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School Finance Litigation: McCleary v. State of Washington

9-30-2009

Reporter's Verbatim Report of Proceedings, Wednesday, September 30, 2009, Volume XVII - Sessions 3 and 4 of 4 [Pages 3807-3916] 07-2-02323-2

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1	IN THE SUPERIOR COURT OF THE STA	TE OF WASHINGTON				
2	IN AND FOR KING COUNTY					
3						
4	MATHEW and STEPHANIE McCLEARY,)					
5	on their own behalf and on) behalf of KELSEY and CARTER))				
6	<pre>McCLEARY, their two children in) Washington's public schools;)</pre>) No. 84362-7)				
7	ROBERT and PATTY VENEMA, on their) own behalf and on behalf of HALIE)					
8	and ROBBIE VENEMA, their two) children in Washington's)					
9	public schools; and NETWORK) FOR EXCELLENCE IN WASHINGTON)					
10	SCHOOLS ("NEWS"), a state-wide) coalition of community groups,)					
11	<pre>public school districts, and) education organizations,)</pre>					
12) Petitioners,					
13) vs.)	No. 07-2-02323-2 SEA				
14) STATE OF WASHINGTON,					
15) Respondent.)					
16						
17	REPORTER'S VERBATIM REPORT OF	PROCEEDINGS				
18	000					
19	WEDNESDAY, SEPTEMBER 30, 2009					
20	VOLUME XVII - Sessions 3 and 4 of 4					
21	000					
22	Heard before the Honorable John P. Erlick, at King					
23	County Courthouse, 516 Third Avenue, Room W-1060,					
24	Seattle, Washington.					
25	000					

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21	CYNTHIA A. KENNEDY, RPR	
22	CSR No. 3005 Official Court Reporter	
23	King County Superior Court 516 Third Avenue, C912	
24	Seattle, Washington 98104	
25	(206) 296-9188	

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                APPEARANCES:
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 3
 4 THOMAS F. AHEARNE, CHRISTOPHER G. EMCH, and
   EDMUND W. ROBB, Attorneys at Law, appearing on behalf
 5 of the Petitioners;
 б
7 WILLIAM G. CLARK and CARRIE L. BASHAW, Assistant
   Attorney Generals, appearing on behalf of the
 8 Respondent.
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1 SEATTLE, WASHINGTON 2 WEDNESDAY, SEPTEMBER 30, 2009 3 AFTERNOON SESSION - 1:30 P.M. 4 --000--5 THE COURT: Good afternoon. Please be б seated. 7 And I believe we concluded with cross-8 examination just prior to our noon recess. 9 Mr. Ahearne, if you would like to proceed with 10 redirect --11 MR. AHEARNE: Thank you, Your Honor. 12 THE COURT: -- examination at this time. REDIRECT EXAMINATION 13 14 BY MR. AHEARNE: 15 Q. Good afternoon. I'd like to just run through several of the areas of questioning that Ms. Bashaw 16 17 went over with you. 18 First, if you could look at Exhibit 689, 19 please. If you can, please, look just right behind the 20 tab that says 689, so it would be the first page where 21 it says under Summary Washington State and then 22 Election Year 2008-2009. 23 Do you have that in front of you? 24 Α. Yes. 25 Q. And the state's attorney had asked you some

1 questions about the total revenue number that's on the 2 bottom right-hand side of that first page. 3 Do you see the total revenues, the \$9,344? 4 Where it's reported on a per-student basis? Α. 5 Correct. You see that? Q. б Α. Okay. Right. 7 Do you know where the state got those numbers Q. 8 from? 9 Α. No. 10 Do you know how the state did their Q. 11 breakdowns for state, federal, local, et cetera? 12 Α. No. 13 With respect to the state figure, do you know Q. 14 if that is just the Basic Education Program funding 15 formula amount or all state money? 16 I don't know that. Α. 17 Q. If I can ask you to turn to the second page 18 under Total Expenditures where it lists the \$9,267. 19 Do you see that? 20 Α. Right. 21 Q. Do you know where the state got those numbers 22 from? 23 Not exactly. Α. Do you know how they did the breakdowns that 24 Q. 25 are shown there?

1 No. This isn't a document that we produce or Α. that I interact with much. It's just available on the 2 3 districts to put these displays together. 4 Okay. And Ms. Bashaw asked you some Q. questions about the general gist of them was that 5 б Edmonds School District does better on WASL achievement 7 than the statewide average, correct? 8 Α. Correct. 9 Q. And at least, according to the numbers that she went through, the Edmonds School District spends 10 less than the statewide average per student, correct? 11 12 Α. Right. 13 Q. Does that mean that resources don't matter? 14 Α. No. 15 Q. Why? 16 Could you restate the question or --Α. 17 Q. If you spend less than the statewide average 18 and you get better than statewide achievement on the 19 WASL, doesn't that show that the amount of resources 20 you have doesn't affect achievement? 21 Α. I don't think that that shows that. It might 22 show that we make a better-than-average use of the 23 resources we have, but it's still way short of what we 24 need to educate all students to the standards for the 25 state.

Q. Okay. If I can ask you to turn to tab six,
 2 please.

3 Ms. Bashaw asked you some questions about the page that's several pages in that deals with the 10th 4 5 grade students, the American Indian classification. б Α. I'm not finding that page. So it's in front of tab --7 It's after tab six and then there's the two 8 Ο. 9 cover pages and then the 10th grade all students, 10th grade White students, 10th grade -- what the state 10 11 calls, Hispanic students, 10th grade Black students, 12 then 10th grade American Indian. 13 Are you with me? 14 Yes, American Indian. Α. 15 Q. And she noted that you have a 96 percent of 16 your, for example, American Indian students pass the 17 10th grade reading WASL, correct? 18 Α. Right. And that's of the approximately 30 students 19 Ο. 20 you have in your school district of over 20,000 kids, 21 right? 22 Right. Α. 23 Does that success rate with the 30 kids show Ο. 24 that resources don't matter? 25 Α. No.

1

Q. What does it show?

2 A. That that particular group of students was3 able to meet or exceed standard.

Q. And Ms. Bashaw asked you some questions about
following up on your analogy with the at-risk or
low-income kids being like the horse that can't drink
because it's mouth is wired shut.

8 Do you remember that?

9 A. Right.

10 Q. In your professional experience, can you
11 identify those at-risk kids, who they are?

A. We know, based on their performance or lack
of performance, which students are struggling learners,
yes.

15 Q. And, based on your professional experience, 16 do you know how to overcome the challenges of teaching 17 those kids?

18 A. We know how to focus instructional support on
19 those students to help them meet or exceed standard.
20 We don't have the resources to do that.

Q. When you say standards, do you mean the state's academic standards in House Bill 1209, those four numbered paragraphs in the Essential Academic Learning Requirements?

25 A. Yes.

Q. Ms. Bashaw asked you some questions about
 people who now need to be locked up and given social
 services.

4 Do you recall those, generally?

5 A. Generally, yes.

Q. To the best of your knowledge, is lockingpeople up or providing social services a paramount dutyof the state?

9 A. To my knowledge, the use of the word10 paramount is only in our Constitution related to public11 education.

12 Q. Okay. Ms. Bashaw had asked you some13 questions about the closing of two elementary schools.

14 Do you recall those?

15 A. I do.

Q. You mentioned that you had some empty classrooms at the elementary schools. You closed those two and moved the kids to empty classrooms in the other elementary schools, correct?

A. Well, the capacity existed in elementary schools near the smaller schools. Had that capacity existed across the district, it wouldn't have worked. So we just had some space in the schools that were adjacent to two small elementary schools, and they're small enough that we're able to absorb the students into the populations of those schools that were nearby,
 but now those schools are full.

3 Now, why does it matter that they have to be Q. nearby? As long as you've got an empty classroom in 4 the district, can't you just reshuffle kids --5 б Α. Yeah, we wish --7 Q. -- around? It would be nice if we could put wheels on 8 Α. 9 our buildings and move them around. It doesn't work that way, because if you try to take students from one 10 11 part of the district and bus them all the way across 12 the district, besides the time on the bus, you have a 13 big cost issue. 14 So if you're trying to save dollars in the 15 General Fund, you have to be pretty strategic about if 16 you can and where you can make those changes. And we 17 actually just made it work. 18 We have another small school we analyzed. We don't believe we could close it because of the 19 20 logistics of that change. 21 Q. Okay. Ms. Bashaw asked you some questions 22 about the new high school and the leasing arrangement

23 with the old property.

24 Do you recall that generally?

25 A. Right.

1 Q. If I understand it correctly -- a few 2 questions. 3 Edmonds School District built a new high school on a 40-acre parcel that the school district 4 already owned, correct? 5 б Α. That's correct. 7 Q. And the matching -- state matching program or 8 so-called matching program that we talked about, does 9 that provide money to buy the site to build buildings 10 on? 11 Not to my knowledge. Α. 12 Q. Okay. So this new site was already owned by 13 the school district, right? 14 Α. Yes, before I got there -- long before I got 15 there. And then there was the old site, which the 16 Q. 17 school district doesn't need anymore, correct, for the 18 high school? Not as a school, right. 19 Α. 20 Okay. And that property down there, do you Q. 21 know if there was any state money at all that was used to buy that property? 22 23 I don't know. I have no idea. Α. 24 Q. Long before you got there? 25 Α. Right.

Q. Okay. And once you no longer needed it for
 the high school, you could either sell that property,
 right?

4 A. Right.

5 Q. And then that cash would go to the school6 district, correct?

A. It would -- any sale of any real property
8 would go into the Capital Projects budget. But, yes,
9 to the district.

10 Q. And the other option was to do this long-term 11 lease arrangement and that cash would go to the school 12 district.

13 A. Again, in the Capital Projects Fund.

14 Q. And why Edmonds choose the long-term lease as 15 opposed to just selling the asset?

We actually think in terms of being stewards 16 Α. 17 of public resources. By leasing that property, it 18 allows that revenue stream to continue back into the 19 school district. When that lease ends, the district 20 has the option of leasing it again or selling it. But just the concept of a source of additional revenue to 21 offset the cost of taxpayers for school construction 22 23 and bonding types of projects.

Q. And was this similar type of analysis gonethrough with the bus barn example that Ms. Bashaw

1 brought up?

2 A. Yeah. We're trying to relocate the bus barn 3 and we have about a nine-acre site that, when the 4 economy improves, we'll market to lease it for the same 5 general purposes.

б But also related, we have some really small sites that don't have the economic value of being 7 leased. There isn't a market for those, and so there 8 are some smaller parcels that have been available for 9 10 sale, which, again, we're trying to generate -- cobble 11 together the resources to do more capital projects work 12 by using the resources we have instead of just asking for additional dollars from our taxpayers. 13

14 Q. Okay. If I can ask you to look at 382 and 15 380, please. Those are the two F-196's Ms. Bashaw had 16 asked you about.

17 A. 382?

18 Q. Starting with 382, yes.

19 Do you have that in front of you?

20 A. That's '06-'07?

Q. Yes. I'm just going to ask you questions onthe specific pages that she asked you questions about.

23 She asked you a question on the cover of the 24 2006-2007, correct, about the General Fund balance? Do 25 you remember that? 1 A. Okay.

2 And it shows there that there's a -- she Q. 3 emphasized that there was a 9.6 ending fund balance in 4 that year, correct? 5 Α. Correct. б You began that year, though, with a 12.9 Q. ending fund balance, correct? 7 8 Α. Right. 9 Q. So that in that one year that she pointed out, your ending fund balance, at least in the General 10 11 Fund, decreased by over \$3 million, correct? 12 Α. Correct. 13 Q. Why did you decrease your ending fund 14 balance? 15 We had to use some fund balance to address Α. the operational costs of the district. 16 17 Q. Okay. The next Exhibit 3 -- or, actually, it's two prior -- Exhibit 380, is that the F-196 for 18 the '07-'08 school year? 19 20 Α. It's in front of the tab 380 or behind it? 21 Q. Behind it. 22 There's nothing in the book behind 380. Α. 23 Ο. There should be. 24 Α. There's 380. 25 Q. You were asked questions about it this

1 morning. Oh, it's in there in front of the tab for 2 some reason. 3 Α. In front of the tab. Okay. 4 All right. Is that the F-196 for the '07-'08 Q. 5 school year? б Α. Correct. 7 Q. And she asked you some questions about the General Fund -- fund balance that started with that 8 9 \$9.6 million amount, correct? 10 Α. Correct. And then that year, it went down to 6.1 11 Ο. 12 million, correct? 13 Α. Right. 14 Q. So that year your ending fund balance 15 decreased by another 3.5 million, correct? 16 Α. Correct. 17 Q. Why? 18 Α. Same answer as the last question. 19 We've had to use some of our fund balance to 20 operate -- to address operational costs. And Ms. Bashaw asked you -- you've never had 21 Q. a negative ending fund balance while you've been at 22 23 Edmonds School District, correct? 24 Α. That's correct. 25 What happens if your ending fund balance is Q.

1 negative?

2 A. You become insolvent. 3 Q. So, in essence -- you've never gone insolvent 4 yet, correct? 5 Α. Correct. б Q. Are you aware of any examples of any school 7 districts that have gone insolvent? 8 MS. BASHAW: Objection. Lack of foundation 9 and would call for hearsay. 10 THE COURT: It calls for a yes or no answer. 11 Overruled. 12 THE WITNESS: Restate the question. 13 BY MR. AHEARNE: 14 Q. Yes or no, are you aware of any school 15 districts -- an example of any school districts that 16 have gone insolvent? 17 Α. Yes. 18 Q. And how do you know that without saying the 19 name of -- or names of those school districts? 20 Α. I was in the Edmonds School District when a 21 school district very nearby had this problem. 22 Q. Could you name the name of that school 23 district? A. I could. 24

25 Q. Okay. I will ask you what is the name of

1 that school district.

2 MS. BASHAW: Well, again, whatever it is he 3 knows, there's been no foundation laid that he would know whatever it is he knows other than through 4 hearsay, and so I would object. 5 б THE COURT: Mr. Ahearne, what would your hearsay exception be? If it's being offered for the 7 truth of the matter asserted, which I assume it is. 8 9 MR. AHEARNE: Well, actually, I was going to offer it for the truth of the matter asserted because, 10 as the Superintendent of one school district, you 11 12 become aware of what's happening to your neighboring 13 school districts. 14 THE COURT: But you become aware by someone 15 else telling you that. I mean, you don't have personal 16 knowledge that that school district has gone 17 insolvent. You become aware of that because a third 18 party has told you that, which is the definition of

19 hearsay.

20 BY MR. AHEARNE:

21 Q. Okay. Other than somebody telling you that 22 one of your neighboring school districts has gone 23 insolvent, do you have any other source of that 24 information --

25 A. Like the fact that it was in the newspapers

1 and on TV and --

2 MR. AHEARNE: I'm assuming that that would 3 draw a similar hearsay objection?

4 MS. BASHAW: It would.

5 BY MR. AHEARNE:

6 Q. Were you at the school board meeting at the 7 neighboring school district when it was determined that 8 it was insolvent?

9 A. No.

Q. Other than what you become generally aware of in your role as Superintendent of Edmonds School District, other than what people have told you, have you read any reports or any documents, other than the newspaper, that you routinely rely upon that relate to the solvency status of your neighboring school district?

A. I'm not aware of having read anything to thatextent.

19 Q. Very well. I will ask --

20 THE COURT: Let me just ask this.

21 Isn't this already in evidence?

22 MR. AHEARNE: Well, this is yet a different23 school district.

24 THE COURT: Oh, it's a different school25 district.

1 MR. AHEARNE: Yet another one, Your Honor --2 THE COURT: Okay. 3 MR. AHEARNE: -- which is why I understand 4 the reason for wanting to keep it out. 5 THE COURT: All right. Okay. б MR. AHEARNE: I will ask -- I'll draw the 7 objection that I'm going to get --BY MR. AHEARNE: 8 9 Q. Could you name what that school district is? 10 MS. BASHAW: Objection, Your Honor. 11 THE COURT: Sustained. 12 MR. AHEARNE: Okay. 13 BY MR. AHEARNE: 14 Q. If I can ask you to turn to Exhibit 1041, 15 please. And it's Bates numbered page, in the upper right-hand corner, 115. It's the extra duty salary 16 17 schedules that Ms. Bashaw had asked you about. 18 Α. Okay. 19 And are these the types of extra duties for Ο. 20 the co-curricular activities that you testified, in the first day of your deposition, about? 21 22 Α. Correct. 23 Okay. And if I can ask you to turn to Ο. 24 Exhibit 1042, which would be the next exhibit. Page 25 Bates 3 in the upper right-hand corner.

1

Do you see that?

2 A. When you say Bates, what does that mean?

3 Q. It's the RTrEx1042.00003.

A. Okay. So in the Trust Agreement, it's Trust
5 Agreement page two but --

6 Q. Correct.

7 A. Okay. Gotcha.

8 Q. And Ms. Bashaw had asked you some questions9 about Section B on that page.

10 Section C then goes on to state, "Solvency, 11 the resources currently available to educate children 12 in the public schools do not allow all expectations to 13 be met with sufficient resources, proven methods exist, 14 to educate children to their full potential. Despite 15 these challenges, we jointly accept the responsibility 16 of doing our best with the resources currently 17 available."

18 Do you see that?

19 A. Yes.

20 Q. The statement that, "The resources currently 21 available to educate children in public schools do not 22 allow all expectations to be met."

23 To the best of your knowledge, is that true?24 A. Oh, yes, that's true.

25 Q. And by expectations, do you mean the state

1 academic standards?

2 A. Yeah, correct.

3 Q. The statement that, "With sufficient resources, proven methods exist to educate children to 4 5 their full potential," do you see that statement? б Α. Yes. 7 Q. To the best of your knowledge, is that true? 8 Α. Yes. 9 Q. It goes on to say, "Doing our best with the resources currently available." 10 11 To the best of your knowledge, is the Edmonds 12 School District doing its best with the resources that 13 are currently available? 14 Α. Yes. 15 Ο. Does the state provide the Edmonds School District the resources it needs to provide all children 16 17 residing within the district an effective or realistic 18 opportunity to learn the knowledge and skills in the 19 state standards? 20 Α. No. 21 Q. Does Edmonds have the resources necessary to 22 provide all children residing within the district a 23 realistic or effective opportunity to learn the 24 knowledge and skills in the state standard? 25 Not all students. Α.

1 Q. If I can ask you to turn to Exhibits 91 and 2 92, please. 3 On Exhibit 91, Ms. Bashaw had asked you some 4 questions about the second-to-last page that says, 5 Classroom Teachers at the top right-hand side. б Α. Where it says 1,163. 7 Q. Second-to-last page on Exhibit 91 which should be 1,229. 8 9 Α. Right. There's two -- there's two sections 10 in there. Right. But I'm just looking -- so you're on 11 ο. 12 the page that says Classroom Teachers 1,229? 13 Α. Correct. 14 Q. And under that it says Students Per Teacher 15 17.5? 16 Α. Right. 17 Q. Do you know what is meant on this document by 18 "Classroom Teacher"? 19 I don't know what all is included in that Α. 20 category. 21 Q. Do you know who did the categorization for 22 this document? 23 I'm assuming the state, since it's a state Α. 24 display. 25 Okay. Then when it says Students Per Teacher Q.

1 17.5, do you see that?

2 A. Right.

3 Q. Is that the class size?

4 A. No.

5 Q. Is that because of the difference between 6 class size and pupil teacher ratio that we've talked 7 about earlier?

8 A. I'd have to speculate, but I don't know 9 what -- I don't know what is in the formula where it 10 says Students Per Teacher. I don't know if that's 11 certificated staff unit or that issue we talked about 12 earlier.

13 Q. Okay. Exhibit 92, Ms. Bashaw asked you some 14 questions about this Form 1497.

15 Do you recall that generally?

16 A. Yes.

17 Q. If I could ask you to turn to what's Bates18 numbered at the bottom, last four digits 1043.

19 Do you see that?

20 A. Hold on. With -- where I dated it -- signed

21 and dated it October 25th, '07?

22 Q. Yes, sir.

23 A. Okay.

Q. And this is one of the pages Ms. Bashaw askedyou about, and that's your signature there, correct?

1 A. Yes.

Q. And when it says under the certification compliance, "We hereby certify that the Board of Directors has been apprised and that the Edmonds School District meets all the requirements relating to the minimum requirements of state Basic Education Programs" do you see that?

8 A. Yes.

9 Q. What does that mean to you?

10 A. You know, it seems like it's a point -- or11 the point of dispute in this whole case.

12 All this -- all this form certifies is that we've complied with the program definitions, like where 13 it says number of school days, the ratios, program 14 15 hours. It would be, like, handing me a carton and having me verify that there's 12 eggs in a dozen. It's 16 17 like a compliance with a criteria, and we're certifying 18 that we meet those program criteria, but it doesn't address our costs to provide basic education for all 19 20 students.

Q. If I could ask you to turn to the last
exhibit, please, Ms. Bashaw was asking you about, which
is Exhibit 1062.

24 MR. AHEARNE: And, Your Honor, before we get 25 into that, I've looked at the -- over the lunch break,

1 scanned through the additional pages and would not have an objection to substituting the -- and I'm basing this 2 3 on -- I'm assuming when counsel said that that page 59 $\,$ is the last page, it really is the last page. 4 5 MS. BASHAW: That's what I was able to 6 determine. 7 MR. AHEARNE: Okay. So, you know, based on 8 that, we have no objection to substituting the 49-page 9 Exhibit 1062 for the 59-page exhibit that the state 10 provided. 11 THE COURT: All right. 1062, which was 12 previously conditionally admitted is now admitted. EXHIBIT ADMITTED 13 14 MR. AHEARNE: And, just quickly, Your Honor, 15 how do we -- you have a copy. The state has a copy. THE COURT: I have a copy and the clerk will 16 17 take care of the official court copy. MR. AHEARNE: Okay. 18 19 THE COURT: So if you'll give the substituted 20 copy to the clerk, if she doesn't already have it, 21 she'll arrange for that to be substituted. 22 We don't need to do that at this point. 23 We could do it during the recess. 24 MR. AHEARNE: Okay. 25 BY MR. AHEARNE:

Q. So if I can ask you to look at what's now the substituted Exhibit 1062, just so the witness knows, it's in the binder clip, it's the black and white copy --

5 A. Okay.

6 Q. -- that Ms. Bashaw handed you this morning.7 A. Okay.

8 Q. And I have questions on just three of the9 pages that she asked you about.

First, if I could ask you to turn to what's page number two of the actual document, Arabic just 2 in the bottom right-hand corner, or at the top it says About the Audit, and then the middle says Audit Results.

Do you have that page in front of you? A. My page two says Scope and Limitations. Q. Okay. It's in -- I note that there are two page two's. Actually, the third page of the document with a big 2 as opposed to, later on, where it's got little numbers.

Just so the record's clear, this document has some pages in the latter part that, literally, in the bottom right-hand corner are page dash and then a numeral, and then the first part of this document, it's just the numeral without that word page.

1 So I'm looking at, in this exhibit, the third piece of paper in, the bottom right-hand corner, it 2 3 simply has an Arabic 2. 4 It says About the Audit and Audit Results? Α. 5 Yes. We're all on the same page. Ο. б Α. Okay. 7 And under the automatic -- Automated Bus Q. Routing that Ms. Bashaw had asked you a question about 8 9 that recommendation by the audit, correct? 10 Α. Correct. And then it says, on the right-hand side, 11 Ο. 12 Cost Savings by District, estimates that Edmonds would 13 save 395,000 a year and over a five-year period, 1.9 14 million. 15 Do you see that? 16 Α. Right. 17 Q. As the Superintendent of the Edmonds School 18 District, do you believe that those savings could be 19 achieved by the recommendations by the Cotton & Company 20 that did this audit? 21 Α. Not in serving the needs of Special Education 22 students. 23 What do you mean by that? Ο. 24 Α. Well, as I shared earlier, the positioning of 25 the programs is looking at the whole district, and

students don't always live next to the program that 1 they need -- Special Education students. So we 2 3 transport Special Education students from where they live, which we don't control, to the best positioning 4 5 of a Special Ed program within our system. б And a computer software that would look at, 7 for efficiencies and routing, doesn't take into account 8 the program needs of the student. So, if you 9 disregarded the student and you just sorted them based on geography, you might see that kind of a difference, 10 11 but you can't do that and meet the program needs that 12 the students have. You have to put the Special Ed 13 students in the school where you have a program that 14 meets their needs. 15 Ο. Okay. Moving on to page 33. And this time it's the word Page-33 in the bottom right-hand corner. 16 17 Cotton & Company LLP in the left-hand side and then the 18 right-hand side Page-33.

19 Are you there?

20 A. Okay.

21 Q. This is the page about the use of purchasing 22 cards?

A. Right.

Q. And there's a chart there or a table thatshows, we respect to Edmonds, it estimates that the

1 annual savings would be \$658,000 and a five-year

2 savings of 3.23 million.

3 Do you see that?

4 A. Yes.

Q. As the Superintendent of the Edmonds School
District, do you recall if those savings could be
achieved with this purchasing card suggestion?

8 A. No.

9 Q. Why not?

10 A. Well, this one really -- really irritated 11 me. When we met with the auditors team and we asked 12 them, and we learned from them how they came up with 13 these projections, they're not plausible in our school 14 system.

For those that don't understand, the idea of a procurement card or a purchasing card is intended to replace a purchase order process. So it's like a credit card where you get credit or points for it. And the company that manages that must do something with the money, but, essentially, they give you a rebate on the use of the procurement card.

And the performance audit folks were suggesting that, well, if you maximize the use of procurement cards, you get a bigger rebate on using those cards, which we are seeking to do, but we're 1 talking a few thousand dollars' difference in that
2 respect.

3 The assumption built into these numbers, 4 which we learned from meeting with them and asking them directly how did you come up with these projections, 5 they're assuming that we could then lay off every б office manager in every school to generate that kind of 7 savings. And we learned that they got this from an 8 assumption they made about how another district could 9 reduce that degree of staffing. Our office managers do 10 a ton of work in schools. They don't just process 11 12 purchase orders.

13 So what irritates me about it is we 14 confronted them to say, this is very misleading and 15 very deceptive to suggest these kind of savings are 16 available and asked them to either qualify the number 17 or modify how they put that out.

In our best assessment, maximizing the use of procurement cards, you might be able to save 50 or \$60,000 per year total in that process.

21 Let's see. What else was related to that? I
22 think that was it.

Q. Okay. The last page that I want to ask you
about that Ms. Bashaw had asked you about is page 52.
At the bottom it says Cotton & Company LLP and then

1 Page-52.

2 Do you see that?

3 A. Oh, I remembered what it was I was trying to4 remember.

5 Q. Oh. Was there something else with respect to 6 these purchasing cards that --

7 Yeah. Because I making it was really Α. 8 ironic. At exactly the same time we're meeting with 9 the Performance Audit Team to go over this recommendation -- I get federal publications on various 10 11 topics -- there was a warning issued by our -- the GAO 12 Office about using procurement cards because of the concern about making it too easy to use public funds 13 14 and less accountability, which, to me, I thought was 15 ironic, because we have a real concern about our 16 fiduciary responsibility to manage public funds, and 17 this idea that just handing out procurement cards, 18 which would get these rebates, to us, was, at some 19 point, borderline irresponsible to just give everybody 20 that ability.

21 So, we had some management concerns about the 22 use of procurement cards as well as a false assumption, 23 a false reporting of what would be possible if we did 24 these.

25 Q. Okay. Does Edmonds currently use procurement

1 cards?

2 A. We do.

3 Q. And do you use them to the full extent that 4 you're comfortable with your ability to safeguard the 5 proper use of them?

6 A. Right. And I want to say in answering that 7 question, we welcome input. We welcome suggestions 8 from the performance audit. We would welcome input 9 from anybody who had a suggestion as to how we could 10 better use public resources.

11 So even in that process of the performance 12 audit, we've looked at, we've tried to research and 13 explore any suggestions that were given, including 14 procurement cards, and if we could work smarter with 15 the resources we have, we try to do that.

Again, my irritation is this presentation as though, if you just did such and such, you could save all this money, and it's not accurate, it's not correct, and it's very misleading.

It makes the public who looks at that say, well, if you only did such and such, you could save these millions of dollars, and it's not true.

23 Q. Okay.

A. And this is -- we report on this, by the way,so I don't know if it's part of this document, but

there is -- there is a record available of our response on an annual basis to the performance audit, what things we've done, what things we couldn't do and why. And I don't know if it's part of this document or not. Q. Okay. The last -- going back to the page that I was asking about.

7 The first one that says Cotton & Company LLP8 at the bottom, do you know who that is?

9 A. That was the firm that was hired by the --10 our State Auditor's Office to perform the performance 11 audit.

12 Q. Is that based in Olympia?

No. They're -- I don't know the exact 13 Α. location of the official company. But the folks that 14 15 came in to do the performance audit seemed to be a collection of people from Texas and Florida and various 16 17 places. Again, as I shared earlier, I had to spend 18 some time actually in conversation with them explaining to them how the State of Washington funds its schools 19 20 and what some of the variables are that we have.

They didn't seem to fully understand some of the basics about funding in the State of Washington. Q. Okay. So going to Page-52 at the top it says

24 Internal auditor function, do you see that?

25 A. Right.

1 Q. Ms. Bashaw had asked you some questions about 2 that. Correct?

3 A. Correct.

Q. And this -- the Cotton & Company report
suggests that you could save money by using an internal
auditor function.

7 My question is, as the Superintendent of the 8 Edmonds School District, do you believe you could save 9 money by hiring an internal auditor?

10 A. As we evaluate this particular 11 recommendation, first of all, the position would be a 12 new position. The salary and benefits are not provided 13 by the state. And, in our analysis of this, we don't 14 believe we could even save the amount of the salary and 15 benefits for the position if we were to have it.

16 This was a recommendation that they made for 17 all the districts, all 10, and they referenced a 18 position in the Tacoma School District to say it was 19 similar to or akin to this -- this idea that an 20 independent auditor could save all these dollars.

And as we researched it and we looked at what that position had achieved within the Tacoma School District, we were of the opinion -- or are of the opinion that it doesn't pay for itself. What's alleged as savings doesn't cover this cost of the position

1 itself, so we've not moved forward with that 2 recommendation. 3 MR. AHEARNE: Okay. Thank you. That's all I 4 have. 5 THE COURT: Ms. Bashaw, any recross? б MS. BASHAW: No recross, Your Honor. 7 EXAMINATION 8 BY THE COURT: 9 Q. Dr. Brossoit, before you leave the stand, I 10 do have some questions for you. 11 A. Okay. 12 Q. Why don't we just go backwards here. 13 On the, I think, the F-196, as I recall, 14 Exhibit 92, do you have that? 15 MS. BASHAW: 382 for the F-196. 16 BY THE COURT: Q. Oh, I'm sorry. This is the 1497. Form 1497. 17 18 Α. Well, counsel moved the books. They're all 19 white to me. 20 Q. Okay. You're looking for Volume 10, and it's 21 a white binder. 22 MR. AHEARNE: Which Exhibit, Your Honor? 23 THE COURT: It's 92. 24 THE WITNESS: I'm looking at -- behind tab 25 92?

1 BY THE COURT:

2 Q. Behind tab 92, please.

3 A. All right.

4 Q. And if you look at Bates, which is the number 5 on the bottom where it says Edmonds -- look at 1042 or 6 1043.

7 A. Okay. Yes.

8 Q. There's a 175-day waiver.

9 A. Right.

10 Q. Can you explain to me why there's a 175-day 11 waiver?

Yes. Our school district applied for and 12 Α. 13 received a waiver from the State Board of Education to 14 take the resources for those five days and to not bring 15 students to school but rather have those be nonstudent days, but to use those resources so provide 16 17 professional development for our teachers. 18 Q. So you use the resources that would otherwise 19 be used for teaching for professional development. 20 Α. To improve the quality of our teachers for 21 professional development. 22 And do you think that that has any impact at Q. 23 all on student achievement?

24 A. Yes.

25 Q. And what's your opinion?

1 A. Well, professional development of our staff 2 is critical. The cost to our school district to 3 provide for one day of training for all certificated 4 teachers is just under \$400,000. So, five days for us 5 to provide that out of our local resources would be 6 nearly impossible.

So by offering less student days and using
those waiver days to provide the professional
development, we're able to do real in depth
professional development improving the quality of our
teachers. So the 175 days the students are there, they
get a better instruction because our teachers are more
trained in that respect.

14 Q. Are the students getting any less hourly 15 teaching over those 175 days than they would otherwise 16 if they were receiving 180 days?

A. If you take the question literally in our
school district, the answer is yes, because there would
be five days of less instruction.

20 An interesting part of the question is the 21 length of our instructional time compared to another 22 district in 175 days, comparable or not, that's where 23 it all fits in to the program and it even exceeds the 24 minimum program hours in districts. In fact, we have 25 some schools within our system who might offer a few more hours than others just based on how they do their
 schedules.

3 So, we look at other factors in building the 4 actual time schedule. Our belief -- it's a hard 5 choice. Our belief is that we have to be able to 6 provide the professional development for our staff, 7 and, because it's so expensive and we don't have 8 another source of resources to do that, this is the 9 vehicle we've chose to do it for.

10 Some school districts do a late arrival once 11 a week or an early dismissal. There's different ways 12 districts try to provide that time, which also affects 13 program time. We've just chose to do it through this 14 vehicle.

15 Q. And does Edmonds School District have a 16 uniform credit hour, or does it use the state's 19 17 hours at this time?

18 A. For graduation purposes?

19 Q. For graduation purposes.

20 A. We have a local district requirement of 22 21 credits, which is more than the state minimum of 19 but 22 less than the CORE 24.

Q. Ms. Bashaw referenced, if I understand this,
certificated employee ratio statewide of an allocation
49 per 1,000.

What is your understanding of what a
 certificated employee is? Is that -- I'm trying to get
 a handle on it.

4 That's broader than just teachers in the
5 classroom, isn't it?
6 A. Certificated staff, there's -- generally
7 speaking, there are classified and certificated staff.
8 So teachers, librarians, counselors, principals, those

10 And classified would be positions that don't require a 11 certificate in the State of Washington to serve in 12 those rolls. And I don't know why Washington does it 13 because it is so confusing.

are, for the most part, all certificated positions.

9

But the formula that's used to allocate resources to school districts, for whatever reason, our state call those certificated staffing units. And there's a formula. And that formula, which is the 49 per 1,000 is what, at times, is used in some -- in some legislative cycles what the state uses to allocate resources to schools.

And that's just a mathematical allocation model. It doesn't equate -- it doesn't equate to that many teachers, class sizes of that number. It's a real confusing element, and I don't know why it's set up that way. Q. But, is it your understanding the 49 includes
 2 librarians and counselors?

A. It's just an allocation model the state uses. The state has never really defined what all is to happen within that. That's part of the problem that we have right now, and that's actually something that has been talked about trying to clarify that, what is included in that number.

9 So that's part of our problem, is the state 10 just uses a formula to allocate resources. This is one 11 of those formulas, and then we take it locally and try 12 to make sense out of it and pay for the positions we 13 need to do the work.

14 But the language the state uses in describing 15 the formula and the way it lays it out there doesn't match the reality of what districts have to do with it 16 17 or how they use it, and it confuses the heck out of the 18 lay person who looks at it and tries to equate the class size for their family or their student versus the 19 20 certificated staffing unit that you would think should 21 match or correlate and it doesn't.

22 Q. Exhibit 689, Dr. Brossoit.

23 THE COURT: It is Volume 48? Thank you,24 Mr. Ahearne.

25 Q. Just for completeness of the record, if you

look again at the material before tab one, which is the
 statewide materials.

3 A. Okay.

Q. There was some questioning about total
revenues and total expenditures, and I believe your
testimony was, for the relevant year under the
financial data, Edmonds expended, on a per-student
basis, less than the statewide average was, I believe,
your testimony.

10 So if we look and compare the statewide with 11 tab six -- the first and second page of tab six, I 12 believe that was your testimony.

13 A. Right. Based on what appears to be a state 14 number compared to a district number, not knowing how 15 they drove out the numbers. But assuming it's an 16 apple-to-apple comparison, it does appear that Edmonds 17 spent less per student than the state average.

18 Q. Okay. And if you look at those same numbers 19 under the teaching breakdowns, what is the state number 20 for '07-'08?

21 A. Where it says Classroom Teachers?

22 Q. No. I'm looking at Total Expenditures.

23 A. I'm not seeing what you're looking at.

24 Q. Okay. The second page is the report card.

25 A. Oh, okay. Okay.

- 1 Q. Okay? If you go to Total Expenditures.
- 2 A. All right.
- 3 Q. The penultimate line Teaching.
- 4 A. Right.
- 5 Q. What is it?
- 6 A. 6,415.

Q. All right. And would you do the same8 exercise for Edmonds for the same year.

9 A. 6,513.

10 Q. Okay. Is Edmonds spending more on teaching 11 than state average?

12 A. Again, not knowing how it was determined to 13 put what in each category, and assuming that how it was 14 done for our district matches what was done on the 15 average for the district, it would appear that Edmonds 16 was spending more money on teaching than the average of 17 the state.

18 Q. Thank you.

You gave an example of bringing certain
 students up to standard. And these were students who,
 apparently, had not initially passed the WASL.

22 You put them into, what appears to be, a
23 smaller class of 18 to 19 students?

A. (Witness nods head.)

25 Q. And you provided, what I took my notes as, a

1 concentrated effort.

2 A. Uh-huh.

3 Q. You stated that 95 percent either passed or4 exceeded the standards.

5 A. Yes.

Q. When you said standards, are you referring to
WASL or are you referring to Collection of Evidence, or
a combination of the two?

9 A. Great question.

Just to reframe what we did, we have students -- we had students who didn't meet standard as evidenced by the WASL. So what do we do? We want to help these kids.

At one point, the state had something called the Collection of Evidence. That's where that language comes from. And it was an alternate way to show that you could meet or exceed standard. But, really, taking kids who didn't pass the WASL, and just testing them again, you get the same route. You've got to do something different with the kids.

21 So, we did this really focused effort, which 22 came at a cost, because we took that staff out of the 23 system, which is one of those plates that was left with 24 less staff to it, but we just wanted to see what would 25 happen. 1 So we took about 18 students who didn't pass 2 the WASL, put them into -- you know in their schedule 3 where they get an elective, we put them into a class 4 with a teacher who just focused like a laser beam with 5 those kids on their knowledge and skill deficiencies. 6 In this case, it was math.

7 And of that group, in just one semester, not 8 a whole year, just one semester, through the Collection 9 of Evidence approach, they were able to demonstrate 10 that they met or exceeded standard, as adjudicated by 11 the state, because you have to take their work, it has 12 to be reviewed and inspected by the state.

To me, it's compelling. If we can focus on the needs of the students with their deficiencies and the way it works for the student, we can get them at or above where they need to go.

17 But, again, this was really expensive to have 18 that concentration within the system, and we are not 19 able to do that for all students.

20 Q. What is the additional expense other than 21 reduced class size?

22 A. In this -- in this instance?

23 Q. In this instance.

A. It's just -- it's not all classes. It's thatgroup of students who need more focused assistance.

Because some students were able to be in a larger class
 and meet or exceed standard. But the kids that
 struggle, the horse with its mouth wired shut --

4 Q. Right.

5 A. -- the students that need extra help, they 6 really need extra help, and you have to do that in a 7 more concentrated manner. More individualized, more 8 focused, more time with the teacher, working with them 9 with their needs.

10 But the greater focus, if you will, with, I Q. 11 assume, perhaps a higher-quality teacher, a teacher 12 that could handle this, what is the additional cost in doing that? Are the teachers spending more time with 13 14 the students? Are they getting paid more? Or is this 15 simply taking a teacher who would otherwise be teaching 16 25 students and putting him or her into a class of 18 17 to 19 students?

A. Well, you're not paying the teacher extra. You're doing it within the student schedule. They're giving up some elective choice in that process. You're having a teacher -- quality teacher focus on a smaller number of students. Didn't really require any special materials, just that situation, but this was math, with math skills.

25

So, for us, that's the success that we had.

Q. There were some statements made about the
 achievement rate of American Indians in your district,
 and you had questioned its statistical significance
 because of the small number.

5 Putting aside whether or not it is 6 statistically significant, you had referenced the fact 7 that there is separate funding available for American 8 Indian students.

9 A. Right.

Q. Can you describe that a little bit for me and tell me if you know whether it was in play or not in this instance with regard to these achievement results? A. Yeah. I have to speculate a little bit if the students are categorized as such that they would then be eligible for those program dollars.

16 For example, we can't take extra money or 17 money targeted for Native Americans and spend it on 18 students who wouldn't fit that criteria.

So, my assumption would be that those dollars were spent programmatically just on that population, which might actually be conceptually parallel to the Collection of Evidence example where you have money specifically -- extra money, a richer funding formula for a certain segment of the population who, apparently, benefits from the way that you're able to 1 provide education and support for those students.

2 Do you know whether, in fact, that's what Q. 3 occurred here or within your school district? I'd have to go back and research exactly how 4 Α. the program was delivered to that group. It could be 5 that they were in regular classes for part of their б 7 day. I do know that we have a staff person who's paid 8 in part by those funds who works with that group, and 9 does extra things with those students. So they do get 10 special attention based on the way we're funded and the 11 way it's provided. 12 But I couldn't say if a student is full time in a separate location or if they're spread out 13 14 mainstream with the rest of the students. It might 15 actually vary for each student. Is that staff person a counselor? 16 Q. 17 Α. Typically certificated teacher-type but not 18 necessarily in a classroom all day. 19 This goes back to your testimony, actually Ο. 20 before today, but you had mentioned that you and your district are members of the WIAA. 21 22 Α. Correct. 23 And that's the athletic association? Ο.

24 A. Washington Interscholastic Activities

25 Association.

Q. Okay. And you said that the students who
 belong to districts who are members have to attend
 class and perform academically.

A. Yes. There are -- there are criteria. To be
a member of the WIAA as a district and its
participating schools, you sign -- you agree that
you'll hold your students accountable to the rules of
the WIAA.

9 So that has to do with attendance. Within a day, they have to attend so many periods. They have to 10 11 be passing, at least at a minimum level, so many 12 classes. So you, as a school district, can go -- can have requirements that are above the WIAA minimums. 13 You can say, you know, you have to have a higher GPA 14 15 than that or you have to attend all your classes. 16 So schools and school districts can, and 17 sometimes do, exceed the requirements for students

18 participating in those activities compared to what the 19 WIAA requires, and some districts maybe just use the 20 WIAA standard.

Q. What is the WIAA standard for GPA?
A. Yeah, I don't know if it's 2.0 or above 2.5.
I think ours has been higher than that. I think we
tend to be a district that goes above the WIAA
minimums. But I'd have to go back and look at our

1 activities handbook and compare it -- and lay it side 2 by side with the WIAA to verify that. 3 Q. Are you aware that the City of Seattle School District has proposed lowering its pass rate and 4 5 graduation rate to a D average? 6 Α. I'm not aware of that. 7 THE COURT: Okay. That's all the questions I 8 have, Dr. Brossoit. 9 We'll open it up for follow-up by 10 counsel. Mr. Ahearne? 11 FURTHER REDIRECT 12 BY MR. AHEARNE: 13 Just a short follow up on the questions about Q. 14 the certificated employees. 15 Just so the record's clear, a counselor would 16 be a certificated employee? 17 Α. Yes. 18 Q. And a librarian would be a certificated 19 employee? 20 Α. Yes. 21 Q. Okay. Second, with respect to the focus-22 like-a-laser-beam program that you mentioned of the 23 kids who needed math assistance, why doesn't Edmonds do 24 that for all kids who need assistance? 25 Well, I think three times I've explained Α.

about the Japanese acrobats, the spinning -- spinning
 these various plates.

3 If we take the staff resources away to focus on a smaller group of students in that manner, it 4 means, essentially, taking that staffing away from 5 other students that are being served now. And there's б this -- there's this point at which it tips, it just 7 tips over with -- whether it's within a school or 8 within the system. You're literally robbing Peter to 9 pay Paul, in this case, providing more focused 10 11 instructional support for students who need it and 12 benefit from it, but you're taking it away from other students and then thereby creating, potentially, 13 14 another category of at-risk students. It's --15 Ο. Currently does Edmonds School District have resources that it needs to provide that focused 16 17 instruction to all the kids who need it? 18 Α. Not for all the kids that need it, no. 19 Okay. Third, with respect to the Native Ο. 20 Americans and the funding, is that federal money? I'm not sure if it's federal or state. 21 Α. 22 Okay. And with respect to the WIAA program Ο. that you were discussing -- or sometimes things are 23 24 called a carrot approach, sometimes they're called a 25 stick approach, is that, like, more of a carrot and

1 stick approach to keeping kids in school, or how does
2 that work?

3 I believe the carrot for students that Α. 4 participate in sports and other co-curricular activities, the carrot is to be able to participate. 5 б For myself, for example, I went to high school to play sports. And in that case, you had to do 7 8 well -- you had to attend and do well in your classes to have the opportunity to play sports. It wasn't that 9 I had this natural love for the subject matter that 10 brought me to school, it was more the access to 11 12 sports.

So, the incentive is to be able to aparticipate, the stick approach is if you don't maintain your attendance and your performance in school, you lose that opportunity.

And there are a lot of young people, if they didn't have that opportunity would just walk away from school because they don't -- kids don't bring to what we see as an adult consequence, kind of this lifetime impact of a decision. Kids sometimes don't think past the weekend. I mean, they're not looking at it with the same lens.

24 So, you know, we all could sit here and say, 25 well, you should go to school because you need this

education, and they do, but they're looking at it from 16, 17 years of life experience, in most cases not having to support themselves or see the consequences of it on an adult basis. So for them, participation in sports is a huge issue, life issue -- life issue for them and we look at it and say, well, no, really, this is a bigger picture that you should be thinking about. But it takes a while just living for people to sort that out.

10 So, as a motivator, to be able to participate 11 in co-curricular activities, is a huge -- a huge issue 12 for students.

13 Q. And, in your experience, is that something 14 that significantly contributes to keeping kids in high 15 school?

16 A. And not only keeping them in school, but 17 those that participate perform better academically than 18 those who don't.

And so we actually try -- strategically try to get kids to be involved in co-curricular activities and not just go to school because it gives them a group to identify with, a sense of belonging, some value of -- all kinds of things come out of that that are beneficial for students.

25 MR. AHEARNE: Thank you.

1

2

THE COURT: Ms. Bashaw.

RECROSS EXAMINATION

3 BY MS. BASHAW:

4 Q. One quick question, Dr. Brossoit.

5 The Collection of Evidence class you talked 6 about for math with the 18 or 19 students, even with 7 that concentrated effort, you were not able to get 100 8 percent of them to pass, right?

9 Α. Yeah, we were excited to get 95 with only one semester, and it would have taken more time with the --10 11 I think it was one or two students at the most who 12 actually, when we evaluated their portfolio, had 13 improved their performance. They were just -- still 14 just barely short of making it. So, in that case, you 15 just go back with those one or two students to get them the rest of the way. 16

17 MS. BASHAW: Thank you.

18 THE COURT: Is there anything further?

19 MR. AHEARNE: Nothing further, Your Honor.

20 THE COURT: Are you asking this witness be

21 excused?

- 22 MR. AHEARNE: Yes, Your Honor.
- 23 THE COURT: Any objection?

24 MS. BASHAW: No objection.

25 THE COURT: All right, Dr. Brossoit, thank

you very much for all your patience and returning here
 on repeated occasions, and you may step down at this
 time. You are excused.

4 THE WITNESS: Thank you. 5 THE COURT: I think we'll take our afternoon recess at this time before we call the next witness. б 7 Who is the next witness? MR. AHEARNE: Ben Rarick? 8 9 MR. CLARK: We suspect he's going to rest his case, Your Honor, and we'll call our first witness as 10 11 part of our case outside of his case. THE COURT: Okay. 12 13 MR. AHEARNE: With respect to the resting, we 14 would have a whole host of deposition designations 15 we've given to the state and they've been going back and forth, and we're not disparaging the state at all 16 17 because it takes a lot of work to go through this, but 18 we don't have them all back and ready to actually

19 submit.

20 Short of submitting those, which we've 21 given them -- they're going back and forth, and then 22 entering the exhibits, going through the exercise we 23 went with, for example, Superintendent Bergeson, we're 24 done. I mean, we would close but for wrapping up the 25 transcript stuff and exhibit stuff.

1 MR. CLARK: We did --2 THE COURT: We did and it's on the record and 3 the record reflects that the petitioners may rest but 4 that the court would consider any offer of depositions 5 as part of their case-in-chief. 6 MR. AHEARNE: With the exhibits when we go 7 through the exercise orally offering them. It would either be admitted or denied, but that exercise. 8 9 THE COURT: Including consideration of any 10 exhibits that are offered through the depositions after 11 petitioners rest. 12 MR. AHEARNE: Okay. THE COURT: That's correct. 13 14 MR. AHEARNE: Thank you, Your Honor. 15 THE COURT: Mr. Robb has a matter for you. (A discussion was had off the record between 16 17 Mr. Ahearne and Mr. Robb.) 18 MR. AHEARNE: Can we finish this after the 19 break? 20 THE COURT: Sure. That would be fine. 21 MR. AHEARNE: He can finish telling me what 22 to do. 23 THE COURT: All right. Let's take our 24 afternoon recess. We'll resume in 15 minutes. Court 25 is at recess.

1	(Whereupon a recess was taken.)
2	THE COURT: Please be seated.
3	Mr. Ahearne.
4	MR. AHEARNE: Subject to the transcripts and
5	the associated exhibits, and then also what Mr. Robb
6	reminds me of, is there are some Exhibits 145, 147
7	through 152, which are still subject to our trying to
8	work something out, the state has objections to them.
9	But subject to us working out how those will be
10	those exhibits will be submitted and the deposition
11	transcripts with the associated exhibits, we rest.
12	THE COURT: All right. Very good. Thank
13	you, Mr. Ahearne.
14	MR. CLARK: For the record, I mean, we concur
15	in those designations and understand that, as to those
16	exhibits that Mr. Ahearne has just identified, there
17	will be on-going discussion with counsel, and if we
18	can't agree, then it will be up to Your Honor to
19	decide, just like everything else.
20	THE COURT: Very good. Thank you, Mr. Clark.
21	MR. CLARK: Shall I call our next witness,
22	Your Honor?
23	THE COURT: Please.
24	MR. CLARK: The respondent calls Mr. Ben
25	Rarick, K-12 Fiscal Analyst with the House of

1 Representatives.

2 THE COURT: Mr. Rarick, if you would please 3 come forward. 4 (Witness sworn in by the court.) 5 THE COURT: For the record, please state your 6 full name and spell for us your last name and give us 7 your contact address. 8 THE WITNESS: My name is Benjamin Douglas 9 Rarick. Last name is spelled R-A-R-I-C-K. And contact 10 address I think it was? 11 THE COURT: Yes, please. THE WITNESS: 9640 Piperhill Drive SE, 12 13 Olympia, Washington 98513. 14 THE COURT: Thank you. Mr. Clark. 15 BENJAMIN DOUGLAS RARICK, called as a witness herein, having been first duly 16 17 sworn, was examined and testified as follows: DIRECT EXAMINATION 18 19 BY MR. CLARK: 20 Q. Good afternoon, Mr. Rarick. 21 Would you please state your current 22 employment position. 23 Α. I'm a Senior Fiscal Analyst for the House of Representatives, Office of Program Research. 24 25 All right. And how long have you been in Q.

1 that capacity?

2 A. Roughly four years.

3 Q. Since 2005?

4 A. Just prior to the 2006 legislative session.

5 Q. So that would put us in November, December of 6 2005?

7 A. Yes, thereabouts.

8 Q. Okay. Would you describe the

9 responsibilities of a Senior K-12 Fiscal Analyst with 10 the Office of Program Research?

11 A. Generally speaking, I serve the House Ways 12 and Means Committee, and the House Education 13 Appropriations Committee. The name of that committee 14 has evolved over time. But, basically, there are those 15 two main committees, the Ways and Means Committee and 16 then, generally, a committee dedicated specifically to 17 education appropriations issues.

In that capacity, I provide assistance on a nonpartisan basis -- I want to stress the nonpartisan nature of my business -- in developing budgetary information and projections for Democrats, Republicans, or, indeed, anybody who is an elected member of the Legislature serving on those committees.

Q. You said budgeting and what other type of information?

1 Fiscal information, I think, generally, and Α. the committees have staff dedicated to particular 2 subject areas, so there will be staff for Higher 3 Education and staff for the Department of Corrections, 4 and so my area of focus is the K-12 public school 5 б system. 7 Q. All right. Are you an employee of the Washington State House of Representatives? 8 9 Α. I am. You mentioned an affiliation or work with the 10 Q. 11 Office of Program Research. 12 What is the Office of Program Research? Well, the House of Representatives has a 13 Α. number of different employees and they kind of divide 14 15 them into sub-offices, if you will. The Office of Program Research is the entity 16 17 that provides the nonpartisan kind of technical 18 assistance to members of the Legislature. So, Office of Program Research staff can be both policy staff, 19 20 they can be counsel, or they can be fiscal staff. I happen to be of the fiscal staff variety. 21 22 All right. Is the Office of Program Research Q. 23 an arm or extension of the House of Representatives? 24 Α. It is. 25 Is it also an extension of the Senate, or is Q.

1 it just the House?

2 A. Just the House.

3 Q. All right. I take it you do a lot of numbers4 crunching.

5 A. I do.

Q. Why don't you give us a brief description ofyour educational background post-high school.

8 Where did you go to college? 9 Α. I went to college at Linfield College in McMinnville, Oregon. Had degrees in political science 10 and English literature. I subsequently achieved a 11 12 master's degree at Stanford University in educational 13 policy analysis and administration. And then 14 subsequent to that, took some classes, advanced 15 statistical classes at the University of Washington, 16 took some courses to secure my school business 17 administrator certificate in the State of New Jersey. 18 But the masters degree was the highest level of degree I've achieved. 19

20 Q. Okay. In what year did you obtain your 21 bachelor's degree from Linfield College?

22 A. 1996.

Q. And your masters from Stanford in educationalpolicy, when did that occur?

25 A. I believe that was the summer of 1997.

Q. Okay. And over what period of time did you
 take those graduate-level courses at the University of
 Washington?

A. Oh, I worked at the University of Washington for a brief time prior to my employment at the House, and I took the courses while I was there. So, you know, in rough terms, we're saying, like, 2003, 2004, maybe into 2005, took a variety of courses.

9 Q. And had you completed those courses prior to 10 accepting your current position with the Office of 11 Program Research?

12 A. Yes.

13 Q. Can you give me a brief description of your14 employment history after Stanford.

15 A. Okay. So immediately after Stanford, I 16 worked as a, what was called a Policy and Planning 17 Associate, which I think is just kind of a mid-level 18 administrator, Policy Administrator within the 19 Department of Education in New Jersey.

I was within the Office of the State Operated School Districts. I worked in that capacity for approximately two and a half years I believe. And then I was promoted to the office -- or to the position of the director of that office. So I was the Director of the Office of State Operated School Districts. The office that -- New Jersey would take over school
 districts in either academic or fiscal distress. This
 was the office that kind of coordinated that particular
 operation. And I oversaw a small staff of both policy
 individuals and also auditors.

6 Subsequent to that -- I did that job for, I 7 think, about three years, and I left the State of New 8 Jersey and took a job at the University of Washington.

9 Q. When was that?

10 A. That was -- I believe it was in October of11 2003, I believe that was.

12 Q. Okay.

13 And I was at the University of Washington for Α. about two years. In my capacity there, I was a -- I 14 15 believe my formal title was Research Coordinator, but, in essence, what I did was the University of Washington 16 Evidence School of Public Affairs received a large 17 18 grant from the Gates Foundation to look into school 19 finance and to provide assistance to states that were 20 desirous of that assistance in terms of exploring 21 options for how they might redesign their school finance formulas, given certain assumptions. 22 23 Ο. Okay. How long were you at the University of 24 Washington in that capacity?

25 A. I was there roughly two years.

Q. Okay. And from there you went to the State
 Legislature?

3 A. That's correct.

4 Q. And have been there ever since?

5 A. That's correct.

6 Q. Okay. Let's go back to your tenure at the7 New Jersey Department of Education.

8 You went from working in the Office of State 9 Operated School Districts, if my notes are correct, to 10 being its Director of Policy and Planning?

A. Slight modification of the title there. So I
was a Policy and Planning Associate and I became the
Director of the Office of State Operated School
Districts.

15 Ο. All right. Did you, in that capacity, have any experience actually running a school district? 16 17 Α. I would say not. It's more of an oversight 18 function. It was the arm of the state that was responsible for, basically, being the liaison between 19 20 the site-based administrators that the state had placed in those districts and the Governor, the Commissioner 21 of Education, and what's called the Commissioner of 22 23 Education. And so managing kind of the day-to-day liaison duties of that undertaking. 24

25 Q. All right. Was this in connection with any

1 school funding litigation pending in New Jersey?

2 Α. There was some connection with the Abbott 3 versus Burke court case. And I say some connection 4 because the two were not synonymous, but overlapping. These three districts were the -- I should say the 5 three districts that were state operated school б districts are, and I think still are, the three largest 7 school districts in the state. And they were part of a 8 9 class action, I believe that's a correct term, lawsuit 10 against the state alleging inadequate funding.

But it was a select group of districts in a common socioeconomic group making a claim to the state. Of the 28 original districts, three of them were state operated school districts and those were the three I worked for.

16 Q. All right. How old were you at the time that 17 you were, you know, vested with this responsibility in 18 the State of New Jersey?

19 A. When I was promoted to director or --

20 Q. Yeah.

21 A. I think I was 27, 26.

Q. Okay. So you were in your late 20's when you
became the Director and had these state liaison
responsibilities with these three large school
districts in New Jersey.

1 A. That's correct.

2 In your current position as a Senior Fiscal Q. 3 Analyst for K-12, what type of assistance do you provide the Legislature or legislators in developing 4 aspects of the state's budget for K-12 education? 5 б Α. I work with those two committees, the 7 aforementioned committees, the fiscal committees that 8 are responsible for developing a budget.

9 And so in a typical kind of arrangement, I might be asked by a Republican or Democratic to help 10 11 them take an idea that they have about a bill or a 12 proposal that they want to put together and help take 13 them from the process of an idea to an actual concrete 14 proposal, with some parameters, about what those costs 15 would be and what would be entailed to actually have 16 that proposal come to fruition.

So those proposals kind of vetted through the committee process, and then ultimately, in the Ways and Means Committee, I'm the primary staff person that helps the Chair of that committee actually write the public school budget for the House. And then, of course, the Senate has somebody who does something similar.

Q. Who currently does that for the Senate?A. Currently it is Alyse Greef.

Q. And who proceeded Alyse Greef in that
 2 position?

3 A. Bryon Moore.

Q. All right. The work that you've just
described in terms of budgeting, is that all conducted
during the legislative session?

7 A. For the most part.

8 Q. And for the most part, please describe for 9 the court when the legislative session begins and when 10 it typically ends.

11 A. Well, depending upon if it's a supplemental 12 budget or a full biennial budget session, we typically 13 ramp up in January -- early January, and then if it's a 14 long session, it could extend into April. If it's a 15 shorter, 60-day session, it typically closes in mid to 16 early March.

Q. What do you do the rest of the year as a
Fiscal Analyst for the Office of Program Research for
the House of Representatives?

A. There's a variety of tasks associated with monitoring the budget. A great deal of my time is taken up with -- what are they called, you know, blue ribbon commissions or task forces or entities that are created under various names, to kind of think about -forward thinking proposals about what the state wants

1 to do in a particular area.

2 Q. Okay. Would one of those be the Basic

3 Education Task Force, for example?

4 A. That would be a good example, yes.

5 Q. And you did, in fact, provide fiscal analysis 6 work for members or perhaps for staff working with the 7 Basic Ed Task Force?

8 A. I did.

9 Q. Okay. How did that work differ, if at all, 10 from the type of budgeting fiscal analysis work you do 11 during legislative session?

12 A. It was similar but more difficult.

13 Q. How so?

A. It was similar in the sense that, of course, it's the same topic area. You're dealing with a lot of the same metrics, you know -- I mean, the same general concept of funding public schools and how you do that.

18 It was more complicated in the sense that the 19 membership of that Basic Education Task Force wanted to 20 have a concrete proposal, and I was often working on 21 multiple proposals and the exercise of costing or 22 developing a proposal of the magnitude that would fund 23 public schools in this state is a fairly complex 24 undertaking. And so to be doing simultaneously -- so, 25 you know, it was a fairly arduous undertaking, but 1 similar kind of work.

Q. Okay. Do you do any modeling in -- computer modeling in connection with the work you do, either for task forces or the state Legislature?

5 A. I do.

6 Q. Okay. What type of computer modeling do you 7 do, in general?

8 A. Well, as an example, in the Basic Education 9 Task Force, the legislators, both Republicans and 10 Democrats came to me and said, you know, we would like 11 to actually develop a hard proposal and show proposed 12 formulas in our proposal, and so I was asked to assume 13 the role of putting that together for them.

Q. Were you able to come up with the information so that they could incorporate actual formulaic approaches to whatever they wanted to do about K-12 funding?

A. For the most part. One of the struggles was, as you work through a task force of that nature, of course, there's a layering of concentrating-on-the-bigpicture issues. And then it's difficult to get down to the minutia that is sometimes important in terms of how money distributes across the system.

And so, as a Fiscal Analyst, I had to make some judgments about, you know, what's a big picture issue and what's minutia, and kind of manage what get
 cued up for the entire group to discuss and what is a
 typical issue that the fiscal analysts should -- that's
 part of the technical complexity of doing this job.

5 Q. Okay. Which particular legislators and 6 members of the Task Force did you deal with and provide 7 a fiscal analysis?

8 A. There were a number of them. Representatives 9 Hunter, Anderson -- let's see. On the Republican side, 10 it was Anderson, Priest, for a time Representative 11 Jarett was a Republican. Then on the Democratic side, 12 it was Representative Hunter, Representative Sullivan, 13 Representative Hague for a time. I suppose I'm missing 14 one or two but --

15 Q. Senator Rodney Tom?

16 A. Senator -- actually, I did have some 17 interactions with Senator Tom, but he was -- he's a 18 Senator so I don't work for him, but he was part of 19 this group and we did have some exchanges.

20 Q. Okay. All right. Do you also do modeling --21 computer modeling to perform your tasks in the 22 legislative session?

23 A. I do.

Q. How do they compare the legislative computermodeling you do and what you did for the Task Force?

Was it the same? Was it different? How would you
 describe it?

A. It was similar in some respects, different in others. I would say the reason it was more complex and different was that the Task Force wanted to change the primary focus point, if you will, of the financial modeling for schools from the district level to the school level.

9 So if we have 295 school districts, we have, you know, over 2,000 schools. And so the financial 10 11 modeling associated with doing that is more complex and 12 requires different pieces of data and so forth. But, 13 of course, it's similar in the fact that you're still 14 talking about teachers, you're still talking about 15 issues of compensation and the same general parameters. All right. In this last completed 16 Q. 17 legislative session this year, did you do any computer 18 modeling work with respect to perspective K-12 19 legislation?

20 A. In the last session? Yes.

Q. Okay. How did that work differ, or how was it similar to the work you did for the Basic Ed Task Force?

A. I would answer similarly in the sense that,you know, I have -- historically, most of the models

that the fiscal analysts and K-12 used have been
 primarily state aggregate models that feed from
 district-level data in the School Finance Task Force.
 There was a fundamental shift to trying to look at
 school-level data.

6 So, again, similar. The last session was 7 using a lot of models doing state-level projections but 8 in the Task Force going to a lower level of analysis. 9 Q. Okay. You also have done some costing-out 10 work for counsel in this case, correct?

11 A. That's correct.

12 Q. And did you use computer modeling to perform13 that analysis?

14 A. I did.

Q. How was that analysis any different from the computer modeling analysis you say you do for the Legislature in session or for task forces like the Basic Ed Task Force?

19 A. I would answer in a similar way. You know,
20 it's the same subject matter, same metrics and
21 variables, but some additional detail and complexity.
22 Q. Do you use the same computer model for these
23 various exercises?
24 A. There is a model that has historically been

25 shared in the legislative environment for public

schools that I have and continue to use for some of the
 statewide aggregate modeling within our current K-12
 system.

I developed a new model, in collaboration with some other colleagues, that attempted to get at this, you know, taking it a step further, if you want to see it that way, in terms of modeling at schoollevel metrics.

9 And so they are two separate models. They do 10 similar types of calculations, but one is quite a bit 11 more complex than the other.

12 Q. The model you took a step further, is that13 the one you used for the Task Force?

14 A. Yes, it is.

15 Q. The model you took a step further, is that 16 the one you used for your tasks during the recently-17 completed legislative session?

18 A. Only to some extent. There's some details19 there. But some work involved that model, some didn't.

20 Q. Okay. Taking it to the next level model.

21 A. Uh-huh.

Q. Is that the model you used in doing the workfor counsel in this case?

24 A. It is.

25 Q. Okay. Now, the other model, the one that

1 isn't taken to the next step, is that model used to
2 drive -- drive the formulae that funds the current

3 system of Basic Education?

4 A. It is.

5 Q. Okay. All right. Your work tends to focus 6 on the operation side of K-12, correct?

7 A. That's correct.

8 Q. Do you do any work on capital construction9 for K-12?

10 A. None.

11 Q. Okay. Do you do any work with regard to K-12 12 pupil transportation issues?

13 A. Very limited.

14 Q. Okay. You've talked about how your work is 15 on the fiscal side.

Do you also do work that laps over into the policy side, and, if so, can you give us some examples or describe it for us?

19 A. Sure. I would say, clearly, in the work of 20 these task forces, Basic Ed Task Force, you know, my 21 role is primarily a Fiscal Analyst. There's policy 22 staff for the Education Committee, so we have our 23 respective roles. But the line separating those two 24 realms is not always bright and clear. And there is 25 such a thing as fiscal policy, too.

1 So I would say that given that I have a background in policy, given familiarity with some of 2 3 the subjects, I probably do involve myself in policy as 4 well. But my primary role is as a Fiscal Analyst. 5 You're a policy-informed Fiscal Analyst, huh? Ο. б Α. I suppose that's a fair characterization. 7 All right. Were you involved in actual Q. presentations to the Basic Ed Task Force? 8 9 Α. I was And how many of those were you involved in? 10 Q. 11 I can think of two right away, and there Α. 12 might have been others. All right. Let's go to one. 13 Q. 14 Let's go to Exhibit 1406. And the way this 15 works, if you didn't notice from the prior witness, Mr. Rarick, you stay where you are --16 17 Α. Okay. -- and I'll bring the books to you. 18 Q. 19 Okay. Fair enough. Α. 20 MR. CLARK: I assume I can approach, Your 21 Honor? 22 THE COURT: You may, counsel. You have leave 23 to approach this witness. 24 BY MR. CLARK: 25 Q. 1406 is in here.

1 A. Now, what am I looking up?

2 Q. Exhibit 1406. Have you found it?

3 A. I have.

4 Q. Good. Okay. Could you identify Exhibit 14065 for the record, please?

6 A. 1406 appears to be a presentation done for 7 the Task Force that I participated in. I was not the 8 sole author of it, but I remember being part of this 9 presentation.

Q. Okay. You say you were not the sole author.
 Were you a co-author?

A. Yeah, I think I worked on the development of
the PowerPoint and then my colleague, Bryon Moore, I
think, actually delivered the presentation.

15 Q. Were you present during the presentation that 16 Mr. Moore gave.

17 A. I believe I was, yes.

18 Q. Okay. And does this appear to be a complete19 set of slides for the presentation that was given,

20 apparently, back in October of 2007?

21 A. It looks to be.

Q. Okay. Generally speaking, what was the point of this presentation to the Task Force in October of 24 2007?

25 A. I think that the point -- if memory serves,

1 we would have been asked to kind of provide an overview 2 of some key principles of the current system and so, as 3 you'll see there on slide two, we chose to kind of 4 organize it around some key concepts regarding school 5 finance. б Q. As of October 2007, Mr. Rarick, at what stage was the Task Force in? 7 I think this was one of the first 8 Α. 9 presentations or -- if not the first, probably in the 10 early going. And did you do this work in Exhibit 1406 in 11 Ο. 12 connection with your duties as a Fiscal Analyst for the 13 state? 14 Α. Yes. MR. CLARK: Your Honor, we would offer 1406. 15 THE COURT: 1406 is offered. 16 17 MR. EMCH: Well, Your Honor, we don't have an 18 objection as to admissibility, per se. We do have an objection to authenticity. It's unclear whether this 19 20 document is a draft, whether it's a final, or whether it's merely work in progress. 21 22 I didn't hear the witness conclusively says that this was, in fact, the final. We don't know 23

24 what the source was or how this document appeared in

25 this form.

THE COURT: All right. Well, I do think he 1 2 stated he was involved in the preparation of the 3 document. If your objection is that it may be a draft, 4 I suppose we could establish that for the record, if 5 you'd like. 6 BY MR. CLARK: 7 Does this appear to be a final product? Q. It does appear to be a final product. I 8 Α. mean, of course, I limited my ability to read 22 pages 9 10 and recall exactly. But I have no reason to believe 11 this is not a final product. 12 MR. CLARK: All right. We would offer it, 13 Your Honor. 14 THE COURT: All right. I think a sufficient 15 foundation has been laid. The court admits 1406. EXHIBIT ADMITTED 16 17 MR. CLARK: Thank you. 18 BY MR. CLARK: 19 You mentioned slide number two in a prior Q. 20 answer. Slide number two states that it's an 21 overview. 22 And what was the point of providing the 23 overview to the Task Force? 24 Α. Well, I think the leadership of the Task 25 Force kind of laid out what they wanted to hear about,

some general concepts, and I think it was primarily
 supposed to be an educational document as to the

3 general background on K-12 finance.

4 Q. Okay. Let's turn to the next page of the 5 exhibit, which has slides three and four.

6 The top-most slide with the pie chart, why 7 don't you tell us -- rather than have me try to tell us 8 through my question, why don't you tell us what this 9 depicts.

10 A. The slide labeled number three?

11 Q. Yes, please.

A. That appears to be a pie chart displaying total K-12 spending by revenue source, and it appears to convey the general message that about 70 percent of what is spent comes from state revenues, about 16 percent from local revenues, about 10 percent from federal revenues, and about four percent from other revenues.

19 Q. This is reported spending for the school year 20 '05-'06?

21 A. It is.

22 Q. Thank you. And it's spending by whom?

A. I'm sorry?

24 Q. Spending by whom?

25 A. Spending by school districts.

Q. Now, the slide below it contains some basic
 numbers or information about school districts across
 the state, the configuration of the system, as it were
 and the student characteristics.

5 I don't have any specific questions. I'll 6 just note that that is the case.

Let's go on to the next page, which contains
two slides that I'd like you to identify and describe
for the court, please.

10 A. Okay. Both slides five and six?

11 Q. Yes.

A. Okay. So slide five appears to be an analysis that picks a point in time, in this case 1980, and follows the trajectory of state funding over the course of about 25 years -- a little more than 25 years -- to see the relationship between state funding to two commonly-used inflationary adjustments applied to that original base of a fixed point in time.

19 So if you, basically, took the state funding 20 figure in 1980 and applied an inflationary -- the 21 implicit price deflator or the Seattle Consumer Price 22 Index, where would that land you in 2000 and -- it 23 looks like 2008 that's used here, and how would that 24 compare to what the state is currently doing. 25 So the difference between slide five and

slide six is, it appears that slide five focuses on 1 state funding and then in slide six it looks at total 2 3 funding. So it's rolling in, not only state funding, but also federal and local revenues as well. And it 4 uses the same inflationary adjustment factors. 5 б I was hoping that putting the top-most slide Q. up there would help with the legibility on the numbers, 7 but it doesn't help me very much. 8 9 I think the upper number -- can you identify what the outer column number is? 10 Oh, the total spending? 11 Α. 12 No. Actually, this is growth in state Q. funding per student, which I believe is on the top. 13 14 Α. The slide five, the top figure there is 15 6,237. 16 Okay. Q. 17 Α. And then on slide six, the number is 8,962. 18 Okay. And there's slide six. Q. In both instances, these slides indicate 19 20 that, assuming the effect of two inflationary indexes 21 over time, these are the levels of state funding and

22 total funding with lines that indicate what those
23 dollar values are applying the inflationary indices.

A. With 1980 as your starting point, yes.

25 Q. Okay. Now, before we leave that page, both

1 graphs stop with year 2006, but is the final column

2 intended to be 2007?

3 A. I can't say that for certain.

4 Q. Okay.

A. It appears that it is intended to do so.
Q. Okay. Now, let's turn to the next page.
And the bottom slide has the word ampleness
on it. And I take it that marks a subject matter break
or portion of the presentation, correct?

10 A. It's does.

What was the discussion of ampleness with the 11 Ο. 12 Task Force as far as you recollect it on this occasion? 13 Well, I think in this presentation, we were Α. trying to hit some major highlight concepts and making 14 15 a distinction between ampleness and equity. One talking about how money distributes between districts 16 17 versus whether the amount that's distributed can be 18 considered ample or not regardless of how it 19 distributes --

20 Q. Okay.

21 A. -- between districts.

22 So ampleness was more about, of course, 23 pulling from the constitutional language about ample 24 provision, talking about how much and what the 25 threshold should be for determining how much is enough 1 or how much is, in fact, ample.

2 Q. Okay. Would you turn to the sixth page of 3 Exhibit 1406, which has, I think, slides 11 and 12 on 4 it. And please identify for the court what slide 11 5 depicts.

A. Slide 11 is a chart that provides a very
rough high-level breakdown of the programs that are
considered Basic Education and the programs or
expenditures that are considered Non-Basic Education.
And so it conveys the general point that about 81
percent of the total budget is considered to be in this
Basic Education category and the remainder not.

Q. All right. Now, are both these displays, the one for Basic Education Programs and the lower one that deals with Non-Basic Education K-12 programs, is this actual data from the 2007-'09, biennium?

A. Yeah, it appears to be -- it appears to be based on the 2007-2009 biennium budget. In other words, it's not a projection. It's based on an actual first budget.

Q. Okay. And the 2007 biannual funding legislation would have been earlier in the year than this was presented.

A. Right.

25 Q. Thank you.

Down below that slide, it talks about the
 findings from the Miller Report, and then it has this
 depiction with arrows on it.

And, generally speaking, what is that a
depiction of, this district enrollment, et cetera, et
cetera?

7 A. In slide 12?

8 Q. In slide 12, yes.

9 A. Slide 12's general purpose is to try to take 10 some pretty complex concepts and make them linear and 11 understandable for the members of the Task Force, some 12 of whom may be well-versed in them and some of them may 13 not.

So all it does is it tries to say that state General Apportionment allocations and the one you -you've used the term state General Apportionment. General apportionment is the primary means by which the state allocates money.

19 Q. That is the Basic Ed allocation.

A. That is most of the Basic Ed allocation to districts. That's comprised of -- or it's driven by four factors; the enrollment of the district, the formula staff units that are generated as a result of that enrollment. And I heard a discussion earlier about certificated staff, administrators, classified

1 staff; and then the salaries and benefits that are attributed to those staff units that are sent to these 2 3 districts; and then a nonemployee-related cost factor that is driven as a result of the number of staff 4 units -- certificated staff units that are sent. 5 б So it was a linear way of walking through, 7 for members of the Task Force, how a vast majority of money is sent to school districts. 8 9 Q. Okay. That was true in 2007 --10 Uh-huh. Α. 11 Ο. -- correct? 12 Is it true today? It is true today for the system in place for 13 Α. the current school year. 14 15 Q. Why do you qualify your answer in that 16 regard? 17 Α. Because the Legislature passed, the Governor 18 signed, and it became law, Gross Substitute House Bill 2261, which proposed -- I shouldn't say proposed. It 19 20 implemented a new funding methodology which would take 21 effect beginning of the 2011-2012 school year, subject 22 to the adoption of technical details by the 23 Legislature. 24 Q. Okay. But until that happens for the 2011-2012 school year, is this depiction what will 25

1 continue to drive the large portion of the Basic Ed 2 allocation? 3 Α. It is. 4 You mentioned that, in addition to the Q. discussion of ampleness, there was a discussion of 5 equity. б 7 Would you please turn to page eight of 8 Exhibit 1406? 9 And does this, in fact, confirm that there 10 was a discussion of the issue of equity? It confirms that a portion of the 11 Α. 12 presentation entitled Equity was presented to the Task 13 Force. 14 Q. Okay. Let's go to the next page, and 15 particularly the slide 18. Do you see where I'm referring to? 16 17 Α. Yes. 18 It says, "The Basic Education Programs are Q. designed to provide funding for 'Challenge' to allow 19 20 equal education opportunity." What message is being conveyed by that 21 22 statement? 23 Well, earlier in the presentation we talked Α. 24 about that -- that conceptual overview that says here's 25 the four major components of General Apportionment.

1 And so this page kind of completes the picture a little 2 bit to say there are other parts of the formula that 3 are considered Basic Education, and that there are 4 additional revenues that are provided to students that 5 are confronted, perhaps, with certain educational 6 challenges, like students for whom English is a second language, students who have special education needs, 7 for example. 8 9 Q. And also bilingual? Yes. 10 Α. And learning assistance, struggling students 11 ο. 12 as well. 13 Α. Yes. These are all examples of kinds of 14 additional amounts beyond General Apportionment, which is kind of the foundation of Basic Education. 15 16 Q. And these are all Basic Education Programs, 17 are they not? 18 Α. Yes, they are. Why did you hesitate? 19 Q. 20 Α. Well, I just wanted to make sure. Okay. All right. 21 Q. 22 There is Funding Per Student reflected in a column here. Your younger sturdier eyes may be able to 23 make them out better than I can --24 25 Α. Uh-huh.

1 -- but my question is this. For what year Ο. 2 are these funding amounts or dollar amounts taken? 3 Α. I believe they would probably reflect -- I can't be completely certain, but, if it's consistent 4 5 with the other charts in the presentation, I would expect this to be true of the 2007-2008 school year, б because that would have been the first year of that 7 biannual budget that had just recently been completed 8 9 prior to this.

10 Q. Okay. Let's assume -- that may be correct or 11 that it may be an earlier year. I'm not sure it makes 12 much difference.

But, to use an example, apportionment. From that, do we determine that for every one of our million or so students, a district received that much per student?

17 A. Can you ask the question?

18 Q. Do you want me to try that one again?

19 A. Please.

20 Q. Okay. The General Apportionment amount, is 21 that the amount that the State of Washington provided 22 per student to every school district?

A. On average.

24 Q. On average. All right.

25 Now, if the student was also a Special Ed

1 student between the ages of five and 21 I believe, 2 would that student get both the apportionment that's 3 averaged here plus the Special Education amount that 4 applies to a student in that age group as depicted on 5 this chart?

6 A. In almost every case, yes.

Q. All right. So, again, my reading may not be
8 perfect, but let's just say that the apportionment is
9 roughly 40 -- I don't know, 48 or \$4,900.

10 A. Uh-huh.

11 Q. Actually it might be 4,899 now that one eye 12 focuses.

In the example I just gave you, we would -for the Special Ed student between the age of five and 21, the district for that student would get 4,899 in General Apportionment plus the, on average, \$4,562 for the Special Ed student. I mean, for that same Special Ed student.

19 A. Yeah, and I want to stress that would be on20 average.

21 Q. On average.

22 So, on average, a kid in Special Ed between 23 the age of five and 21, for the year that this 24 information was current, would get, you know, 93, 25 \$9,400 in state funding provided to his school or her 1 school district.

2 On average and roughly, yes. Α. 3 Q. Okay. And if the student were not Special Education but were bilingual, would we go through the 4 same addition to find out, on average, what that 5 student would draw in state funding for the district? б 7 Yes. In concept, yes. Α. 8 Ο. And the same concept and mathematics that 9 applies to a struggling student or a Learning Assistant Program student, correct? 10 11 Α. Not entirely, no. 12 Q. Not entirely, no. 13 Α. No. 14 Why would that differ? Q. 15 Α. LAP is not a program generated by a specific child. 16 17 Q. How does that work? 18 Α. LAP is a program generated by what's called 19 LAP units, and LAP units are calculated on a poverty 20 factor. So I don't want to over-complexify this. I mean, the fact of the matter is, that, for the most 21 22 part, it's generated on a kid basis, but there are some 23 kids that count for more than one. For example, if you 24 reside in a district that has a concentration of 25 poverty, then the same kid can actually count as two

1 LAP units, if you think of it that way.

2 So it's not strictly on a student-per-student 3 basis, I guess, is the clarification I would make. 4 Okay. Okay. Now, in addition to the Q. apportionment funding, there's transportation operating 5 б funding listed here as well. 7 And do I take it that, in addition to the 8 General Apportionment funding per student, there is also a per-student component for transportation 9 10 funding? 11 There is. Α. 12 Ο. Okay. And how does that work? 13 Well, for the record, I am not the analyst Α. responsible for transportation. I'm happy to answer 14 15 questions about it, but there is somebody at the Legislature who's job it is to do transportation. 16 17 And so, the way that that works is that there 18 is a -- there are route miles that are generated by 19 district, and those route miles generate a certain 20 number of units and a certain number of units are attributed to a certain dollar amount, and that is the 21 22 manner in which funding is allocated to the school 23 districts. 24 Q. Okay. I think I understand that as well as

25 I'm going to this afternoon.

Let me move on to another question, still
 with the same graph though.

Suppose we have a student and he or she is

3

both Special Education and bilingual. Do they then get 4 three types of funding associated with that student? 5 б Α. They do. 7 Okay. So we would add up the apportionment, Q. 8 the Special Ed component, the bilingual component for that example, and we would have whatever amount -- it 9 looks like it would be something approaching 10,000 or 10 more for that student. 11 12 Α. They are not mutually exclusive. 13 Okay. Just so the record is clear, too. Q. What are institutions? Are you familiar with that 14 15 aspect of Basic Education funding? Yes, so students that are kind of in 16 Α. 17 nontraditional settings, but nevertheless have a right 18 to an education, are provided an education and the 19 funding formulas for those students are slightly 20 enhanced. 21 Ο. Okay. Now, let's turn to the next page, page 10, Exhibit 1406. 22 23 And I want to touch briefly on the basics of 24 the Levy Lid Act and why that was part of the

25 presentation to the Task Force that day.

1 Can you fill us in in that regard? 2 A. Well, again, kind of referring back to the 3 themes of the presentation. One of them was ampleness, 4 one of them was equity, and one of the -- one of the 5 components of the Washington system that, arguably, 6 helps provide equity between districts is the existence 7 of a Levy Lid.

8 Q. How does that help to provide equities among9 districts?

10 Well, I think -- first of all, I don't want Α. 11 to make the assertion that it does or doesn't provide 12 equity, but I would say that probably the original sponsors of the legislation intended for it to do so. 13 14 And the idea is that there would be limits to what 15 local communities can raise from their voters, from their local citizen taxpayers in an effort to restrict 16 17 the local role in the total pot of K-12 funding so that 18 significant disparities between communities are at 19 least minimized.

20 Q. Okay. Are you familiar with how the levy 21 base is factored into this category and the operation 22 of the Levy Lid percents? Are you sufficiently 23 familiar with those to explain it to the court? 24 A. Sure. I'd also like to make the same 25 statement I made with transportation. There is a

person whose job it is at the Legislature to do this.
 I happen to be familiar with this subject matter. I'm
 happy to answer the questions.

4 The general premise here is that local 5 communities are limited in what they can raise from 6 their local taxpayers. That limit is established by 7 the imposition of a Levy Lid. For most school 8 districts in the state, that Levy Lid is 24 percent of 9 their levy base. Okay? You can think of their levy 10 base as most of their state and federal revenue. 11 Okay?

12 So, I'm just going to use some round numbers 13 here. So let's say a school district has about, you 14 know, \$9,000 a pupil in total revenues. All right? 15 But some of that's federal money. Some of that's local 16 money. Some of that's state money. All right?

17 So if you took just the state and federal 18 components of that and excluded the local, let's say 19 that puts you in the, I don't know, 6,000 range or 20 something thereabouts. Okay? That pot is now the 21 basis for your levy base. That's where you start. 22 Okay? Then you multiply that by, in most cases, 24 23 percent. Okay?

Now, the important exception here is that there are a number of districts, I think roughly 90 at

1 last check, that are grandfathered to a higher level 2 extending all the way up to I think about 33, 34 3 percent. But I'm going to stick with the core example 4 here. All right?

5 As you multiply that levy base by 24 percent, that gives you a levy authority. That's what you can б go to your local voters and ask for in the way of a 7 special axis levy. But I think at the time there was a 8 recognition of the fact -- or -- and I won't speculate 9 as to who recognized what, but we'll just say that one 10 11 aspect or one implication of this is that certain 12 communities may have more property wealth than others and so it costs taxpayers quite a bit more to raise the 13 14 same sum of money when you're looking at per \$1,000 of 15 assessed value. If you live in Shaw Island or Bellevue 16 or some more affluent areas and the property wealth is 17 significant, then you don't have to raise very much per 18 1,000 to raise the same amount that you would have to in Mabton, Washington or Connell, Washington. 19

20 So levy equalization, which is a -- is the 21 kind of the second step in this process, is a Non-Basic 22 Education funding source that helps mitigate the 23 differences in property wealth between districts, and, 24 therefore, provides some tax relief to the property 25 poor school districts.

Q. All right. Let's turn next to page 12 of
 Exhibit 1406. And I want to talk about the top-most
 slide. I think it's slide 23.

4 A. Okay.

5 Q. School District's Authority. Do you see 6 that?

7 A. Yes.

8 Q. Okay. What is the message being -- or 9 messages being conveyed by this particular slide that 10 was presented to the Task Force?

11 A. The issue, I think, at the heart of this12 slide is one of salary compliance.

13 What do you mean by salary compliance? Q. 14 Α. Salary compliance is, can school districts 15 pay staff whatever they want, or are there certain parameters under which they have to meet certain 16 standards or conditions. And so what this --17 18 Ο. Is it the former, the later, or combination? 19 I mean, can they pay whatever they want, or are there 20 parameters?

A. And the way I tend to describe this is it's kind of two separate -- two separate realms. One realm is classified administrators, and the other realm is certificated instructional staff. And the answer is different for these two realms. 1 So for classified staff and administrative staff, the state makes an assumption about a salary 2 rate in General Apportionment. It publishes that 3 salary rate for all to see and the LEAP schedules, and 4 5 then that money goes to the school district. And, really, school districts have almost complete freedom б in terms of how many administrators or classified staff 7 8 they're going to hire, under what conditions, and, indeed, what they're going to pay them. 9

10 That is not true in this other realm, the certificated instructional staff. And in this realm of 11 12 certificated instructional staff, we have something called salary compliance where we actually have a 13 teacher salary -- I shouldn't say teacher. It is 14 15 actually certificated instructional staff salary grid, and school districts have to stay on that grid for the 16 17 most part. They have to pay a minimum of the minimum 18 of what the salary reflects and they cannot exceed an 19 average of what the salary schedule average reflects.

20 Now, TRI pay is, of course, exclusive of this 21 compliance, presents different issues and is not part 22 of the description I just provided.

Q. Okay. Let me stop you there and ask a fewfollow-up questions.

25

With regard to the classified staff, their

ability to hire whatever numbers of that type of staff
 they want to hire, they can only hire so many that are
 stated funded though; is that correct?

4 A. Can you restate the question?

5 Q. Yeah. While they may be able to choose the 6 number of classified staff that a school district wants 7 to hire --

8 A. Yes.

9 Q. -- the number of classified staff for which10 the state provides compensation --

11 A. Yes.

12 Q. -- is limited, is it not?

13 A. That's correct. So that --

14 Q. Okay.

A. So that both the state salary assumption and the number of staff assumption is set in the budget or in statute, as the case may be, and that is the baseline the drives how much money goes to districts. But then the districts can hire above that, they can pay higher salaries, and, in deed, they can pay lower salaries, although I imagine that's less the case than the inverse, but --

23 Q. That's classified.

A. That's correct.

25 Q. Okay. Let's now go to certificated

1 instructional so we understand here.

2 The state funds a certain number of 3 certificated staff, does it not?

4 A. That's correct.

Q. And does that certificated staff number,
include more than certificated instructional staff?
A. I want to revise my statement and say the

8 state funds certificated staff units --

9 Q. Okay.

10 A. -- not specific teachers.

11 Q. Okay.

12 A. Okay? And then the answer to the second 13 question is, certificated instructional staff is what 14 applies to the teacher salary guide. The other 15 certificated staff or administrators, and they were 16 part of this other structure we were talking about. So 17 it's limited to certificated instructional.

Q. Okay. Now, certificated instructional staff and the salary graphic or schedule or whatever it was that you described it as, is an example of that chart 24 -- or excuse me, slide 24 in Exhibit 1406?

22 A. It is.

Q. Okay. And that is what is known as the state's base salary model for teachers?

25 A. That's correct.

1 Going back to slide -- no, before we go back Ο. to slide 23 and staying on this certificated 2 3 instructional staff. 4 While the state only funds a certain amount 5 of certificated units -б Α. Uh-huh. 7 -- whatever you use --Q. 8 Α. Yep. 9 Q. -- are the districts free to hire more certificated units than what the state funds? 10 11 Α. They are. 12 Ο. Were they confined to paying those 13 certificated units only in compliance with the salary 14 schedule on, an example of which is slide 24, or can 15 they pay more? They can pay more under the conditions of the 16 Α. TRI (Time, Responsibility, and Incentive) pay statute. 17 18 Ο. Okay. And that is a state statute that 19 governs the ability to and circumstances under which TRI or supplemental contract compensations pay? 20 That's correct. 21 Α. Now, going back to slide 23. All right? 22 Q. 23 The first bullet indicates, "Salaries for 24 most K-12 employees subject to collective bargaining at 25 the local level."

1 That is correct, is it not?

2 A. It is.

3 Q. Is that true today as well?

4 A. It is.

5 The second point, "Certificated Ο. б administrative and classified staff salaries are subject to local control and collective bargaining." 7 8 Is that true today, too? 9 Α. It is. What's the difference between local control 10 Q. and collective bargaining then? Why are they stated as 11 12 they are here? 13 Α. Well, the distinction is -- when we're 14 talking about these two realms, one realm for 15 certificated instructional staff, and another realm for 16 classified and administrators. And in the certificated 17 instructional staff realm, we're talking about the 18 issue of local control. They can't just pay whatever 19 they want, whenever they want. That is compliance as 20 it relates to the schedule. Okay? And that's the distinction that's made there 21

22 in the first and the second bullet.

23 Q. Okay.

A. Okay? So that -- and the second bullet's saying administrators and classified staff, there's

1 collective bargaining, of course, but there's also this 2 broad local control. They don't have the salary 3 compliance issue to deal with in the same respect that they do for certificated instructional staff. 4 5 All right. And the collective bargaining Ο. 6 process that's referred to in this slide, is that 7 collective bargaining process, as far as you know, involve the State of Washington? 8 9 Α. It doesn't. The State of Washington is not a party in the contract between the local teachers and 10 the district. 11 12 Ο. Okay. Now, the third point on slide 23 indicates some of the information you've already 13 14 provided about salaries for a certificated 15 instructional staff, correct? 16 Α. Yes. 17 Q. And the third point that says, "CIS salaries 18 can exceed the average salary limitation, only by 19 separate contract provision Time, Responsibilities, or 20 Incentive (TRI)." 21 Is that a reference to the statute you 22 referred to earlier as the TRI or a supplemental 23 contract statute? 24 Α. It is. 25 Okay. Do you know -- well, I wouldn't expect Q.

1 you to recite it, but do you know, generally, what that
2 statute provides?

3 A. The so-called TRI statute?

4 Q. Yeah.

5 So my understanding of that statute is Α. that -- it says that a school district is limited by б certain conditions in what it can pay certificated 7 instructional staff, most of whom are teachers, but if 8 9 there are activities that are outside Basic Education 10 that are, indeed -- TRI stands for Time, 11 Responsibility, or Incentives, if they're kind of 12 extraneous to or supplemental to that, then they can 13 receive additional pay for those activities as 14 distinguished from the core basic educational function. 15 Q. Let's go to page 14, slide 28, which discusses Accountability in Washington state, what is 16 17 the status. 18 What is the message being conveyed by this 19 slide? 20 Α. I'm sorry. 28? 21 Q. Yes. 22 Okay. So I think the message here was just Α. to provide a high-level overview of some issues with 23

25 school districts with regards to funding.

regards to the relationship between the state and

1 And the point here is that, unlike some other states, Washington doesn't actually intervene in 2 failing schools or school districts in the way that, 3 for example, New Jersey might. That a great deal of 4 5 the funding that goes to school districts through General Apportionment is for allocation purposes only б and grants, you know -- and this is a judgment one has 7 to make on their own. But in a fair amount of 8 discretion about how that money is deployed, how many 9 classified staff they want to hire under what 10 11 circumstances, what they want to pay those classified 12 staff, and that -- you know, the -- I guess the last bullet is about the while No Child Left Behind is going 13 to change the landscape for accountability nationwide. 14 15 Washington continued to have a voluntary system of intervention where, if you're a failing 16 17 school district, unless you seek that assistance, the 18 state does not have the authority to go in and remove 19 administrators or order certain redirections. 20 All right. Does that account for the state Ο.

21 accountability in Washington state today, as far as you 22 know?

A. I think generally speaking, yes, it is.
MR. CLARK: Your Honor, I'd like to finish
with this exhibit. I know we're pushing up against

1 4:00. But I have one more page to go to.

2 THE COURT: That's fine.

3 BY MR. CLARK:

4 Q. And it asks the question, Where do we go from 5 here? It's on page 18. And there are two slides on 6 page 18.

7 The question, I take it, was posed as
8 something that the Task Force should consider at this
9 point, I take it, correct?

10 A. Yeah. It was -- typically at the end of a 11 presentation like this, I'd try to wrap up with 12 questions that I think are relevant to the questions 13 that I will be answering, you know, as legislators --14 and get them to think into the future about how some of 15 these issues tie together. So I offer -- and I think 16 Bryon and I mutually did this slide, five questions for 17 general consideration.

Q. Okay. And I'm interested in the third one about, How can ample be quantified. But also it goes on to say, And how will we know that it will produce the desired outcomes.

22 Were these, in fact, policy questions that, 23 from your experience with the Task Force, they wrestled 24 with throughout their proceedings?

25 A. Yes, I think that's correct.

1 And, also, the next point about, What do you Ο. see as the appropriate balance of state and local 2 3 control in the funding structures, was that an issue that the Task Force was trying to come to grips with, 4 as far as you knew, throughout its proceedings? 5 б Α. They did discuss it. 7 And the same with the last point that's Q. 8 there. Given that teacher quality is one of the 9 strongest school-base factors in determining student outcomes, what is your assessment of the current 10 11 quality and how do you want to improve it, was that an 12 issue that was discussed and, frankly, in the forefront 13 as the Task Force continued its deliberations after 14 October of 2007? 15 Α. It was a point of emphasis. 16 MR. CLARK: Okay. Your Honor, I'll stop 17 here, if you want me to. If you have more time, I'll 18 keep going. 19 THE COURT: I do not. I have commitments 20 this evening --21 MR. CLARK: All right. 22 THE COURT: -- up at the Seattle University, so we'll conclude here. We'll pick up with Mr. Rarick 23 24 tomorrow morning. 25 MR. CLARK: That's an issue that we should

1 discuss with counsel.

2 THE COURT: All right. 3 MR. CLARK: His availability is kind of 4 slender tomorrow. He's not available the whole day or 5 even the whole morning. So we have maybe a little bit 6 of Rarick, maybe not, but Julie Salvi's coming back. So we'll have a full plate, I'm sure, no matter. So 7 show up hungry, Your Honor. 8 9 THE COURT: All right. 10 MR. CLARK: We'll have a full plate. THE COURT: So we have all of tomorrow, and 11 12 the next week we only have one day, next Thursday, and 13 then a full week the following week. 14 MR. CLARK: That's correct, Your Honor. 15 THE COURT: So that's our schedule. I think 16 Marci's kept you all up to date. 17 MR. CLARK: We're already talking about it. 18 THE COURT: Excellent. All right. I will 19 see counsel tomorrow morning. We'll get started at 20 9:00 a.m. 21 Yes, Mr. Ahearne. 22 MR. AHEARNE: Is it possible to get sort of 23 an update on our running clock? 24 THE COURT: I have not calculated the numbers 25 since --

1 MR. AHEARNE: I have the last count, but --THE COURT: Yes. I think the 24th is the 2 3 last; is that correct? I forget. 4 So I have 40.6 for petitioners as of the 5 24th. б MR. AHEARNE: Is that the end of the day the 7 24th? 8 THE COURT: That was the end of the day on 9 the 24th was 40.6. And respondent was 27.7. And I 10 haven't added up either yesterday or today as yet. 11 MR. AHEARNE: Thank you, Your Honor. 12 THE COURT: So I will get you that 13 information --14 MR. AHEARNE: Thank you, Your Honor. THE COURT: -- hopefully, by the end of the 15 16 day tomorrow. 17 All right. We'll be adjourned until 18 tomorrow morning 9:00 a.m. 19 (Proceedings adjourned.) 20 --000--21 22 23 24 25

1		REPOR	TER ' S	CERTIFICATE
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3	STATE OF WASHING	TON))	1)) SS:)	
4	COUNTY OF KING)		

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6 I, CYNTHIA A. KENNEDY, an official reporter of 7 the State of Washington, was appointed an official 8 court reporter in the Superior Court of the State of 9 Washington, County of King, on April 17, 2006, do 10 hereby certify that the foregoing proceedings were 11 reported by me in stenotype at the time and place 12 herein set forth and were thereafter transcribed by 13 computer-aided transcription under my supervision and 14 that the same is a true and correct transcription of my 15 stenotype notes so taken.

I further certify that I am not employed by, related to, nor of counsel for any of the parties named herein, nor otherwise interested in the outcome of this action.

20 21 Dated: _____ 22 23 24

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