

I-732 Maintenance Level Adjustment 95

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2015

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. The request present reflects the adjustments needed relating to the I-732 COLA for current staff members allocated in the funding formula.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
9C- I-732 COLA	001-01	\$100,753,000	\$199,099,000	\$299,852,000
Total Cost		\$100,753,000	\$199,099,000	\$299,852,000

Package Description (Includes the following sections)

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. The request present reflects the adjustments needed relating to the I-732 COLA for current staff members allocated in the funding formula.

Current Situation

Initiative 732. Initiative 732 requires an annual cost of living adjustment (COLA) increase for school employees based on the Seattle Consumer Price Index (CPI) for the prior calendar year. To calculate the impact of I-732 the projected CPI rates were used to calculate the cost of providing a COLA given current caseload. The rates were then removed to provide a comparison with no COLA, and differential is what is shown as the maintenance level cost.

Proposed Solution

Contact person

- T.J. Kelly – (360) 725-6301

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Narrative Justification and Impact Statement (Includes the following section)

What specific performance outcomes does the agency expect?

N/A

Performance Measure Detail

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

The maintenance request supports the Superintendent's strategic priority of "Full Funding for Schools"

Reason for change:

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

Yes. School employee compensation is one of the foundations of what is basic education funding.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? If so, describe.

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

Impact on Other State Programs

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.

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

Expenditure and revenue calculations and assumptions:

Revenue Calculations and Assumptions:

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Expenditure Calculations and Assumptions:

Object Detail

		FY 2016	FY 2017	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	\$100,753,000	\$199,099,000	\$299,852,000
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$100,753,000	\$199,099,000	\$299,852,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Operating Expenditures		
		FY 2016	FY 2017	Total
A038 Basic Education	021	\$77,546,656	\$161,274,271	\$238,820,927
A033 Student Transportation	022	\$8,000,000	\$6,200,000	\$14,200,000
A027 Special Education	026	\$10,458,553	\$21,750,718	\$32,209,270
A039 Highly Capable	045	\$133,055	\$276,715	\$409,770
A005 Bilingual Education	060	\$1,650,949	\$3,433,489	\$5,084,438
A016 Academic Support for Struggling Students	061	\$2,963,787	\$6,163,807	\$9,127,595
Total Activities		\$100,753,000	\$199,099,000	\$299,852,000

Six-Year Expenditure Estimates

Fund	15-17 Total
General Fund 001-1	\$299,852,000
Expenditure Total	\$299,852,000
FTEs	0

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

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

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