

Fully Funding Basic Education AA

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2015-17

Recommendation Summary Text:

Superintendent Dorn believes that to meet the state’s “paramount duty,” a significant step must be made towards fully funding basic education. This step is part of a five year plan to meet our state’s responsibilities and constitutes additional funding in state fiscal year 2017 of approximately \$172.8 million. As part of this plan, the state must “do no harm” when providing these increases to districts. Currently the compensation levels funded by state dollars pay about 80% of the actual cost of each teacher. Levy funds make up the difference and reliance on levies grows with each new state funded teacher.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
General Fund	001-01	\$0	\$172,879,000	\$172,879,000
Total Cost		\$0	\$172,879,000	\$172,879,000

Staffing	FY 2016	FY 2017	Annual Avg.
Total FTEs Requested	0.0	0.0	0.0

Package Description:

Background

Education: The Paramount Duty

“It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex.”

– Article IX, Washington State Constitution

This provision of our constitution seems perfectly clear, but for most of our state’s history, we have struggled to implement it.

In 1978, a state Supreme Court decision reiterated the state’s constitutional obligation to pay for basic education, and that court decision resulted in the creation of the funding formulas and levy laws now in the Revised Code of Washington (RCW).

In 1991 Governor Gardner created the Governor’s Council on Education Reform and Funding (GCERF), which led to the creation of the Commission on Student Learning.

This resulted in the state’s 1993 school reform legislation, which established the learning goals now in the RCW. The 1993 law recognized that dramatic changes in our economy and technology had raised the bar for students, and that higher levels of skill and knowledge would be required for meaningful participation in the emerging knowledge-driven world.

Fully Funding Basic Education AA

In 2006, Washington Learns—a Governor-led study of Washington’s cradle-to-career education system—called for raising the educational attainment of citizens even further.

Following the work of Washington Learns, the Joint Task Force on Basic Education Finance (Task Force) was commissioned to (1) review the current definition of basic education and the associated funding formulas, (2) develop options for a new funding model, and (3) propose a new definition of basic education.

In the years after the Supreme Court’s *Seattle School District* ruling the legislature has conducted over 17 studies (not including research for specific legislation or projects) to address the school financing concerns for public schools.

These studies and others over the last 30 years have all come to the same conclusion; basic education in Washington State is not fully funded.

The Washington Supreme Court ruled in *McCleary vs. State* that the state has not complied with its Article IX, Section 1 duty to make ample provision for the education of all children in Washington. The court references a promising reform package under ESSB 2261 (2009), which includes fully funding full day kindergarten, reducing class sizes, increasing allocations for other school and district based staffing, and funding MSOC at the level adopted by the Quality Education Council.

Additionally the Court has identified salaries as a significant area of underfunding by the State, in fact noting that the use of levy funds for basic education compensation is unconstitutional.

Current Situation

While the legislature has increased state funding for K-12 education by about \$982.2 million in the 2013-15 biennium and by about \$1.44 billion in the 2015-17 biennium, substantial investments are still required in order to comply with the Supreme Court decision.

The funding provided in the 2013-15 biennium included fully funding the transportation formula in school year 2014-15.

The funding provided in the 2015-17 biennium included full funding of MSOC values in the school year 2015-16, a reduction of class sizes for grades Kindergarten through third grade (K-3) and All-day Kindergarten is fully implemented at 100 percent of Kindergarten enrollment by the 2016-17 school year.

Proposed Solution

Superintendent Dorn confirms the need for education to be fully funded, and puts forth this budget package as a means of achieving full compliance with Article IX, section 1

Fully Funding Basic Education AA

by 2020-21. This proposal phases in the full funding values over the next five school years in order to comply with the 2020-21 school year timeline.

OFM reports that over 7,000 teachers will be needed to meet the original HB 2776 class size requirements. Some of this commitment has been met by the beginning implementation of state-funded all-day kindergarten. In addition, some of this total may be currently being met by teachers funded by local levies. However, the delay in implementing the class size reduction requirements of HB 2776 until the 2015-17 biennium clearly raises into question the capacity of the current teacher pipeline and justifies an extension of the timeline outlined in this proposal.

In addition, a fundamental school finance principle must be to do no more harm to the magnitude of underfunding for basic education when implementing current or new legislative programs and initiatives. Because the state only pays a portion of the true compensation cost for each teacher, implementing new policies such as class size reduction and full day kindergarten increase districts reliance on local levies. Many districts pay 20%-30% in additional compensation for every teacher out of local levy dollars. More teachers equal a higher reliance on levy funds. This issue is directly related to the state underfunding compensation for each and every state funded FTE.

Contact person

- Michelle Matakas – (360) 725-6019 (calculations)
- JoLynn Berge – (360) 725-6292 (policy)

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

More students participating in full-day kindergarten and lower class sizes will result in increased student achievement. This is limited to situations in which FDK and lower class sizes are not already provided through local levy funds.

Initially OSPI expects that this funding will help to reduce school districts' reliance on local levy funds to support the program of basic education, especially in the area of compensation. In the long term OSPI expects that this additional funding will provide districts with the tools they need to continue to improve the quality of instruction they provide to students and will ultimately increase student achievement.

Performance Measure Detail

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

Superintendent Dorn's top priority since being elected to the position is to fully fund basic education.

Reason for change:

Fully Funding Basic Education AA

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

This decision package supports fully funding basic education, a top priority of the Governor.

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

Full funding supports Goal 1: World-class education.

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

This decision package implements progression towards full funding education values as proposed by the technical work groups created under HB2261.

Impact on Other State Programs

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

N/A

What are the consequences of not funding this package?

The Supreme Court could pursue additional legal action to force the state to comply with its constitutional requirement to fully fund basic education.

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

The reduction of high poverty class sizes and expanding full day kindergarten funding will create capacity needs for some school districts.

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

Staffing values in RCW 28A.150.260 would need to be amended.

Expenditure and revenue calculations and assumptions:

Revenue Calculations and Assumptions:

N/A

Fully Funding Basic Education AA

Expenditure Calculations and Assumptions:

School year expenditure calculations are based on anticipated SY 2015-16 enrollment as projected by the caseload forecast council. Inflation assumed for new units only. Models used to derive calculated values are provided.

The following table shows the proposed funding drivers contributing to the cost of this request.

Full Day Kindergarten

School Year	Current Year 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Percentage of Students Served	71.88	81.30	100.00	100.00	100.00	100.00

Class Sizes

Kindergarten Class Size	22:1	21.75:1	20:1	20:1	20:1	20:1
Kindergarten Class Size Poverty	18:1	18:1	17:1	17:1	17:1	17:1
Grades 1-3 Class Size	23/24/25:1	23.14:1	22.09:1	21.05:1	20:1	20:1
Grade 1 High Poverty	19:1	18.98:1	18.32:1	17.66:1	17:1	17:1
Grades 2-3 High Poverty	22/24:1	21.26:1	19.84:1	18.42:1	17:1	17:1
Grades 4-6 Class Size	27:1	27:1	27:1	26:1	25:1	24:1
Grades 7-12 Class Size	28.74:1	28.74:1	28.74:1	28.74:1	28:1	27:1
Grades 7-12 CTE Class Size	26.57:1	26.57:1	19:1	19:1	19:1	19:1
Grades 9-12 Skill Center	22.76:1	22.76:1	16:1	16:1	16:1	16:1
Lab Science Class Size	19.98:1	19.98:1	19:1	19:1	19:1	19:1

School Level and Districtwide Support Staff

School Year	Current Year 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Principals (Elem/Mid/High)	1.253 / 1.353 / 1.880	1.253 / 1.353 / 1.880	1.265 / 1.365 / 1.885	1.277 / 1.377 / 1.890	1.288 / 1.388 / 1.895	1.3 / 1.4 / 1.9
Librarian	0.663 / 0.519 / 0.523	0.663 / 0.519 / 0.523	0.747 / 0.639 / 0.642	0.832 / 0.760 / 0.762	0.916 / 0.880 / 0.881	1.0 / 1.0 / 1.0
Guidance Counselor	0.493 / 1.216 / 2.539	0.493 / 1.216 / 2.539	0.495 / 1.412 / 2.779	0.497 / 1.608 / 3.020	0.498 / 1.804 / 3.260	0.5 / 2.0 / 3.5

Fully Funding Basic Education AA

Health/Social Services	0.135 / 0.068 / 0.118	0.135 / 0.068 / 0.118	0.351 / 0.301 / 0.339	0.568 / 0.534 / 0.559	0.784 / 0.767 / 0.780	1.0 / 1.0 / 1.0
Teaching Assistant	0.936 / 0.700 / 0.652	0.936 / 0.700 / 0.652	1.001 / 0.849 / 0.769	1.066 / 0.998 / 0.887	1.130 / 1.146 / 1.004	1.195 / 1.295 / 1.121
Office Support	2.012 / 2.325 / 3.269	2.012 / 2.325 / 3.269	2.314 / 2.501 / 3.297	2.616 / 2.677 / 3.326	2.918 / 2.853 / 3.354	3.220 / 3.029 / 3.382
Custodian	1.657 / 1.942 / 2.965	1.657 / 1.942 / 2.965	2.124 / 2.320 / 3.352	2.591 / 2.698 / 3.739	3.057 / 3.076 / 4.125	3.524 / 3.454 / 4.512
Student & Staff Safety	0.079 / 0.092 / 0.141	0.079 / 0.092 / 0.141	0.084 / 0.196 / 0.287	0.089 / 0.299 / 0.432	0.094 / 0.403 / 0.578	0.099 / 0.506 / 0.723
Family Engagement	0.083 / 0.000 / 0.000	0.083 / 0.000 / 0.000	0.231 / 0.169 / 0.169	0.380 / 0.338 / 0.338	0.528 / 0.507 / 0.507	0.676 / 0.676 / 0.676
District Technology Staff	0.628	0.628	0.974	1.319	1.665	2.010
Facilities, Maint & Grounds	1.813	1.813	2.540	3.266	3.993	4.719
Warehouse, Laborers, & Mech	0.332	0.332	0.392	0.452	0.511	0.571

Categorical Program Hours Per Week

School Year	Current Year 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Highly Capable (Grades K-6 / Grades 7-12)	2.1590 / 2.1590	3.0272 / 2.3472	3.8954 / 2.5354	4.7636 / 2.7236	5.6318 / 2.9118	6.5 / 3.1
Learning Assistance Program (Grades K-6 / 7-12)	2.3975 / 2.3975	2.6680 / 2.9180	2.9385 / 3.4385	3.2090 / 3.9590	3.4795 / 4.4795	3.75 / 5.0
Learning Assistance Program Class Size (K-6 / 7-12)	15.0 / 15.0	13.2 / 15.0	11.4 / 15.0	9.6 / 15.0	7.8 / 15.0	6.0 / 15.0
Transitional Bilingual Program (Grades 7-8 / 7-12)	4.7780 / 4.7780	5.0224 / 5.4224	5.2668 / 6.0668	5.5112 / 6.7112	5.7556 / 7.3556	6.0 / 8.0

Fully Funding Basic Education AA

Professional Development

School Year	Current Year 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
New Teacher Training Mentors (hours per week: 1yr / 2yr / 3yr)	0.00 / 0.00 / 0.00	0.50 / 0.38 / 0.25	1.00 / 0.75 / 0.50	1.50 / 1.13 / 0.75	2.00 / 1.50 / 1.00	2.00 / 1.50 / 1.00
Professional Development Days for CIS Staff	0.0	2.5	5.0	7.5	10.0	10.0

Compensation

Increased Funded Salary Levels for Certificated Instructional Staff	\$34,457	\$34,663	\$36,887	\$39,620	\$42,352	\$42,352
Increased Funded Salary Levels for Certificated Administrative Staff	\$58,682	\$77,412	\$94,870	\$112,328	\$112,328	\$112,328
Increased Funded Salary Levels for Classified Staff	\$32,247	\$35,866	\$39,403	\$42,941	\$42,941	\$42,941
Do No Harm Certificated Instructional Salary*	\$41,956	\$41,956	\$41,956	\$41,956	\$41,956	\$41,956
Do No Harm Certificated Administrative Salary*	\$112,985	\$112,985	\$112,985	\$112,985	\$112,985	\$112,985
Do No Harm Classified Salary*	\$42,923	\$42,923	\$42,923	\$42,923	\$42,923	\$42,923

*3% Increase to S275 SY 2014-15 District Average salary assumed

Fully Funding Basic Education AA

Total Cost by School Year is found in the chart below:

Expenditure Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Early Elementary Class Sizes	\$0	(\$201,578,000)	(\$313,256,000)	(\$239,882,000)	(\$158,942,000)	(\$161,845,000)
<i>Do No Harm to Local Levy</i>	\$0	\$13,570,921	\$21,188,376	\$23,490,338	\$26,122,756	\$26,122,927
Later Grade Class Sizes	\$0	\$0	\$109,525,000	\$149,127,000	\$229,790,000	\$339,939,000
<i>Do No Harm to Local Levy</i>	\$0	\$0	\$2,819,902	\$4,113,401	\$7,028,895	\$10,823,205
School/District Support Staff		\$0	\$303,667,000	\$617,602,000	\$942,518,000	\$1,278,360,000
<i>Do No Harm to Local Levy</i>		\$0	\$23,766,737	\$47,548,419	\$71,301,675	\$95,040,420
Program Hours	\$0	\$49,680,000	\$107,091,000	\$175,632,000	\$257,549,000	\$356,618,000
<i>Do No Harm to Local Levy</i>	\$0	\$8,603,690	\$18,629,136	\$30,839,634	\$46,763,137	\$69,741,155
Professional Development	\$0	\$64,207,701	\$136,120,629	\$210,808,293	\$291,748,767	\$299,934,835
<i>Do No Harm to Local Levy</i>	\$0	\$4,728,733	\$10,024,936	\$15,525,492	\$21,486,551	\$22,089,434
Compensation	\$0	\$200,610,821	\$714,927,970	\$1,310,953,641	\$1,677,807,641	\$1,677,807,641
<i>COLA Do No Harm to Local Levy</i>		\$76,274,685	\$124,582,371	\$177,974,816	\$233,909,758	\$289,844,700
LEA	\$0	\$0	\$10,081,000	\$31,980,000	\$67,293,000	\$107,080,000
Grand Total	\$0	\$216,098,551	\$1,269,168,058	\$2,555,713,034	\$3,714,377,181	\$4,411,556,317

Fully Funding Basic Education AA

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	\$0	\$0	\$0
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$172,879,000	\$172,879,000
Total Objects		\$0	\$172,879,000	\$172,879,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2016	FY 2017	Avg	FY 2016	FY 2017	Total
A038-Basic Education	021				\$0	\$126,252,000	\$126,252,000
A039 Highly Capable Program	045				\$0	\$2,480,000	\$2,480,000
A005 Migrant and Bilingual Education	060				\$0	\$2,503,000	\$2,503,000
A016 Academic Support For Struggling Students	061				\$0	\$41,644,000	\$41,644,000
Total Activities					\$0	\$172,879,000	\$172,879,000

Six-Year Expenditure Estimates

Fund	15-17 Total	17-19 Total	19-21 Total
General Fund 001-1	\$172,879,000	\$3,356,959,000	\$7,754,765,000
Expenditure Total	\$172,879,000	\$3,356,959,000	\$7,754,765,000
FTEs	0.00	0.00	0.00

Fully Funding Basic Education AA

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

Costs are all ongoing.