to K-12 common public schools in school districts with over
10 two thousand students.

11 NEW SECTION. **Sec. 3.** PURPOSE. The purpose of this chapter is to:
12 (1) Reduce school districts' central administration expenses and
13 direct full student funding to the schools;
14 (2) Increase student learning in accordance with RCW 28A.655.060;

1 (3) Ensure special education and bilingual student categorical
2 funding reaches their schools;

3 (4) Assist the public school system in general by recruiting back
4 students to public schools; and

5 (5) Establish an accountability system to insure and monitor this
6 act.

7 NEW SECTION. **Sec. 4.** STUDENT FUNDING. (1) Ninety days after the
8 effective date of this act, the office of the superintendent of public
9 instruction shall publish how school districts are paid for each full-
10 time and part-time equivalent student enrolled from all sources and
11 grants, including federal, state, and local sources, and when. This
12 publication shall follow current state laws and practices and those to
13 be implemented in the school year 2004-05.

14 (2) Starting in the school year 2004-05, each school within a
15 school district shall establish an individual school account within the
16 general school district account.

17 (3) Starting in the school year 2004-05, one hundred percent of all
18 state and federal educational funding and one hundred percent of the
19 individual school district's maintenance and operation excess levy
20 funding shall pass through the school district to the individual school
21 account where the student who generates the funding is enrolled. This
22 includes, but is not limited to one hundred percent of all student
23 allocations appropriated for: Basic education under RCW 28A.150.260;
24 students who are eligible for special education under chapter 28A.155
25 RCW; student transportation under chapter 28A.160 RCW; the learning
26 assistance program under chapter 28A.165 RCW; the transitional
27 bilingual instruction program under chapter 28A.180 RCW; highly capable
28 students under chapter 28A.185 RCW; traffic safety under chapter
29 28A.220 RCW; food services under chapter 28A.235 RCW; and part-time
30 students under chapter 28A.350 RCW, and transfer students.

31 (4) Starting in the school year 2004-05, all common school district
32 funding, including but not limited to, transportation vehicle funds,
33 school construction, and state emergency funds shall be paid into the
34 school district account. These expenses shall be charged to the
35 individual school accounts based on each school's specific costs, if
36 applicable.

1 NEW SECTION. **Sec. 5.** REDUCING CENTRAL ADMINISTRATION COSTS. (1)

2 Starting in the school year 2004-05, the legislature shall not
3 appropriate funds for central administration expenditures in accordance
4 with RCW 28A.150.260(1)(b). The legislature shall continue to fund
5 this amount with an increase of two percent or more per biennium on the
6 2001-02 funding level. The funding shall be credited to basic
7 education funding and pass through the school district to the
8 individual school accounts on an equal distribution basis based on
9 student enrollment.

10 (2) Starting in the school year 2003-04, each school district,
11 under the direction of the school board of directors, shall begin to
12 reduce its central administration expenses in phases.

13 (3) The school district's total expenditures for central
14 administration expenses shall not exceed the total percentage of the
15 total district budget as provided for in this section. The percentages
16 are based on each school district's size as follows: (a) for the
17 school year 2003-04, six percent; and (b) for the school year 2004-05
18 and each school year thereafter: Three percent for school districts
19 with over fifteen thousand full-time equivalent students enrolled as of
20 October 1st; three and one-half percent for school districts with under
21 fifteen thousand full-time equivalent students enrolled as of October
22 1st; and four percent for school districts with under seven thousand
23 full-time equivalent students enrolled as of October 1st.

24 (4) In the spirit of this chapter, the legislature shall not
25 allocate funding for certificated administrative staff and their
26 related costs without first adequately funding programs to enhance
27 learning in schools. This includes, but is not limited to, adding
28 extra school days in accordance with RCW 28A.150.420 and adding extra
29 school programs under RCW 28A.150.370.

30 NEW SECTION. **Sec. 6.** ADMINISTRATION FEE. (1) To pay for the

31 central administration expenses for oversight and administering
32 schools, the school district shall be paid an administration fee from
33 the individual school accounts. In the school year 2004-05 and each
34 school year thereafter, the school district shall be paid from the
35 individual school account three percent for school districts with over
36 fifteen thousand full-time equivalent students enrolled as of October
37 1st; three and one-half percent for school districts with under fifteen
38 thousand full-time equivalent students enrolled as of October 1st; and

1 four percent for school districts with under seven thousand full-time
2 equivalent students enrolled as of October 1st.

3 (2) All of the accounts payable from individual school accounts
4 shall be paid from the school district's account in accordance with
5 state laws and statutes. The school district's accounting costs shall
6 be included in the administration fee paid by each school starting in
7 the 2004-05 school year.

8 (3) Individual schools, collectively or in partnership with others,
9 may voluntarily choose to pay more for central administration services
10 they choose to retain.

11 (4) Individual schools shall pay an administrative fee on all
12 school district funds deposited or credited into its account in
13 accordance with section 4 of this act, and all grants and cash
14 receipts.

15 NEW SECTION. **Sec. 7.** STATE AUDITOR. (1) Within one hundred fifty
16 days after the effective date of this act, the state auditor's office
17 shall publish the current public school account expenses and accounting
18 codes. This publication shall define all other relevant accounting
19 information that the state auditor's office deems appropriate. This
20 publication shall be based on current state laws and accounting
21 practices. The state auditor shall be responsible to standardize
22 and/or clarify any discrepancies of the expense codes for individual
23 school's expenses and central administration expenses so that all state
24 school's accounting practices are the same. The state auditor shall
25 establish penalties and fines for schools and school districts to
26 impose after the school year 2005-06.

27 (2) After the school year 2004-05, and each year thereafter, the
28 state auditor's office shall conduct random audits on a minimum of five
29 percent of the K-12 schools to ensure schools are meeting its
30 requirements. The audits for the school years 2004-05 and 2005-06
31 shall be assistance audits only. No penalties or fines shall be
32 assessed.

33 (3) The individual school account shall include, but not be limited
34 to, school administrators and staff, their payroll and benefits, and
35 all of the building and grounds costs; utilities, office supplies,
36 maintenance, etc., and any shared costs with other district buildings
37 like transportation, insurance.

1 (4) The central administration expenses shall include, but not be
2 limited to, payroll, benefits and payroll expenses, and perks for
3 school boards of directors, central administrators and staff not
4 working full time in schools, plus travel, facility, office expenses,
5 and any other expenses and staff costs associated with fulfilling the
6 central administration duties and operation. This includes, but is not
7 limited to, maintenance, accounting, transportation, food services,
8 legal, school construction, and bond issues.

9 NEW SECTION. **Sec. 8.** DEVELOPMENT OF SCHOOL BUDGETS. (1) Ninety
10 days after the effective date of this act, the board of directors of
11 each school district shall in good faith make available each school's
12 yearly budget, how they generate income for the district, and the
13 general district budget expenses. Each school shall become
14 knowledgeable of its building costs and those of the district for the
15 2002-03 and 2003-04 school years.

16 (2) The principal shall take input from the certificated teachers
17 and staff in the building at least once a year concerning the school's
18 budget.

19 (3) The principal shall begin in early 2004 to develop the school
20 budget for the school year 2004-05.

21 NEW SECTION. **Sec. 9.** THE PRINCIPAL. (1) The principal shall
22 develop the final school budget for the school year 2004-05, and for
23 each school year thereafter.

24 (2) The principal shall hire all new school teachers and staff for
25 the school starting with the 2004-05 school year, and for each school
26 year thereafter.

27 (3) The principal shall be responsible for the day-to-day operation
28 of the school, including, but not limited to: Budget issues; the
29 education program; all personnel functions; and maintenance and
30 operation.

31 (4) The principal shall oversee that the student allocations
32 received under section 4 of this act are spent fairly and equitably on
33 basic education, special education, learning assistance programs,
34 transitional bilingual instruction programs, highly capable students,
35 and student transportation as required under this act and the state
36 Constitution.

1 (5) Any principal who disagrees with any modification made to the
2 proposed school budget by the school board of directors may seek
3 nonbinding mediation with the state board under section 18 of this act.

4 NEW SECTION. **Sec. 10.** SCHOOL BOARDS OF DIRECTORS. (1) School
5 boards of directors shall maintain their full duties, obligations, and
6 responsibilities to manage school districts, including the yearly
7 approval of each school's budget. This shall include, but not be
8 limited to, corporate powers, construction funding, student
9 transportation and vehicle acquisition, traffic safety, food services,
10 handling of emergencies, liabilities for debt and judgments, and school
11 building maintenance and property.

12 (2) It is the spirit of this chapter that school boards of
13 directors will be interested in student learning and results, not in
14 imposing inflexible day-to-day prescriptions and curricula on their
15 schools.

16 (3) It is the spirit of this chapter that school boards of
17 directors will work directly, cooperatively, and in good faith with
18 their schools to eliminate barriers to learning and to assist schools
19 in seeking state waivers that stand in the way of educating students.

20 NEW SECTION. **Sec. 11.** BUDGET AGREEMENT--AMENDMENT. (1) An
21 approved budget by the school board of directors constitutes an
22 agreement with its schools.

23 (2) A budget may be amended at any time at the request of the
24 principal and on the approval of the school board of directors.

25 NEW SECTION. **Sec. 12.** CONTINUING CLOCK HOURS. Continuing clock
26 hour classes that cover, but are not limited to, school budgets,
27 accounting, maintenance and operational costs, and transportation
28 practices shall qualify to be used in RCW 28A.150.410.

29 NEW SECTION. **Sec. 13.** CERTIFICATED TEACHERS. (1) Certificated
30 teachers shall be encouraged to provide input to their principal while
31 developing their school's budget. Teachers teaching students who
32 generate additional categorical funds as provided in section 4 of this
33 act shall provide input on how these additional funds might be directed
34 to meet the learning needs of their students.

1 (2) Teachers who disagree with the final school budget developed by
2 the principal under section 10 of this act may seek nonbinding
3 mediation with the state board as provided in section 18 of this act.

4 NEW SECTION. **Sec. 14.** GRANTS AND MATCHES. A school shall not be
5 penalized in any way by the state or its school board of directors
6 because it has secured additional funding, in-kind matches, donated
7 services, or any type of additional benefits for its students, staff,
8 or parents.

9 NEW SECTION. **Sec. 15.** SCHOOL SERVICES. An individual school may
10 purchase services and any or all of its maintenance or operational
11 needs from its own district or from outside independent vendors with
12 school board of directors' approval.

13 NEW SECTION. **Sec. 16.** RESERVE ACCOUNT. (1) The board of
14 directors of each school district may require each of its schools to
15 set aside up to three percent of its individual school budget into a
16 reserve account as a safety net for emergencies or unforeseen costs.
17 These funds shall be held in reserve to be used as the board directs to
18 fulfill its duties and fiscal obligations in accordance with current
19 state laws and statutes. If unspent by the board, the school may spend
20 this reserve money the last three months of the school year or carry it
21 over to the next year.

22 (2) The reserve funds may not be spent on central administration
23 staff or their expenses.

24 NEW SECTION. **Sec. 17.** BUILDING MAINTENANCE. (1) The principal
25 shall develop the school budget, including the maintenance and repair
26 items required to keep their building safe and usable.

27 (2) School boards of directors shall define safe and usable
28 conditions and require that these standards are met within the district
29 in accordance with current laws and statutes. This shall be done
30 through the school budget approval process.

31 (3) School boards of directors are not required to direct that
32 equal maintenance money be spent on each school.

33 (4) If deemed necessary by the school board of directors, they may
34 direct from any of their newer or recently remodeled schools up to four

1 percent of a school's budget to supplement repairs and upgrades on
2 their older schools that require greater maintenance and repair.

3 (5) Within one hundred twenty days after the effective date of this
4 act, the department of general administration shall adopt guidelines to
5 assist school boards of directors and principals to identify and
6 prioritize maintenance and repair items in their facilities. A goal of
7 this section is to allow older schools to be brought up to safe usable
8 standards without penalizing those schools to expend large percentages
9 of their school budgets.

10 NEW SECTION. **Sec. 18.** NONBINDING MEDIATION. (1) One hundred
11 fifty days after the effective date of this act, the state board of
12 education shall set up guidelines to resolve disputed issues between
13 teachers and principals, and between principals and school boards of
14 directors. The mediation process shall be nonbinding on the parties.
15 The guidelines may outline timelines, payment for nonbinding mediation
16 costs from the school budget and the administration fee account, and
17 any other format the state board might find appropriate.

18 (2) A principal or a teacher may submit any dispute to the state
19 board of education. The state board, or its designee, shall hear the
20 appeal within thirty days after submittal and seek to mediate a
21 conflict to resolution.

22 NEW SECTION. **Sec. 19.** LITTLE RED SCHOOLHOUSE ACCOUNT. (1) The
23 little red schoolhouse account is created in the custody of the state
24 treasurer. All receipts from schools and school districts shall be
25 deposited into the account. Only the state auditor or the auditor's
26 designee may authorize expenditures from the account. Expenditures may
27 be used to fund the state man-hours required to establish and carry out
28 this chapter, and for any purposes the state auditor deems appropriate.
29 The account is subject to allotment procedures under chapter 43.88 RCW,
30 but an appropriation is not required for expenditures.

31 (2) Starting in the school year 2003-04, each school district under
32 this chapter shall pay into the little red schoolhouse account fifteen
33 dollars per full-time equivalent student enrolled in its district as of
34 October 1st of each year. Payment shall be made by November 1, 2003.

35 (3) Starting in 2004-05, and each school year thereafter, each
36 public school under this chapter shall pay into this account fifteen
37 dollars per full-time equivalent student enrolled in its school on

1 October 1st of each year. Payment shall be made by November 1st of
2 that year.

3 (4) The state auditor, with six months' notice, may lower the
4 yearly fee, increase it up to ten percent a year, or charge additional
5 fees for categorical full-time students who may require additional
6 audit review, as deemed necessary.

7 NEW SECTION. **Sec. 20.** PUBLIC SCHOOL ISSUES. One hundred fifty
8 days after the effective date of this act, the state board of education
9 shall set up guidelines to assure that the schools covered under this
10 chapter follow the state's laws providing access and equity to all
11 students, meeting gender issues, and that all public schools remain
12 nonsectarian. The guidelines shall be continually reviewed, expanded,
13 and modified.

14 NEW SECTION. **Sec. 21.** REMOVING BARRIERS. One hundred fifty days
15 after the effective date of this act, the office of the superintendent
16 of public instruction shall adopt guidelines following current laws and
17 statutes to assist schools that have identified educational barriers
18 and voluntarily wish to address them. The guidelines may include, but
19 not be limited to, adding more school days, adding a longer school day,
20 bringing community or state services into the school, and alternative
21 testing. The guidelines shall be continually reviewed, expanded, and
22 modified.

23 NEW SECTION. **Sec. 22.** EXCESS SUPPLIES. Within one hundred twenty
24 days after the effective date of this act, the office of the
25 superintendent of public instruction shall provide guidelines for the
26 disposal of all excessive school supplies and equipment. These
27 guidelines shall include a central site where all school districts
28 shall list their excessive supplies and equipment for a minimum of one
29 hundred twenty days before selling or disposing of them.

30 **Sec. 23.** RCW 28A.150.260 and 1997 c 13 s 2 are each amended to
31 read as follows:

32 The basic education allocation for each annual average full time
33 equivalent student shall be determined in accordance with the following
34 procedures:

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

9 (a) Certificated instructional staff and their related costs;

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

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

12 ~~((d))~~ (c) Nonsalary costs;

13 ~~((e))~~ (d) Extraordinary costs of remote and necessary schools and
14 small high schools, including costs of additional certificated and
15 classified staff; and

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

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

26 (b) The formula adopted by the legislature shall reflect the
27 following ratios at a minimum: (i) Forty-nine certificated
28 instructional staff to one thousand annual average full time equivalent
29 students enrolled in grades kindergarten through three; (ii) forty-six
30 certificated instructional staff to one thousand annual average full
31 time equivalent students in grades four through twelve; and (iii)
32 ~~((four certificated administrative staff to one thousand annual average
33 full time equivalent students in grades kindergarten through twelve;
34 and (iv))~~ sixteen and sixty-seven one-hundredths classified personnel
35 to one thousand annual average full time equivalent students enrolled
36 in grades kindergarten through twelve.

37 (c) In the event the legislature rejects the distribution formula
38 recommended by the governor, without adopting a new distribution
39 formula, the distribution formula for the previous school year shall

1 remain in effect: PROVIDED, That the distribution formula developed
2 pursuant to this section shall be for state apportionment and
3 equalization purposes only and shall not be construed as mandating
4 specific operational functions of local school districts, except for
5 the reduction of central administration expenses, other than those
6 program requirements identified in RCW 28A.150.220 and 28A.150.100.
7 The enrollment of any district shall be the annual average number of
8 full time equivalent students and part time students as provided in RCW
9 28A.150.350, enrolled on the first school day of each month and shall
10 exclude full time equivalent students with disabilities recognized for
11 the purposes of allocation of state funds for programs under RCW
12 28A.155.010 through 28A.155.100. The definition of full time
13 equivalent student shall be determined by rules of the superintendent
14 of public instruction: PROVIDED, That the definition shall be included
15 as part of the superintendent's biennial budget request: PROVIDED,
16 FURTHER, That any revision of the present definition shall not take
17 effect until approved by the house appropriations committee and the
18 senate ways and means committee: PROVIDED, FURTHER, That the office of
19 financial management shall make a monthly review of the
20 superintendent's reported full time equivalent students in the common
21 schools in conjunction with RCW 43.62.050.

22 (3)(a) Certificated instructional staff shall include those persons
23 employed by a school district who are nonsupervisory employees within
24 the meaning of RCW 41.59.020(8): PROVIDED, That in exceptional cases,
25 people of unusual competence but without certification may teach
26 students so long as a certificated person exercises general
27 supervision: PROVIDED, FURTHER, That the hiring of such classified
28 people shall not occur during a labor dispute and such classified
29 people shall not be hired to replace certificated employees during a
30 labor dispute.

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

35 **Sec. 24.** RCW 28A.150.420 and 1989 c 233 s 10 are each amended to
36 read as follows:

37 (1) The superintendent of public instruction shall establish
38 procedures to allow school districts and individual schools to claim

1 basic education allocation funds for students attending classes that
2 are provided outside the regular school year to the extent such
3 attendance is in lieu of attendance during the regular school year or
4 during an extended school day: PROVIDED, That nothing in this section
5 shall be construed to alter the basic education allocation for which
6 the district is otherwise eligible.

7 (2) Schools enrolling students under this section are entitled to
8 full per pupil allocations based on the hours of classroom instruction
9 attended, in accordance with statutes.

10 **Sec. 25.** RCW 28A.230.010 and 1990 c 33 s 237 are each amended to
11 read as follows:

12 School district boards of directors, with input from principals,
13 shall identify and offer courses with content that meet or exceed: (1)
14 The basic education skills identified in RCW 28A.150.210; (2) the
15 graduation requirements under RCW 28A.230.090; and (3) the courses
16 required to meet the minimum college entrance requirements under RCW
17 28A.230.130. Such courses may be applied or theoretical, academic or
18 vocational.

19 **Sec. 26.** RCW 28A.400.100 and 2002 c 78 s 1 are each amended to
20 read as follows:

21 School districts may employ public school principals and/or vice
22 principals to supervise the operation and management of the school to
23 which they are assigned. Such persons shall hold valid administrative
24 certificates and shall hold or have held either valid teacher
25 certificates or valid educational staff associate certificates.
26 Persons who hold or have held valid educational staff associate
27 certificates must also have demonstrated successful school-based
28 experience in an instructional role with students. Persons whose
29 certificates were revoked, suspended, or surrendered may not be
30 employed as public school principals or vice principals. In addition
31 to such other duties as shall be prescribed by law and by the job
32 description adopted by the board of directors, each principal shall:

33 (1) Assume administrative authority, responsibility and
34 instructional leadership, under the ~~((supervision of the school~~
35 ~~district superintendent))~~ school board of directors, and in accordance
36 with the policies of the school district ~~((board of directors))~~, for
37 the development and management of the school budget, for the planning

1 management, supervision school budget management and development and
2 evaluation of the educational program of the attendance area for which
3 he or she is responsible((-));

4 (2) Submit recommendations to the school ((~~district~~
5 ~~superintendent~~)) board of directors regarding appointment, assignment,
6 promotion, transfer and dismissal of all personnel assigned to the
7 attendance area for which he or she is responsible((-));

8 (3) Submit recommendations to the school ((~~district~~
9 ~~superintendent~~)) board of directors regarding the fiscal needs to
10 maintain and improve the instructional program of the attendance area
11 for which he or she is responsible((-)); and

12 (4) Assume administrative authority and responsibility for the
13 supervision, counseling and discipline of pupils in the attendance area
14 for which he or she is responsible.

15 **Sec. 27.** RCW 28A.400.110 and 1997 c 266 s 12 are each amended to
16 read as follows:

17 Within each school the school principal shall determine that
18 appropriate student discipline is established and enforced. In order
19 to assist the principal in carrying out the intent of this section, the
20 principal and the certificated employees in a school building shall
21 confer at least annually in order to develop and/or review building
22 disciplinary standards and uniform enforcement of those standards.
23 Such building standards shall be consistent with the provisions of RCW
24 28A.600.020(3).

25 School principals and certificated employees shall also confer
26 annually about the development of the school budget and meeting the
27 learning needs of their students, and to establish criteria for
28 determining when certificated employees must complete classes to
29 improve classroom management skills.

30 NEW SECTION. **Sec. 28.** CAPTIONS NOT LAW. Captions used in this
31 chapter do not constitute any part of the law.

32 NEW SECTION. **Sec. 29.** SEVERABILITY. If any provision of this act
33 or its application to any person or circumstance is held invalid, the
34 remainder of the act or the application of the provision to other
35 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 30.** Sections 1 through 22 and 28 of this act
2 constitute a new chapter in Title 28A RCW.

3 NEW SECTION. **Sec. 31.** Section 25 of this act takes effect August
4 1, 2004.

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