

Caseload Adjustment Maintenance Level, JQ

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2009-11

Recommendation Summary Text (Short Description):

Funding for most Washington K-12 education programs is allocated through the state apportionment formulas and is based primarily upon reported student enrollments, specified inflation factors, and salary calculations that are based upon district staff characteristics. Every year adjustments are made to the K-12 system budget to account for changes in the forecasted levels of each of these factors. These adjustments are known as maintenance level adjustments and are identified in this request.

Fiscal Detail

Operating Expenditures		FY 2010	FY 2011	Total
95 – Enrollment Adjustment	001-01		November Forecast	
9D – Pension Rate Changes	001-01		November Update	
9I – K-12 Inflation	001-01		November Forecast	
9K – Levy Equalization	001-01		(see decision package, Local Effort Assistance Full Funding, JO)	
9L – Staff Mix	001-01		January Update	
9S – Initiative 728 Adjustment	299-01		November Update	
National Board Bonuses	001-01		February Update	
Total Cost				

Package Description

Background

Funding for most Washington K-12 education programs is allocated through the state apportionment formulas and is based primarily upon reported student enrollments, specified inflation factors, and salary calculations that are based upon district staff characteristics. Every year adjustments are made to the K-12 system budget to account for changes in the forecasted levels of each of these factors. These adjustments are known as maintenance level adjustments and are identified in this request.

Student Enrollment. Adjustments associated with changes in student enrollment represent more than half of this request. The Caseload Forecast Council (CFC) prepares student enrollment projections which are then used to forecast the system funding needs.

The CFC projects enrollment for basic education (K-12 and running start), bilingual education, and special education. These projections are then used to estimate the number of staff units, number of transported students, and other caseload-driven or

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workload items. Once these various workload factors have been calculated and multiplied by the appropriate weighting and funding amounts, a total K-12 funding impact can be estimated.

Pension rate Changes

The employer Contribution rates effective July 1 and September 1 will be provided with the November update from OSPI.

K-12 Inflation. The inflation adjustments are calculated using the implicit price deflator published in the most recent revenue and economic forecast for Washington (September 2008). These adjustments are applied to non-employee related costs in the funding formulas.

Levy Equalization. The state provides some local tax relief to certain districts in the form of levy equalization, also known as Local Effort Assistance (LEA) funding.

Staff Mix. Certificated instructional staff salary allocations are calculated using each district's "derived base salary" together with the district's "staff mix factor." The staff mix factor is calculated each year based on the combination of education and experience of the district's personnel. The staff mix is a crucial component of calculating the state's salary funding obligation because certificated instructional staff are paid based upon their accumulated education (credit hours) and years of experience. Thus, a district with less experienced educators who, on average, have a bachelor's degree with 30 additional hours of credits will generate a lower staff mix than a district with more senior staff who also, on average have at least a master's degree. At the state aggregate, staff mix is adjusted each year to account for teachers accumulating additional credit hours of education and experience, to adjust for teachers retiring or otherwise leaving the profession, and for new teacher entering the Washington teacher ranks.

Initiative 728. In 2000, Washington voters overwhelmingly passed Initiative 728 (I-728). The additional funding school districts receive is used to fund a variety of significant programs. Districts must solicit community input and may use (I-728) funds in any of the following ways:

- Reduce class size by hiring more classroom teachers;
- Implement and supplement extended learning programs;
- Conduct educator professional development;
- Make facility improvements; and
- Provide pre-kindergarten programs.

National Board Bonuses. The National Board for Professional Teaching Standards announces the names of the teachers who earn their certificate in December. Based on reports from districts, OSPI will provide adjusted numbers based on newly certificated teachers and school assignment. An update will be provided in February.

Narrative Justification and Impact Statement

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What specific performance outcomes does the agency expect?

N/A

Performance Measure Detail

N/A

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The maintenance request supports the Superintendent's Goal 4 "K-12 Funding System that Provides the Opportunity for Student Success".

Reason for change:

Does this decision package provide essential support to one of the Governor's priorities?

The maintenance request insures that all critical education programs, some that are part of basic education, receive funding.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes. Many of these resources are the foundation to what is basic education funding.

What are the other important connections or impacts related to this proposal?

N/A

Impact on Clients and Services

State apportionment formulas will disburse funding to local districts. This funding supports critical components of K-12 education

Impact on Other State Programs

None.

What alternatives were explored by the agency, and why was this alternative chosen?

This request is based on caseload changes and there is no other funding alternative.

What are the consequences of not funding this package?

If this maintenance request is not funded, state apportionment funding formulas will not be adequately funded.

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What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

N/A

Object Detail

		FY 2010	FY 2011	Total
A	Salary and Wages	\$0	\$0	\$0
B	Employee Benefits	\$0	\$0	\$0
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$0	\$0	\$0
G	Travel	\$0	\$0	\$0
J	Equipment	\$0	\$0	\$0
N	Grants	\$0	\$0	\$0
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$0	\$0	\$0

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Operating Expenditures		
		FY 2010	FY 2011	Total
A002 Administration	010	\$0	\$0	\$0
A005 Bilingual Education	060	\$0	\$0	\$0
A010 Ed Service Districts	028			
A012 General Apportionment	021			
A012 General Apportionment	063			
A012 General Apportionment	714			
A013 Highly Capable Student Education	045			
A014 Institutional Education	035			
A016 Learning Assistance	061			
A017 Local Effort Assistance	029			
A018 National Board of Prof. Teaching Standards	055			
A027 Special Education	026			
A030 Student Achievement Fund	050			
A033 Student Transportation	022			
Total Activities		\$0	\$0	\$0

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Six-Year Expenditure Estimates

Fund	09-11 Total	11-13 Total	13-15 Total
	\$0	\$0	\$0
Expenditure Total	\$0	\$0	\$0
FTEs			

Distinction between one-time and ongoing costs:

These maintenance cost are ongoing.

Budget impacts in future biennia:

These costs will continue in future biennia and will be adjusted based on future caseload changes.