

Statewide Support and Accountability, AG

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2013-15

Recommendation Summary Text:

The Superintendent of Public Instruction is constitutionally responsible for supervising all matters pertaining to public schools. Therefore, the Superintendent requests a guaranteed funding stream to perform his legal duties. The current school funding formula allocates funding to school districts for central administration. **The Superintendent requests that there be a guaranteed allocation for state administration that is distributed through the school funding formula as a percentage of guaranteed entitlement and categorical funding to school districts.** More than 15 percent has been cut from the Superintendent's funding since FY 2009, which resulted in over 20 positions being eliminated. As a result of program changes, audits and federal program cuts, the Superintendent requests funding be restored to the FY 2009 level of \$12 million to meet minimum accountability and program oversight needs.

Fiscal Detail

Operating Expenditures		FY 2014	FY 2015	Total
Basic Education Staff Increase	001-01	\$3,254,000	\$3,141,000	\$6,395,000
Total Cost		\$3,254,000	\$3,141,000	\$6,395,000

Staffing	FY 2014	FY 2015	Annual Avg.
Basic Education FTEs	22.0	22.0	22.0
Total FTEs	22.0	22.0	22.0

Package Description

Background

The Superintendent of Public Instruction works to ensure that Washington's public schools provide all students the high-quality education they need to lead successful and productive lives. To this end, the Office of Superintendent of Public Instruction provides technical assistance in finance and curriculum matters to educational service districts (ESDs) and school districts; monitors and consults in such areas as basic education, the student testing program, curriculum development, special needs programs for special student populations, and educational technology; administers the child nutrition and student transportation programs; gathers and reports school information to state and federal authorities; prepares specifically requested reports each year; disseminates and coordinates the state's education reform efforts; provides the Legislature, Governor's Office, and other entities of state government with information for policymaking and budget preparation; implements state and federal laws pertaining to education by adopting rules and monitoring programs as required; coordinates the audit resolution process for audits of federal programs; apportions and distributes monies to local school districts; approves and monitors the budgets for the nine ESDs and the 295 school districts; and advises county treasurers of estimated maximum levy capacity for individual school districts. The Superintendent's responsibilities also include serving as a voting

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member of the State Board of Education; and representing the interests and needs of education by serving on various state boards including: Board of Natural Resources, Washington State Work Force Training and Education Coordination Board, Professional Educators Standards Board, and Northwest Regional Education Laboratory (Board of Directors).

More than 15 percent has been cut from the Superintendent's funding since FY 2009, which resulted in over 20 positions being eliminated. As a result of program changes, audits and federal program cuts, the Superintendent requests funding be restored to the FY 2009 level of \$12 million to meet minimum accountability and program oversight needs.

Current Situation

OSPI is not adequately funded to provide appropriate levels of accountability, support, oversight and information to our schools or to other stakeholders.

Each year the number of K-12 students increases, but the state administration dollars continue to decrease as a percentage of students served. Since FY 2009, OSPI's administration funds have been reduced by more than 15 percent. OSPI is not able to provide the level of service schools districts need or deserve. OSPI believes state level technical assistance and support should be available for the basic education needs of school districts. The lack of program support and technical assistance at the state level creates another instance of the underfunding of basic education in Washington State. Allowing OSPI a percentage of the general apportionment funding distributed to school districts will allow OSPI to manage staff as caseload and program staffing levels increase or as other issues arise, like the current Alternative Learning Experience increase of state audit findings and recoveries.

The following positions are examples of what OSPI is requesting increased funding for:

Currently Funded FTE	Requested FTE	Position
1.5	1.0	LAP Program Supervisor
1.5	1.0	Transitional Bilingual Program Supervisor
0.5	0.5	Highly Capable Program Supervisor
0.0	1.0	Audit Recovery (ALE audits)
0.0	1.0	State Accountability
2.5	2.0	Education Technology staff
0.0	1.0	Alternative Learning Experience (ALE) Program Supervisor

Proposed Solution

OSPI is requesting funding for state basic education staff to provide ample assistance to the school districts of Washington State, which will provide OSPI the staff needed for technical assistance and support that is in line with the basic education funding formulas provided in ESHB 2261 (2009) and SHB 2776 (2010), and in line with the expectations that school districts, the legislature and other education stakeholders have for the state education agency. Moving OSPI's administration allocation to an administrative percentage of the general apportionment

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appropriation will provide OSPI with the ability to provide more support and oversight. This will allow the Superintendent to respond to increases in caseload and policy changes to better assist school districts

Other offices of separately elected officials are funded as a percentage of the caseload served or services rendered. The Attorney General and State Auditor bill their clients for services. Additionally, the Auditor receives funding through a set percentage of taxes for performance audits. The State Treasurer is funded through a holdback on investment earnings. The Superintendent of Public Instruction should receive funding consistent with these other separately elected officials; based on the number of clients served (students of the state of Washington) and the services provided. The best way to provide funding in parity with other separately elected officials is to link the administration funding to a percentage of the basic education dollars disbursed.

OSPI is requesting administration funding be restored to the FY 2009 level of \$12 million. The following are examples of positions that the increased funding would be used for. These positions have been identified as critical agency functions that can't be funded within current resources.

LAP, TBIP, Highly Capable Program Supervisors (2.5 FTE) – In the 2011-2013 biennial budget, these programs in total received almost \$1 billion in basic education funding, yet OSPI is not given any specific administrative funding to adequately and appropriately oversee these programs. *McCleary v. State* noted that these programs are specifically identified as basic education programs. Additional staff is needed to provide districts with requested technical assistance for tracking student achievement, perform onsite monitoring and meet legislative accountability expectations.

Audit Recovery (ALE audits) (1.0 FTE) – The State Auditor's Office (SAO) has notified OSPI there are currently 65 districts with ALE audit findings, which in total are questioning over \$25 million dollars in state funding. These findings are on the less complex ALE rules prior to the changes enacted for the 2011-12 school year (i.e. legislative changes in ESHB 2065). SAO and OSPI expect another significant number of audit issues for audits of school year 2011-2012. OSPI is requesting a 1.0 FTE for next biennium only to assist in resolving these audit findings. This is a highly technical area. OSPI has already been to appeal on the resolution of one of these findings, which resulted in over 300 staff hours of work. OSPI anticipates having three more appeals during state fiscal year 2013-2014.

State Accountability (1.0 FTE) – Since the elimination of state school improvement funding, OSPI has no staff to assist the State Board of Education with the development and implementation of the state accountability system. Additionally, two provisos were funded for the 2013-15 biennium (Collaborative Schools and Urban Turnaround Schools), with no administration funding received. All staff in our School Improvement division are federally funded and therefore can't work on state programs.

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Education Technology staff (2.0 FTE) – Education Technology (ED Tech) federal funding has been eliminated for the school year 2012-2013 and beyond. Funding is requested to continue to fund the necessary ED Tech staff for work related to Common Core Standards and state Education Technology standards.

ALE Program Supervisor (1.0 FTE) – In school year 2011-2012 districts received \$133,000,000 in state funding for alternative learning experience programs. Given the complexity of the program and the number of audit issues that districts are experiencing, an ALE Program Supervisor is needed to provide technical assistance to districts and monitor districts' ALE programs.

Contact person

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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

OSPI expects to see fewer ALE audit issues.

OSPI expects to see a seamless implementation of Common Core Standards related to Education Technology.

OSPI expects to see greater program accountability for state funded programs and provisos.

OSPI expects a higher level of support and coordination from the state level to the educational service districts and school districts. School districts receiving increased support will be able to focus more of their time and resources on the education of students at the local level. Policy-makers will see a more coordinated approach to program delivery and measurement of student outcomes.

Performance Measure Detail

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

The Superintendent's priority is for basic education to be fully funded by the state. Allowing OSPI the funding to provide these resources, technical assistance and share best practices for basic educational programs helps fulfill this priority.

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

This decision package supports the Governor's priority to improve student achievement. Providing OSPI with the staff needed to provide coordination and share best practices at a state-wide level as well as better track student achievement fulfills this priority.

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

Education is the paramount duty of the state. Therefore, the state has a constitutional obligation to fully fund basic education.

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

The Washington Supreme Court has recently ruled in the McCleary v. State – the state is failing to its paramount duty to fully fund K-12 education.

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

The alternative situation is the current administration structure OSPI has in place now; inadequate staffing levels that cannot provide ample support and technical assistance to school districts.

What are the consequences of not funding this package?

Districts will continue to struggle to implement ALE requirements, which results in a high number of audit findings and questioned costs.

Programs for which the state provides approximately \$1 billion a year will not be appropriately staffed and accountability for these programs will suffer.

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

There is no relationship to the state's capital budget.

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

OSPI requests a change to RCW 28A.150.260 under subsection 3 (b) add:

(c) The Office of the Superintendent of Public Instruction shall be appropriated up to twenty-two hundredths of a percentage point of the total aggregate statewide allocations calculated under subsections (4) through (12) of this section for full-time equivalent student enrollment for the administration of basic education programs.

Expenditure Calculations and Assumptions

OSPI requests state office administrative costs to be calculated at 0.22% of the Guaranteed Entitlement and Categorical payments made to school districts.

The following table provides a calculation of the requested administration allocation as a percentage of maintenance level Guaranteed Entitlement and Categorical Funding. (Maintenance level was calculated based on the Caseload Forecast Council's enrollment projections and inflation.)

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Maintenance Level Guaranteed Entitlement and Categorical Funding

Fiscal Year	2014	2015
Guaranteed Entitlement & Categorical Funding	\$ 5,421,153,336	\$ 5,535,374,477
State Administrative Allocation	\$ 12,000,000	\$ 12,081,000
State Administrative Percentage	0.22%	0.22%

Fiscal Year	2014	2015
Current funding	\$ 8,746,000	\$ 8,940,000
Restore funding	\$ 3,254,000	\$ 3,141,000
Total	\$ 12,000,000	\$ 12,081,000

OSPI is requesting the current state administrative funding be moved from Program 010 to Program 021 (Apportionment), and that there be an increase in Program 021 of \$3 million to restore total administrative funding to the FY 2009 level, this would equal a set-aside amount from the apportionment appropriation of .22 percent.

Which costs and functions are one time? Which are ongoing? What are the budget impacts in future biennia?

All costs and functions are ongoing, except for the Audit Recovery position, which is requested only for the 2013-15 biennium.

Object Detail

		FY 2013	FY 2014	Total
A	Salary and Wages	\$2,037,000	\$2,037,000	\$4,074,000
B	Employee Benefits	\$834,000	\$833,000	\$1,667,000
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$130,000	\$128,000	\$258,000
G	Travel	\$143,000	\$143,000	\$286,000
J	Equipment	\$110,000	\$0	\$110,000
N	Grants	\$0	\$0	\$0
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$3,254,000	\$3,141,000	\$6,395,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2014	FY 2015	Avg	FY 2014	FY 2015	Total
A001	011	(120.0)	(120.0)	(120.0)	(\$8,746,000)	(\$8,940,000)	(\$17,686,000)
A038 (New)	021	22.0	22.0	22.0	\$3,254,000	\$3,141,000	\$6,395,000
A038 (Moved)	021	120.0	120.0	120.0	\$8,746,000	\$8,940,000	\$17,686,000
Total Activities		22.0	22.0	22.0	\$3,254,000	\$3,141,000	\$6,395,000

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Six-Year Expenditure Estimates

Fund	13-15 Total	15-17 Total	17-19 Total
General Fund – State	\$6,395,000	\$6,120,000	\$6,120,000
Expenditure Total	\$6,395,000	\$6,120,000	\$6,120,000
FTEs	22.0	21.0	21.0