

# Key Recommendations Needed for a New K-12 Finance System by Basic Education Finance Task Force

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The Basic Education Finance Task Force (BEFTF) will make recommendations regarding a new finance system to the Legislature and Governor in December 2008. The State Superintendent of Public Instruction has proposed a comprehensive replacement of the current system with very specific recommendations. (See <http://www.k12.wa.us/Communications/BasicEdFundingTaskForce.aspx>, June 2008.) In all cases, the Superintendent's June proposal provides the detail needed to implement a solution, but the Superintendent looks forward to considering additional proposals that will be brought before the Task Force this fall. A series of budget requests at this time would ignore key decisions to be acted on by the Task Force. At this time the Superintendent intends to establish a place holder of issues she finds critical; issues that must be addressed by the Task Force in the form of specific recommendations and by policymakers in the upcoming biennium by phasing in implementation of the recommendations. Once the Task Force completes its recommendations, the Superintendent will submit proposals related to timing and phase-in for the upcoming biennium.

The issues identified here are the minimum and immediate problems policymakers must address. These include staffing levels funded by the state, salaries funded by the state in support of these staffing levels, a new teacher compensation structure and base salary, state funding for basic operating costs, state funding to provide extra help for struggling students and students learning English, and funding for pupil transportation.

The Task Force recommendations must address these problems at a minimum. Other issues covered in the June proposal, but not repeated here, are career and technical education, assistance for students needing graduation advising and guidance, need for improved facilities maintenance, expansion of Navigation 101 model of student guidance and counseling, career and technical education, and technology funding. Special education funding remains a concern even after policymakers have recently invested significant funding increases in the program. Once expenditure data from the 2007-08 school year is available, the task force will be able to quantify the remaining funding issues.

***In many cases, policymakers recognize and have already begun to address the problems that are listed below.*** Recently the Governor and Legislature made significant progress to address the fact that state-funded salaries are too low, that general operating funds are inadequate, and that the pupil transportation funding formula needs a complete overhaul and funded development of formula options for the 2009 Legislature to consider.

## **Eight Key Problems that Must be Addressed by Task Force**

1. State-funded staffing levels are too low and must be subsidized by local levy funds;
2. Teacher salaries are unequal across districts, state funded salary levels are outdated;
3. Teacher salary schedules must be updated to reflect research on teacher experience and excellence;
4. State-funded salaries to support the staffing levels are too low and must be subsidized by local levy funds;
5. State funding for general operating costs cover only about half of district costs to run basic education operations;

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6. Learning Assistance Program funding buying power has not improved since 1992-93 and funding is not adequate to address new higher standards learning needs;
7. Assistance for English Language Learners is inadequate to address the learning needs and diversity of programs required; and
8. State funding for pupil transportation is inadequate and the funding gap is exacerbated by sustained increases in diesel fuel prices.

## **State-funded Staffing Levels: Teachers and Other Certificated Support (1A)**

Staffing ratios for instructional staff have not been updated in decades. The current ratios are seemingly adequate at 1 staff per 19 students at grades K-4 and 1 staff per 22 students at grades 5-12. However, spreading these staff among teachers, instructional coaches, nurses, librarians and counselors/other support and providing instruction for 6 hours per day drives high class sizes and high workload for instructional support. Table 1 displays the class size/workload that are mathematically possible within the current funding ratios.

Table 1: Class Size and Workload Equivalent to Current Staffing Ratio of 1:18.8 K-4 Students and 1:21.7 5-12 Students, and Instruction for 6 Periods per Day.

<b>Number of Students per Staff</b>	
K-4 Class Size	24.7
5-8 Class Size	29.0
9-12 Class Size	29.0
Instructional Coaches	1,250
Nurses	2,659
Librarians	786
Guidance Counselors	498
Counselors and Pupil Support	6,500

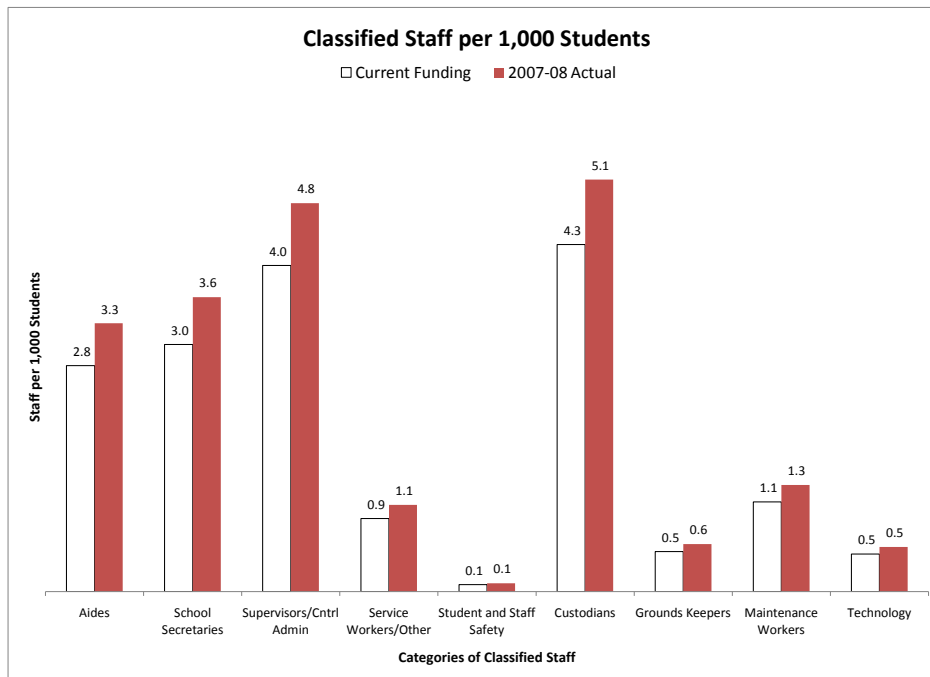
*Task Force recommendations must address the resource central to an education system---instructional staff---and improve these staffing ratios to realistic class sizes and workload.*

## **State-funded Staffing Levels: Classified Staff (1B)**

The state currently funds Classified Staff at a ratio of 17 staff per 1,000 students. The state does not identify what type of staff districts must buy within this ratio. This ratio of staffing has been updated over the last few years in recognition that districts employ many more classified staff than are funded by the state. Recent research and common sense identify that critical functions of a school district are not sustainable with the state staffing level. The chart below compares state funding to staffing levels districts actually employ.

Chart 1: Staff per 1,000 students Employed by Districts in Basic Education Programs Compared to State Funding Levels.

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*Task Force recommendations must address the staffing levels necessary to operate a school system, including improved security, technology, and facilities maintenance driven by new requirements and realities in the last 30 years.*

## **Teacher Salaries (2-3)**

For decades teachers have been paid differential salaries among districts; teachers in the Everett School District are paid 5% greater than most other teachers in the state. The 5% differential is after policymakers have taken two steps to buy-up most teachers closer to the Everett level.

In addition, teachers appropriately have the right to bargain for salaries above state salary schedules. However, over the years the state has not evaluated the differential salaries driven by local bargaining and how much of the supplemental salaries are appropriately a basic education responsibility.

Finally, the state salary schedule design is over two decades old. Certification requirements used to be aligned with the schedule so that teachers were compensated at a greater level once they obtain their required certificates; certification requirements have changed without commensurate changes in the schedule and teachers now exert more effort for a performance-based certificate with less compensation. Further, new research indicates that teachers should be paid more for experience and

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less for education attainment; compensation pilots nationwide show us better ways to compensate excellence.

*Task Force recommendations must address salary equalization, upcoming research by the Washington State Institute on Public Policy on base salary and supplemental salaries, and ultimately address the compensation level and form of recognition for excellence embedded in the design of our teacher salary schedule.*

## **State Allocations for Classified and Administrative Staff Salaries (4)**

Districts subsidized salary costs for state-funded staff a total of \$328 million in the 2007-08 school year. State salary allocations for state-funded classified and administrative staff were set based 30 years ago based on what districts were paying at the time. The allocations have increased for Cost of Living Adjustments but have never been re-based to reflect a different mix of staffing that districts hire or market-forces now at play in communities. Policymakers have taken initial steps to equalize salary allocations. Once salary allocations are fully equalized policymakers must allocate salaries based on a fair and reality-based method.

*Task Force recommendations must address salary allocation equalization and address an on-going method to allocate salaries for classified and administrative staff to eliminate district subsidies of basic education responsibilities.*

## **State Funding for General Operating Costs (5)**

State funding levels for general operating costs (Non-Employee Related Costs or NERC) are far below the amount that districts must spend to operate. Districts augmented state allocations by \$500 million in the 2006-07 school year. On average districts spend 63% of their state allocation for utilities and insurance alone; leaving very little resource for instructional supplies, legal, audit, personnel and business services, technology, and curriculum. (Thirteen districts spend 100% of their NERC allocation on utilities and insurance; 51 districts expend at least 80% on utilities and insurance alone.) Within the state allocation for operating costs, \$42 per student can be identified for curriculum purchases, yet districts spend \$92 per student.

*Task Force recommendations must address a new funding level for general operating expenditures that is commensurate with the amount that districts must spend, including appropriate levels to update curriculum on a regular cycle, provide instructional technology so that students can function in today's business environment, and more appropriately address school facilities maintenance costs.*

## **Extra Instructional Resources for Struggling Students**

The state will allocate \$285 per student that qualifies for Free or Reduced Price Lunch (FRPL) in the 2008-09 school year via the Learning Assistance Program (LAP); an allocation that is to provide instructional support for any student struggling academically. This per student allocation reflects recent

# Key Recommendations Needed for a New K-12 Finance System by Basic Education Finance Task Force

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significant increases in total state funding. Unfortunately, the buying power of the \$285 per LAP student unit, combined with all other funds identified for struggling students, is nearly exactly the same as in 1992-93: 14 hours of teacher time per LAP student unit.

*Task Force recommendations must address the Learning Assistance Program funding level and formula to provide on-going and sustainable instructional support for struggling students commensurate with research findings of the program models that lead to improved academic progress.*

## **Extra Instructional Resources for Students Learning English**

The state will allocate \$904 per student eligible for the State Transitional Bilingual Program in the 2008-09 school year. The allocation is to provide extra assistance as students learn English but must continue learning state standards in mathematics, science, writing, social studies/civics, and make progress in obtaining graduation credits. Despite an increase in student achievement expectations, a more diverse group of English Language Learners, and new research and experience in what resources are necessary for such students to make academic progress, the state allocation has not been re-based in decades.

*Task Force recommendations must address the State Transitional Bilingual Program funding level and formula to provide on-going and sustainable instructional support for students learning English commensurate with research findings and district experience of the program models and community supports that lead to improved academic progress*

## **State Funding for Pupil Transportation**

The Governor and 2007 Legislature recognized that pupil transportation funding was inadequate and allocated significant resources to develop a formula that would accommodate district costs. The formula recommendations will be complete in October 2008. In the intervening period, local levy funds continue to subsidize state basic education transportation at increasing rates and fuel prices have spiked and been sustained at record high levels. Public school buses travel 100 million miles per year; a 1 cent increase in the price of diesel fuel drives system costs up \$100,000 over a 180-day school year. The formula recommendations are critical to school district financial stability.

*Task Force recommendations must address the results of the pupil transportation formula study and ensure the new recommended formula will adequately address increases in fuel expenses.*

Superintendent Bergeson looks forward contributing to the final recommendations of the Basic Education Finance Task Force. The problems identified here require solutions that must be address by the Task Force at a minimum. The solutions will take many years to phase-in; in the Fall Superintendent Bergeson will submit budget requests on the best phase-in plan associated with Task Force recommendations.