

INITIATIVE 808

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. 808 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to education; amending RCW 28A.150.260 and
2 28A.150.420; adding a new chapter to Title 28A RCW; and providing an
3 effective date.

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

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

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

10 NEW SECTION. **Sec. 3.** PURPOSE. The purpose of this chapter is to:
11 (1) Reduce school districts' central administration expenses;
12 (2) Direct full student funding to the schools; and
13 (3) Establish an accountability system to ensure and monitor this
14 act.

15 NEW SECTION. **Sec. 4.** STUDENT FUNDING. (1) Ninety days after the
16 effective date of this section, the office of the superintendent of

1 public instruction shall publish how and when school districts are paid
2 for each full-time, part-time, and transfer equivalent student enrolled
3 from all sources and grants, including federal, state, and local
4 sources. This publication shall follow current state laws and
5 practices plus those to be implemented in the school year 2005-06.

6 (2) Starting in the school year 2005-06, each school within a
7 school district shall establish an individual school account within its
8 general school district account.

9 (3) Starting in the school year 2005-06, one hundred percent of all
10 state and federal educational funding and one hundred percent of the
11 individual school district's maintenance and operation excess levy
12 funding shall pass through the school district to the individual school
13 account where the student who generates the funding is enrolled.

14 (4) Starting in the school year 2005-06, all common school district
15 funding, including but not limited to, transportation vehicle funds,
16 school construction, and state emergency funds shall be paid into the
17 school district account. These expenses shall be charged to the
18 individual school accounts based on each school's specific costs, if
19 applicable. These funds shall not be used to pay for central
20 administration expenses.

21 NEW SECTION. **Sec. 5.** REDUCING CENTRAL ADMINISTRATION COSTS. (1)
22 Starting in the school year 2005-06, the legislature shall not
23 appropriate funds for certificated administrative staff and their
24 related costs in accordance with established funding formulas in RCW
25 28A.150.260 after the 2004-05 school year. Starting in the 2005-06
26 school year, the legislature shall continue to appropriate the 2002-03
27 school year funding levels to each school district as it had in
28 accordance with RCW 28A.150.260(2)(b)(iii) for central administrative
29 costs. The legislature shall increase this funding two percent or more
30 each biennium based on the 2002-03 funding level. This funding shall
31 pass to the school district and be credited in the individual school
32 accounts on an equal distribution basis based on student enrollment.
33 This funding shall not supplement or replace basic education funding or
34 any other established public school funding formulas. The legislature
35 shall not use this funding as a credit against existing public
36 education funding to reduce its funding levels in existing programs.

37 (2) Starting in the school year 2004-05, each school district shall
38 begin to reduce its central administration expenses in phases.

1 (3) The school district's total expenditures for central
2 administration expenses shall not exceed the total percentage of the
3 total district budget as provided for in this section. The percentages
4 are based on each school district's size as follows: (a) For the
5 school year 2004-05, six percent; and (b) for the school year 2005-06
6 and each school year thereafter: Three percent for school districts
7 with over fifteen thousand full-time equivalent students enrolled as of
8 October 1st; three and one-half percent for school districts with under
9 fifteen thousand full-time equivalent students enrolled as of October
10 1st; and four percent for school districts with under seven thousand
11 full-time equivalent students enrolled as of October 1st.

12 NEW SECTION. **Sec. 6.** ADMINISTRATION FEE. (1) To pay for the
13 central administration expenses for oversight and administering
14 schools, the school district shall be paid an administration fee from
15 the individual school accounts. In the school year 2005-06 and each
16 school year thereafter, the school district shall be paid from the
17 individual school account three percent for school districts with over
18 fifteen thousand full-time equivalent students enrolled as of October
19 1st; three and one-half percent for school districts with under fifteen
20 thousand full-time equivalent students enrolled as of October 1st; and
21 four percent for school districts with under seven thousand full-time
22 equivalent students enrolled as of October 1st.

23 (2) All of the accounts payable from individual school accounts
24 shall be paid from the school district's account in accordance with
25 state laws and statutes. The school district's accounting costs shall
26 be included in the administration fee paid by each school starting in
27 the 2005-06 school year.

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

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

35 NEW SECTION. **Sec. 7.** STATE AUDITOR. (1) Within one hundred fifty
36 days after the effective date of this section, the state auditor's
37 office working with the office of the superintendent of public

1 instruction shall publish the current public school account expenses
2 and accounting codes. This publication shall define all other relevant
3 accounting information that the state auditor's office deems
4 appropriate. This publication shall be based on current state laws and
5 accounting practices. The state auditor shall be responsible to
6 standardize and/or clarify any discrepancies of the expense codes for
7 individual school's expenses and central administration expenses so
8 that all state school's accounting practices are the same. The state
9 auditor shall establish penalties and fines for schools and school
10 districts to impose after the school year 2006-07.

11 (2) Starting in the school year 2005-06, and each year thereafter,
12 the state auditor's office shall conduct random audits on a minimum of
13 five percent of the K-12 schools to ensure schools are meeting its
14 requirements. The audits for the school year 2005-06 shall be
15 assistance audits only. No penalties or fines shall be assessed.

16 NEW SECTION. **Sec. 8.** DEVELOPMENT OF SCHOOL BUDGETS. (1) Ninety
17 days after the effective date of this section, the board of directors
18 of each school district shall make available each school's yearly
19 budget, how they generate income for the district, and the general
20 district budget expenses.

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 2005 to develop the school
25 budget for the school year 2005-06.

26 NEW SECTION. **Sec. 9.** THE PRINCIPAL. (1) The principal shall
27 develop the final school budget for the school year 2005-06, and for
28 each school year thereafter.

29 (2) The principal shall hire all new school certificated teachers
30 and manage the operation of the school starting with the 2005-06 school
31 year, and for 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.

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.

8 (2) It is the spirit of this chapter that school boards of
9 directors will work directly, cooperatively, and in good faith with
10 their schools to eliminate barriers to learning and to assist schools
11 in seeking waivers that stand in the way of educating students.

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

15 (2) An individual school budget may be amended at any time at the
16 request of the principal and on the approval of the school board of
17 directors.

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

22 NEW SECTION. **Sec. 13.** CERTIFICATED TEACHERS. (1) Certificated
23 teachers shall provide input to their principal during the development
24 of their school's budget. Teachers teaching students who generate
25 additional categorical funds as provided in section 4 of this act shall
26 provide input on how these additional funds might be directed to meet
27 the learning needs of their students.

28 (2) Teachers who disagree with the final school budget developed by
29 the principal under section 9 of this act may seek nonbinding mediation
30 with the state board as provided in section 18 of this act.

31 NEW SECTION. **Sec. 14.** GRANTS AND MATCHES. A school shall not be
32 penalized in any way by the state or its school board of directors
33 because it has secured additional funding, in-kind matches, donated

1 services, or any type of additional benefits for its students, staff,
2 or parents.

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

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

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

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

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

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

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

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

31 (5) Within one hundred twenty days after the effective date of this
32 section, the department of general administration shall adopt
33 guidelines to assist school boards of directors and principals to
34 identify and prioritize maintenance and repair items in their
35 facilities.

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

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

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

21 (2) Starting in the school year 2004-05, each school district under
22 this chapter shall pay into the little red schoolhouse account seven
23 dollars per full-time equivalent student enrolled in its district as of
24 October 1st of each year. Payment shall be made by November 1, 2004.

25 (3) Starting in 2005-06, and each school year thereafter, each
26 public school under this chapter shall pay into this account fifteen
27 dollars per full-time equivalent student enrolled in its school on
28 October 1st of each year. Two payments shall be made, one half by
29 November 1st of that year, and the second half by April 1st of the next
30 year.

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

35 NEW SECTION. **Sec. 20.** PUBLIC SCHOOL ISSUES. One hundred fifty
36 days after the effective date of this section, the state board of
37 education shall set up guidelines to assure that the schools covered

1 under this chapter follow the state's laws providing access and equity
2 to all students, meeting gender issues, and that all public schools
3 remain nonsectarian. The guidelines shall be continually reviewed,
4 expanded, and modified.

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

14 NEW SECTION. **Sec. 22.** EXCESS SUPPLIES. Within one hundred twenty
15 days after the effective date of this section, the office of the
16 superintendent of public instruction shall provide guidelines for the
17 disposal of all excessive school supplies, books, and equipment. These
18 guidelines shall include a central site where all school districts
19 shall list their excessive supplies and equipment for a minimum of
20 sixty days before selling or disposing of them.

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

23 The basic education allocation for each annual average full time
24 equivalent student shall be determined in accordance with the following
25 procedures:

26 (1) The governor shall and the superintendent of public instruction
27 may recommend to the legislature a formula based on a ratio of students
28 to staff for the distribution of a basic education allocation for each
29 annual average full time equivalent student enrolled in a common
30 school. The distribution formula shall have the primary objective of
31 equalizing educational opportunities and shall provide appropriate
32 recognition of the following costs among the various districts within
33 the state:

- 34 (a) Certificated instructional staff and their related costs;
35 (b) ~~((Certificated administrative staff and their related costs;~~
36 ~~(e)))~~ Classified staff and their related costs;

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

2 ~~((e))~~ (d) Extraordinary costs of remote and necessary schools and
3 small high schools, including costs of additional certificated and
4 classified staff; and

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

7 (2)(a) This formula for distribution of basic education funds shall
8 be reviewed biennially by the superintendent and governor. The
9 recommended formula shall be subject to approval, amendment or
10 rejection by the legislature. The formula shall be for allocation
11 purposes only. ~~((While the legislature intends that the allocations
12 for additional instructional staff be used to increase the ratio of
13 such staff to students, nothing in this section shall require districts
14 to reduce the number of administrative staff below existing levels.))~~

15 (b) The formula adopted by the legislature shall reflect the
16 following ratios at a minimum: (i) Forty-nine certificated
17 instructional staff to one thousand annual average full time equivalent
18 students enrolled in grades kindergarten through three; (ii) forty-six
19 certificated instructional staff to one thousand annual average full
20 time equivalent students in grades four through twelve; and (iii)
21 ~~((four certificated administrative staff to one thousand annual average
22 full time equivalent students in grades kindergarten through twelve;
23 and (iv))~~) sixteen and sixty-seven one-hundredths classified personnel
24 to one thousand annual average full time equivalent students enrolled
25 in grades kindergarten through twelve.

26 (c) In the event the legislature rejects the distribution formula
27 recommended by the governor, without adopting a new distribution
28 formula, the distribution formula for the previous school year shall
29 remain in effect: PROVIDED, That the distribution formula developed
30 pursuant to this section shall be for state apportionment and
31 equalization purposes only and shall not be construed as mandating
32 specific operational functions of local school districts, except for
33 the reduction of central administration staff and expenses, other than
34 those program requirements identified in RCW 28A.150.220 and
35 28A.150.100. The enrollment of any district shall be the annual
36 average number of full time equivalent students and part time students
37 as provided in RCW 28A.150.350, enrolled on the first school day of
38 each month and shall exclude full time equivalent students with
39 disabilities recognized for the purposes of allocation of state funds

1 for programs under RCW 28A.155.010 through 28A.155.100. The definition
2 of full time equivalent student shall be determined by rules of the
3 superintendent of public instruction: PROVIDED, That the definition
4 shall be included as part of the superintendent's biennial budget
5 request: PROVIDED, FURTHER, That any revision of the present
6 definition shall not take effect until approved by the house
7 appropriations committee and the senate ways and means committee:
8 PROVIDED, FURTHER, That the office of financial management shall make
9 a monthly review of the superintendent's reported full time equivalent
10 students in the common schools in conjunction with RCW 43.62.050.

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

20 (b) Certificated administrative staff shall include all those
21 persons who are chief executive officers, chief administrative
22 officers, confidential employees, supervisors, principals, or assistant
23 principals within the meaning of RCW 41.59.020(4).

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

26 (1) The superintendent of public instruction shall establish
27 procedures to allow school districts and individual schools to claim
28 basic education allocation funds and all available local, state
29 categorical, and federal funds for students attending classes that are
30 provided outside the regular school year to the extent such attendance
31 is in lieu of attendance during the regular school year or during an
32 extended school day: PROVIDED, That nothing in this section shall be
33 construed to alter the basic education allocation for which the
34 district is otherwise eligible.

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

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

3 NEW SECTION. Sec. 25. CAPTIONS NOT LAW. Captions used in this
4 chapter do not constitute any part of the law.

5 NEW SECTION. Sec. 26. SEVERABILITY. If any provision of this act
6 or its application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. Sec. 27. Sections 1 through 22 and 25 of this act
10 constitute a new chapter in Title 28A RCW.

11 NEW SECTION. Sec. 28. Section 23 of this act takes effect August
12 1, 2005.

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