

INITIATIVE 799

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. 799 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;
13 (2) Direct full student funding to the schools;
14 (3) Increase student learning in accordance with RCW 28A.655.060;
15 (4) Ensure special education and bilingual student categorical
16 funding reaches the schools these students attend;

1 (5) Assist the public school system in general by recruiting
2 students back to public schools; and

3 (6) Establish an accountability system to ensure and monitor this
4 act.

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

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

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

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

36 NEW SECTION. **Sec. 5.** REDUCING CENTRAL ADMINISTRATION COSTS. (1)
37 Starting in the school year 2004-05, the legislature shall not

1 appropriate funds for certificated administrative staff and their
2 related costs in accordance with established funding formulas in RCW
3 28A.150.260 after the 2003-04 school year. Starting in the 2004-05
4 school year, the legislature shall continue to appropriate the 2002-03
5 school year funding levels to each school district as it had in
6 accordance with RCW 28A.150.260(2)(b)(iii) for central administrative
7 costs. The legislature shall increase this funding two percent or more
8 each biennium based on the 2002-03 funding level. This funding shall
9 pass to the school district and be credited in the individual school
10 accounts on an equal distribution basis based on student enrollment.
11 This funding shall not supplement or replace basic education funding or
12 any other established public school funding formulas. The legislature
13 shall not use this funding as a credit against existing public
14 education funding to reduce its funding levels in existing programs.

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

18 (3) The school district's total expenditures for central
19 administration expenses shall not exceed the total percentage of the
20 total district budget as provided for in this section. The percentages
21 are based on each school district's size as follows: (a) for the
22 school year 2003-04, six percent; and (b) for the school year 2004-05
23 and each school year thereafter: Three percent for school districts
24 with over fifteen thousand full-time equivalent students enrolled as of
25 October 1st; three and one-half percent for school districts with under
26 fifteen thousand full-time equivalent students enrolled as of October
27 1st; and four percent for school districts with under seven thousand
28 full-time equivalent students enrolled as of October 1st.

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

35 NEW SECTION. **Sec. 6.** ADMINISTRATION FEE. (1) To pay for the
36 central administration expenses for oversight and administering
37 schools, the school district shall be paid an administration fee from
38 the individual school accounts. In the school year 2004-05 and each

1 school year thereafter, the school district shall be paid from the
2 individual school account three percent for school districts with over
3 fifteen thousand full-time equivalent students enrolled as of October
4 1st; three and one-half percent for school districts with under fifteen
5 thousand full-time equivalent students enrolled as of October 1st; and
6 four percent for school districts with under seven thousand full-time
7 equivalent students enrolled as of October 1st.

8 (2) All of the accounts payable from individual school accounts
9 shall be paid from the school district's account in accordance with
10 state laws and statutes. The school district's accounting costs shall
11 be included in the administration fee paid by each school starting in
12 the 2004-05 school year.

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

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

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

33 (2) Starting in the school year 2004-05, and each year thereafter,
34 the state auditor's office shall conduct random audits on a minimum of
35 five percent of the K-12 schools to ensure schools are meeting its
36 requirements. The audits for the school years 2004-05 and 2005-06
37 shall be assistance audits only. No penalties or fines shall be
38 assessed.

1 (3) The individual school account shall include, but not be limited
2 to, school administrators, certificated teachers, and staff, their
3 payroll and benefits, and all of the building and grounds costs;
4 utilities, office supplies, maintenance, and any shared costs with
5 other district buildings such as transportation and insurance.

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

14 NEW SECTION. **Sec. 8.** DEVELOPMENT OF SCHOOL BUDGETS. (1) Ninety
15 days after the effective date of this section, the board of directors
16 of each school district shall in good faith make available each
17 school's yearly budget, how they generate income for the district, and
18 the general district budget expenses. Each school shall become
19 knowledgeable of its building costs and those of the district for the
20 2002-03 and 2003-04 school years.

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

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

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

29 (2) The principal shall hire all new school certificated teachers
30 and staff for the school starting with the 2004-05 school year, and for
31 each school year thereafter.

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

36 (4) The principal shall oversee that the student allocations
37 received under section 4 of this act are spent fairly and equitably on

1 basic education, special education, learning assistance programs,
2 transitional bilingual instruction programs, highly capable students,
3 and student transportation as required under this act and the state
4 Constitution.

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

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

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

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

24 NEW SECTION. **Sec. 11.** BUDGET AGREEMENT--AMENDMENT. (1) An
25 approved individual school budget by the school board of directors
26 constitutes an agreement with its school.

27 (2) An individual school budget may be amended at any time at the
28 request of the principal and on the approval of the school board of
29 directors.

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

34 NEW SECTION. **Sec. 13.** CERTIFICATED TEACHERS. (1) Certificated
35 teachers shall be encouraged to provide input to their principal during

1 the development of their school's budget. Teachers teaching students
2 who generate additional categorical funds as provided in section 4 of
3 this act shall provide input on how these additional funds might be
4 directed to meet the learning needs of their students.

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

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

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

17 NEW SECTION. **Sec. 16.** RESERVE ACCOUNT. (1) The board of
18 directors of each school district may require each of its schools to
19 set aside up to three percent of its individual school budget into a
20 reserve account as a safety net for emergencies or unforeseen costs.
21 These funds shall be held in reserve to be used as the board directs to
22 fulfill its duties and fiscal obligations in accordance with current
23 state laws and statutes.

24 (2) If unspent by the board, the school may spend this reserve
25 money the last three months of the school year or carry it over to the
26 next year.

27 (3) The reserve funds may not be spent on central administration
28 staff or their expenses.

29 NEW SECTION. **Sec. 17.** BUILDING MAINTENANCE. (1) The principal
30 shall develop the maintenance and repair items required to keep their
31 building safe and usable.

32 (2) School boards of directors shall define safe and usable
33 conditions and require that these standards are met within the district
34 through the school budget approval process.

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

3 (4) If deemed necessary by the school board of directors, they may
4 direct from any of their newer or recently remodeled schools up to four
5 percent of a school's budget to supplement repairs and upgrades on
6 their older schools that require greater maintenance and repair.

7 (5) Within one hundred twenty days after the effective date of this
8 section, the department of general administration shall adopt
9 guidelines to assist school boards of directors and principals to
10 identify and prioritize maintenance and repair items in their
11 facilities.

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

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

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

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

36 (3) Starting in 2004-05, and each school year thereafter, each
37 public school under this chapter shall pay into this account fifteen

1 dollars per full-time equivalent student enrolled in its school on
2 October 1st of each year. Two payments shall be made, one half by
3 November 1st of that year, and the second half by April 1st of the next
4 year.

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

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

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

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

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

1 The basic education allocation for each annual average full time
2 equivalent student shall be determined in accordance with the following
3 procedures:

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

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

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

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

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

16 ~~((e))~~ (d) Extraordinary costs of remote and necessary schools and
17 small high schools, including costs of additional certificated and
18 classified staff; and

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

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

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

1 (c) In the event the legislature rejects the distribution formula
2 recommended by the governor, without adopting a new distribution
3 formula, the distribution formula for the previous school year shall
4 remain in effect: PROVIDED, That the distribution formula developed
5 pursuant to this section shall be for state apportionment and
6 equalization purposes only and shall not be construed as mandating
7 specific operational functions of local school districts, except for
8 the reduction of central administration staff and expenses, other than
9 those program requirements identified in RCW 28A.150.220 and
10 28A.150.100. The enrollment of any district shall be the annual
11 average number of full time equivalent students and part time students
12 as provided in RCW 28A.150.350, enrolled on the first school day of
13 each month and shall exclude full time equivalent students with
14 disabilities recognized for the purposes of allocation of state funds
15 for programs under RCW 28A.155.010 through 28A.155.100. The definition
16 of full time equivalent student shall be determined by rules of the
17 superintendent of public instruction: PROVIDED, That the definition
18 shall be included as part of the superintendent's biennial budget
19 request: PROVIDED, FURTHER, That any revision of the present
20 definition shall not take effect until approved by the house
21 appropriations committee and the senate ways and means committee:
22 PROVIDED, FURTHER, That the office of financial management shall make
23 a monthly review of the superintendent's reported full time equivalent
24 students in the common schools in conjunction with RCW 43.62.050.

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

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

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

3 (1) The superintendent of public instruction shall establish
4 procedures to allow school districts and individual schools to claim
5 basic education allocation funds and all available local, state
6 categorical, and federal funds for students attending classes that are
7 provided outside the regular school year to the extent such attendance
8 is in lieu of attendance during the regular school year or during an
9 extended school day: PROVIDED, That nothing in this section shall be
10 construed to alter the basic education allocation for which the
11 district is otherwise eligible.

12 (2) Schools enrolling students under this section are entitled to
13 full per pupil allocations based on the hours of classroom instruction
14 attended.

15 (3) Schools enrolling students under this section shall be able to
16 provide a maximum of sixty instructional hours per week.

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

19 School district boards of directors, with input from principals,
20 shall identify and offer courses with content that meet or exceed: (1)
21 The basic education skills identified in RCW 28A.150.210; (2) the
22 graduation requirements under RCW 28A.230.090; and (3) the courses
23 required to meet the minimum college entrance requirements under RCW
24 28A.230.130. Such courses may be applied or theoretical, academic or
25 vocational.

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

28 School districts may employ public school principals and/or vice
29 principals to supervise the operation and management of the school to
30 which they are assigned. Such persons shall hold valid administrative
31 certificates and shall hold or have held either valid teacher
32 certificates or valid educational staff associate certificates.
33 Persons who hold or have held valid educational staff associate
34 certificates must also have demonstrated successful school-based
35 experience in an instructional role with students. Persons whose
36 certificates were revoked, suspended, or surrendered may not be
37 employed as public school principals or vice principals. In addition

1 to such other duties as shall be prescribed by law and by the job
2 description adopted by the board of directors, each principal shall:

3 (1) Assume administrative authority, responsibility and
4 instructional leadership, under the (~~supervision of the school~~
5 ~~district superintendent~~) school board of directors, and in accordance
6 with the policies of the school district (~~board of directors~~), for
7 the development and management of the school budget, for the planning,
8 management, supervision, and evaluation of the educational program of
9 the attendance area for which he or she is responsible(~~(-)~~);

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

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

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

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

23 Within each school the school principal shall determine that
24 appropriate student discipline is established and enforced. In order
25 to assist the principal in carrying out the intent of this section, the
26 principal and the certificated employees in a school building shall
27 confer at least annually in order to develop and/or review building
28 disciplinary standards and uniform enforcement of those standards.
29 Such building standards shall be consistent with the provisions of RCW
30 28A.600.020(3).

31 School principals and certificated employees shall also confer
32 annually about the development of the school budget and meeting the
33 learning needs of their students, and to establish criteria for
34 determining when certificated employees must complete classes to
35 improve classroom management skills.

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

1 NEW SECTION. **Sec. 29.** SEVERABILITY. If any provision of this act
2 or its application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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

7 NEW SECTION. **Sec. 31.** Section 23 of this act takes effect August
8 1, 2004.

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