

INITIATIVE 924

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

AN ACT Relating to education; amending RCW 28A.505.100; adding a new section to chapter 28A.505 RCW; adding a new section to chapter 44.28 RCW; and creating new sections.

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

NEW SECTION. **Sec. 1.** The people believe classroom instructional expenditures should be the highest priority of the billions of taxpayers' dollars dedicated to K-12 public education every year. The people further believe that at least sixty-five percent of expenditures should be spent on classroom instruction. The people want to be more informed about school districts' expenditures so that they can hold legislators and school districts accountable. To that end, the intent of this act is to:

(1) Require each school district to spend at least sixty-five percent of its operational expenditures on classroom instruction;

(2) Standardize reporting of school district expenditures using a definition that can be compared to other districts and other states; and

(3) Require annual public reporting of each school district's classroom instructional expenditures and total district operating expenditures.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.505 RCW to read as follows:

(1) In school year 2007-08 and thereafter, each school district of the state shall spend from all revenue sources at least sixty-five percent of its operational expenditures on classroom instructional expenditures.

(2) Notwithstanding subsection (1) of this section, if in fiscal year 2006-2007, a school district spends less than sixty-five percent of its operational expenditures on classroom instructional expenditures, the school district shall increase its classroom instructional expenditures by at least two percent of its operational expenditures in each state fiscal year until its classroom instructional expenditures reach at least sixty-five percent of its operational expenditures.

(3) In a fiscal year in which a school district determines that it cannot meet the requirements of either subsection (1) or (2) of this section, the school district may request a renewable, one-year waiver of the requirements from the superintendent of public instruction. Within forty-five days after receipt of a request, the superintendent of public instruction shall either grant or deny the requested waiver.

(4) The definitions in this subsection apply throughout this section and RCW 28A.505.100 unless the context clearly requires otherwise in this section.

(a) "Classroom instructional expenditures" means operational expenditures directly instructing pupils in a teacher-pupil learning situation where the teacher is regularly in the presence of the pupils or in regular communication with pupils, such as with distance learning, in a systematic program designed to assist pupils in acquiring new or improved knowledge, skills, and understandings. "Classroom instructional expenditures" are expenditures for: Classroom teachers, teachers' aides, teachers of homebound, teachers of institutionalized, special education instruction, correspondence teachers, and others assigned to instruct pupils regularly in a teacher-learning situation; textbooks, computers, and other classroom learning resources; class activities such as field trips, athletics,

arts, music, and multidisciplinary learning; librarians and library resources, and tuition paid to out-of-state districts and private institutions for special needs students.

(b) "Operational expenditures" does not include capital expenditures for construction or principal or interest payments on debt.

(c) "Revenue sources" means school district operational revenue from all sources, including state, federal, local, and private revenue.

(5) The superintendent of each school district shall report annually to the school district board of directors and the superintendent of public instruction on the district's compliance with this section. The board shall annually conduct a public hearing on the compliance report, with notification of the hearing provided by mail to each household in the district. The notification shall be provided in a standardized format, as prescribed by the superintendent of public instruction, that summarizes the district's compliance with this section and provides a comparison with one or more comparable school districts of the state. The public hearing may be conducted in conjunction with the district's annual budget meeting under RCW 28A.505.050 or the public hearing on student achievement funds under RCW 28A.505.210.

(6) Beginning on December 1, 2008, the superintendent of public instruction shall provide an annual report to the office of financial management and the education and fiscal committees of the legislature detailing the implementation of this section. The information in this report shall include, but is not limited to: (a) The number of districts in compliance with subsection (1) of this section; and (b) the number of districts in compliance with subsection (2) of this section.

Sec. 3. RCW 28A.505.100 and 1990 c 33 s 420 are each amended to read as follows:

The budget shall set forth the estimated revenues for the ensuing fiscal year, the estimated revenues for the fiscal year current at the time of budget preparation, the actual revenues for the last completed fiscal year, and the reserved and unreserved fund balances for each year. The estimated revenues from all sources for the ensuing fiscal year shall not include any revenue not anticipated to be available during that fiscal year: PROVIDED, That school districts, pursuant to

RCW 28A.505.110 can be granted permission by the superintendent of public instruction to include as revenues in their budgets, receivables collectible in future fiscal years.

The budget shall set forth by detailed items or classes the estimated expenditures for the ensuing fiscal year, the estimated expenditures for the fiscal year current at the time of budget preparation, and the actual expenditures for the last completed fiscal year. The budget shall quantify the district's classroom instructional expenditures and compliance with section 2 of this act.

Total salary amounts, full-time equivalents, and the high, low, and average annual salaries, shall be displayed by job classification within each budget classification. If individual salaries within each job classification are not displayed, districts shall provide the individual salaries together with the title or position of the recipient and the total amounts of salary under each budget class upon request. Salary schedules shall be displayed. In districts where negotiations have not been completed, the district may budget the salaries at the current year's rate and restrict fund balance for the amount of anticipated increase in salaries, so long as an explanation shall be attached to the budget on such restriction of fund balance.

NEW SECTION. **Sec. 4.** A new section is added to chapter 44.28 RCW to read as follows:

By December 1, 2011, the joint legislative audit and review committee shall submit to the education and fiscal committees of the legislature a performance audit report under this chapter evaluating the implementation of section 2 of this act and providing information on the effect on educational outcomes.

NEW SECTION. **Sec. 5.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

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

NEW SECTION. **Sec. 7.** This act shall be known and may be cited as the First Class Education for Washington Act.

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