

# Quality Education Council

## Agenda for Thursday, August 27, 2009 Senate Conference Room A-B-C, 9 a.m. – 4 p.m. Broadcast & Webcast live by TVW

	<u>Time</u>	<u>Issue/Topic/or Action</u>	<u>Facilitator or Presenter for Agenda Item</u>
1.	9:00	Convene Meeting & TVW Announcement	Superintendent Dorn
2.	9:05	Council Member Introductions	Council Membership
3.	9:25	OSPI and OFM Staff Introductions	Superintendent Dorn
4.	9:35	Council Website, Information, and Feedback Links	Superintendent Dorn
5.	9:50	Elect Council Chair	Superintendent Dorn
6.	10:05	ESHB 2261 Background and Quality Education Council Responsibilities	Susan Mielke and Barbara McLain, Committee Staff, Senate Committee Services and House Office of Program Research
7.	10:45	Break	
8.	10:55	Basic Education Finance Task Force: Process and Summary of Recommendations	Annie Pennucci, Senior Research Associate, Washington State Institute for Public Policy
9.	11:35	Early Learning Work Plan Update	Dr. Bette Hyde, Director, Department of Early Learning
10.	11:45	Federal Race-to-the-Top Funds and Federal Guidance for Applicants	Judy Hartmann, Executive Policy Advisor for K-12 Education to the Governor
11.	11:55	Lunch Break	
12.	12:40	Funding Formula Working Group and Report from August 20 <sup>th</sup> Meeting	Julie Salvi, Senior Budget Assistant, Office of Financial Management
13.	1:10	Implementation Plan for New Funding System: Preview of Discussion related to Prototype Elements	Jennifer Priddy, Assistant Superintendent of Financial Resources, OSPI
14.	1:30	Implementation Plan for New Funding System: Preview of Policy Decisions Related to the Starting Point for a new Funding Structure	Jennifer Priddy, Assistant Superintendent of Financial Resources, OSPI
15.	2:05	Break	
16.	2:15	Implementation Plan for New Funding System: Key Dates for Transition to the New Funding Formula Structure	Cal Brodie, Director, School Apportionment and Financial Services, OSPI
17.	2:45	Proposed Agenda Items for Upcoming QEC Meetings	Chair
18.	3:00	Public Comment	Per Sign-up Sheet
19.	3:45	Other Items and Discussion as Necessary	Chair
20.	4:00	Adjourn	Chair

*Times are preliminary and may change.*

### Council Members

Superintendent Dorn  
SBE Chair Ryan  
PESB Chair Rushing

Dr. Jane Gutting  
Dr. Betty Hyde  
Speaker Chopp

Rep. Sullivan  
Rep. Priest  
Rep. Dammeier

Sen. Oemig  
Sen. McAuliffe  
Sen. King

Sen. Zarelli  
Rep. Maxwell (alt)

# Introduction: Quality Education Council (QEC)

Established by Chapter 548, Laws of 2009 (ESHB 2261)

Susan Mielke, Senate Committee Services  
Barbara McLain, House Office of Program Research  
August 27, 2009

# Presentation Overview

## 1. QEC Purpose & Responsibilities

*Section 114, ESHB 2261*

## 2. “Phased-in Implementation” under ESHB 2261

## 3. Other Workgroups & the QEC

- Funding Formulas (*Section 112*)
- Local Finance (*Section 302*)
- Compensation (*Section 601*)
- SBE Graduation Requirements (*Section 111*)
- K-12 Data Governance (*Section 203*)
- System Capacity Report - OSPI (*Section 113*)
- Early Learning (*Governor Gregoire letter 6/8/2009*)

# Members , Staff, Meetings

- Four Representatives and Four Senators
- One representative each of:
  - Office of the Governor
  - Office of Superintendent of Public Instruction
  - State Board of Education
  - Professional Educator Standards Board
  - Department of Early Learning
- Chair selected from the members of Council
- Staffed by OSPI and OFM, with additional support provided by entities with representatives on the Council
- Meets no more than 4 times a year

# QEC: Overall Purpose

**Recommend and inform the ongoing implementation by the Legislature of an evolving Program of Basic Education and the financing to support it**

# Ongoing Responsibilities

- Develop strategic recommendations on the Program of Basic Education and update them every four years
  - Take into consideration the capacity of the K-12 system as reported by OSPI, the availability of data, and progress of implementing data systems
  - Recommendations for modification are based on evidence of effectively supporting student learning
- Identify measurable goals and priorities for the K-12 system for a 10-year time period
  - Including strategies for statewide coordination to eliminate the achievement gap and reduce student dropout rates

# Optional Activities

- May request updates and progress reports from education agencies and working groups established by the Legislature.

# Initial Report

Due to Governor and Legislature by January 1, 2010

## Recommendations for:

1. Resolving issues requiring legislative action during 2010 session
2. Any funding necessary to continue development and implementation of ESHB 2261
3. Schedule for concurrent phase-in of changes to the Program of Basic Education and implementation of funding formulas and funding to support the changes, with full implementation completed by September 1, 2018
4. Schedule for phasing-in new pupil transportation formula, beginning no later than September 1, 2013
5. Consideration of a statewide beginning teacher mentoring and support system
6. A Program of Early Learning for at-risk children

# Phased-In Implementation

**The Legislature intends that the redefined Program of Basic Education and funding for the Program be fully implemented by 2018**

*Section 1, ESHB 2261*

# Phased-In Implementation

- Key sections of ESHB 2261 take effect September 1, 2011
  - Definition of Program of Basic Education (*Section 101*)
  - Description and definition of the Instructional Program of Basic Education to be provided by school districts (*Section 104*)
  - Framework for new prototypical school funding formula, including repeal of current formula based on staffing ratios (*Section 106*)
- At the same time, the bill states:

“The prototypical school funding formulas shall be implemented to the extent the technical details of the formula have been established and according to an implementation schedule adopted by the Legislature.”

(*Section 112*)

# Phased-In Implementation

The new Instructional Program of Basic Education includes:

- Increased minimum instructional hours
  - 1,000 hours in grades 1-6 and 1,080 hours in grades 7-12
  - Increased according to an implementation schedule adopted by the Legislature
- Full-Day Kindergarten
  - 1,000 hours and 180 full days
  - Phased-in beginning with schools with highest poverty levels (RCW 28A.150.315)
- Opportunity to complete 24 credits for graduation
  - Subject to phased-in implementation of the 24 credits established by Legislature
  - Course distribution requirements established by SBE

*Sections 104 and 107*

# Implementation Schedule

- The object of the schedule is to assure that any increases in funding are timely, predictable, and occur concurrently with any increases in program or instructional requirements.
- The Legislature's intent is that no increased expectations be imposed on schools or districts without an accompanying increase in resources as necessary to support the increased expectations.

*Section 112*

# Phased-In Implementation

- SPI must phase-in implementation of the new distribution formula for allocating state funds to school districts for transportation of students to and from school.
  - Phase-in is according to an implementation schedule adopted by the Legislature, beginning no later than 2013-14

*Section 311*

# Funding Formulas Work Group

- Convened by OFM, with OSPI assistance & support
  - Representatives of agencies, school districts, ESDs, education associations, and others with expertise in education finance
- Monitored and overseen by Legislature **and QEC**
- Report to Legislature by December 1, 2009:
  - Develop details of new funding formulas
  - **Recommend implementation schedule for phasing-in increased program or instructional requirements concurrently with increases in funding, for adoption by Legislature**
  - Examine possible sources of revenue to support increased funding and present options to Legislature **and QEC**

# Local Finance Work Group

Beginning July 1, 2010

- Convened by OFM, with OSPI assistance & support
  - Representatives of agencies, school districts, ESDs, education associations, and others with expertise in education finance
- Monitored and overseen by Legislature **and QEC**
- Report to Legislature by December 1, 2011:
  - Develop options for new system of supplemental school funding through local levies and local effort assistance
  - Consider impact of new Basic Education funding system
  - Recommend phase-in that ensures no district suffers decrease due to implementation of new supplemental funding system

# Compensation Work Group

Beginning July 1, 2011

- Convened by OFM, with OSPI assistance & support
  - Representatives of agencies, school districts, ESDs, education associations, and others with expertise in compensation
- Monitored and overseen by Legislature **and QEC**
- Initial report to Legislature by December 1, 2012:
  - Recommend details of enhanced salary allocation model that aligns educator development and certification with compensation and establishes recommendations for a concurrent implementation schedule
  - Conduct or contract for preliminary comparative labor market analysis
  - Recommend whether further work by the group is necessary

# SBE Graduation Requirements

- SBE has statutory authority to establish high school graduation requirements (RCW 28A.230.090)
- Under ESHB 2261, SBE must forward any proposed changes to graduation requirements to the Legislative Education Committees and **to the QEC**
  - Legislature must have opportunity to act before changes are adopted in rule.
  - Changes with fiscal impact on school districts take effect only if formally authorized and funded by the Legislature.

# K-12 Data Governance Group

- Convened by OSPI
  - Representatives of agencies, school districts, and others with expertise in education data
  - Reviewed and monitored by Education & Research Data Center, LEAP
- Initial report to Legislature by November 15, 2009  
(Final report by September 1, 2010):
  - Create comprehensive data needs requirement document and conduct a gap analysis of current information and systems to needs requirements
  - Submit options for addressing identified gaps
  - Prepare a proposed phase-in plan and cost estimates
- **QEC takes availability of data and progress of implementing data systems into consideration when developing strategic recommendations.**

# System Capacity Report - OSPI

- SPI makes determinations of the education system's capacity to accommodate increased resources in relation to the prototypical school funding model.
  - Submits to Governor biennially with budget and reports biennially to Legislature starting December 1, 2010
  - Legislature reviews recommendations and uses the information as it continues to revise the definition and funding of Basic Education
- "System capacity" includes:
  - Capital facilities to support a particular instructional program
  - Staffing (numbers, experience, type of staff) to support a program
  - Higher education capacity to prepare the next generation of educators
  - Availability of data and a data system capable of helping the state allocate resources consistent with evidence-based practices
- **QEC takes the report into consideration when developing strategic recommendations.**

# Early Learning

- Section 115 of ESHB 2261 (Program of Early Learning) vetoed.
- Instead, Governor asked SPI and DEL to develop a proposal for early learning for all children Birth-to-Five.
  - What early learning opportunities should all children and families have
  - What are the roles of communities, non-profits and government
  - Recommendations on starting programs and bringing them to scale
  - Resources to support recommendations
  - How the proposal should intersect with Basic Education
- Work to be conducted along with other efforts to improve early learning. Final report by December 1, 2009.
- “I encourage the **Early Learning Advisory Council to work with the newly created QEC** as it develops recommendations for a program of early learning for at-risk children.”

# The Joint Task Force on Basic Education Finance

## *Highlights of Recommendations*

Presentation to the  
Quality Education Council

August 27, 2009

Washington State Institute for Public  
Policy, staff to the Task Force  
Annie Pennucci

# Task Force Recommendations in Five Areas

- ▶ Definition of Basic Education
- ▶ Instructional Program
- ▶ School Employee Compensation
- ▶ Teacher Preparation and Career Ladder
- ▶ Funding and Oversight

# Proposed New Definition of Basic Education

- ▶ Basic education is the opportunity for all students to meet the new, more rigorous high school graduation requirements (Core 24) proposed by the State Board of Education.
- ▶ The Task Force’s recommended program of education is designed to achieve this goal and “to make ample provision for the education of all children...”
- ▶ Intended to prepare students for college or career.

# Instructional Program of Basic Education

- ▶ “Model Schools” approach to state allocation (budgeting):
  - Four example schools: K–3, 4–6, middle, high.
  - Specific definitions of educational services for each, including: class size, hours per year, staffing model, transportation, materials, etc.
  - Adjusted for demographics, career and technical, lab science, Advanced Placement/IB, special education.
  - Teacher time for preparation, planning, and professional development.
  - Early learning for at-risk children.

# School Employee Compensation

- ▶ Existing Salary Allocation Model (SAM) phased out over ten years.
- ▶ Replaced by a new SAM with:
  - Salaries based on regional local labor markets.
  - A three-level career ladder (next slide).
- ▶ “Time, responsibilities and incentive” (TRI) pay limited to “time.”
- ▶ Learning Improvement Days increased from two to ten.

# Teacher Career Ladder

- ▶ Three levels of career ladder: residency, professional, and master teacher.
- ▶ Mentoring of new teachers by master teachers; structured peer review process.
- ▶ From residency to professional: teach at least two years, pass peer reviews, demonstrate improved teaching. Must achieve within five years.
- ▶ From professional to master: National Board for Professional Teaching Standards certification.

# Accountability

- ▶ Common student identification system.
- ▶ Common accounting system; separate local and state resources.
- ▶ Implement the State Board of Education accountability system.

# Levy Issues

- ▶ Limit and equalize levies based on local support per student.
- ▶ Convene technical team to redesign levy equalization system.

# Phase-In

- ▶ Over six years.
- ▶ Start in 2011–12 school year.
- ▶ Funding priorities identified.

# Minority Reports

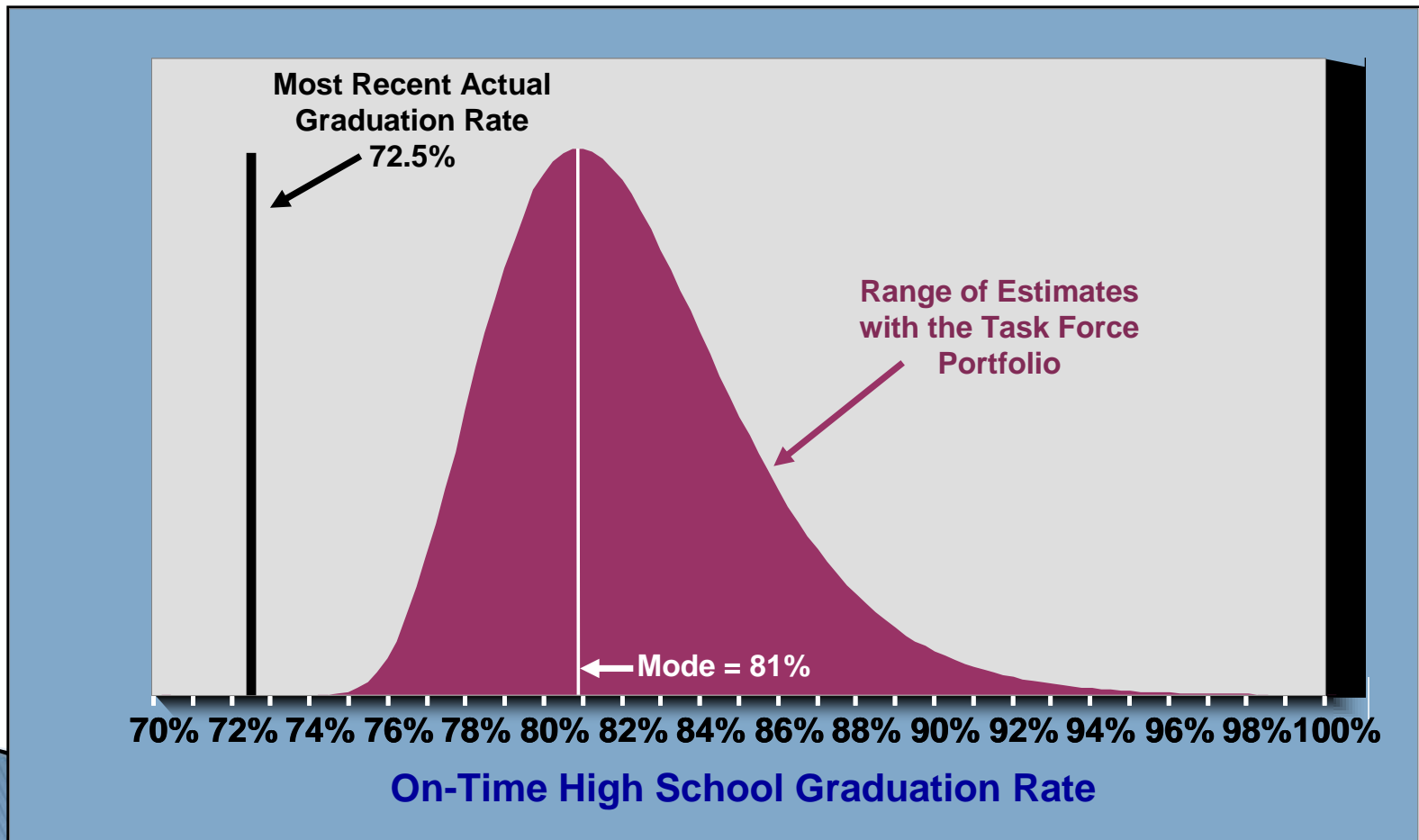
- ▶ Representative Anderson
- ▶ Chair Grimm
- ▶ Superintendent Hyde
- ▶ Superintendent Hyde and Senator Jarrett
- ▶ Superintendent Kowalkowski

# Cost Estimates

- ▶ The expenditure model for the Task Force funding system developed by House fiscal staff.
- ▶ Three cases: Teacher salaries at current levels, and at two comparable wage levels estimated by a Task Force consultant.
- ▶ Cost estimates:
  - If only current basic education funds are considered, total increase in funding of \$7.5, \$8.3, and \$10.1 billion per biennium (63%, 69%, 85% increases, respective to the salary case).
  - If current non–basic education funds are folded in, estimates reduced to \$6.3, \$7.1, and \$8.9 billion (48%, 54%, 68% increases).

# Projected Effects on Student Outcomes

- ▶ Recommendations projected to increase high school graduation rate from 73% to 81% (14 years after full implementation). This projection is uncertain.



# K-12 Funding Formula Technical Working Group

Established by Chapter 548, Laws 2009 (ESHB 2261)

Julie Salvi, Office of Financial Management

# K-12 Funding Formula Technical Work Group

<b>David Iseminger</b>	Lake Stevens School District	School Board Director
<b>Shawn Lewis</b>	North Thurston Public Schools	Assistant Superintendent, Administrative Services
<b>Michael Mann</b>	Legislative Evaluation and Accountability Program Committee	Managing Consultant
<b>Doug Matson</b>	West Valley School District	Deputy Superintendent, Operations
<b>Tim Merlino/ Brett Blechschmidt</b>	Educational Service District 112	Chief Finance Officer / Assistant Fiscal Officer
<b>Sheryl Moore</b>	Renton School District	Executive Director, Employee Relations
<b>Doug Nelson</b>	Public School Employees	Director of Governmental Relations
<b>Stephen Nielsen</b>	Puget Sound Educational Service District	Assistant Superintendent, Financial Services
<b>Randy Parr</b>	Washington Education Association	Budget Analyst / Lobbyist
<b>Rich Puryear</b>	Richland School District	Executive Director, Financial Services
<b>Jennifer Shaw</b>	Franklin Pierce Schools	Principal, Franklin Pierce High School
<b>Neil Sullivan</b>	Spokane Public Schools	Executive Director, Finance
<b>Farley Walker</b>	Ellensburg School District	Business Manager
<b>Carolyn Webb</b>	Mukilteo School District	Executive Director, Business Services

# K-12 Funding Formula Technical Working Group

- Working group will be monitored and overseen by the Legislature and the Quality Education Council.
- The working group will submit recommendations to the Legislature by December 1, 2009.

# K-12 Funding Formula

## Technical Working Group

Office of Financial Management (OFM), with assistance and support from Office of Superintendent of Public Instruction (OSPI), will convene a technical working group to:

1. Develop the details of the funding formulas under 28A.150.260 (Section 106 of ESHB 2261);
2. Recommend to the Legislature an implementation schedule for phasing-in any increased program or instructional requirements concurrently with increases in funding; and
3. Examine possible sources of revenue to support increases in funding allocations and present options to the Legislature and the Quality Education Council.

# Implementation Plan Overview

- Technical Working Group and QEC must each prepare recommended implementation plan.
- Defining the starting point is the first phase of work for the Technical Working Group.
  - On August 20<sup>th</sup>, the discussion started regarding the structure of a prototype school funding formula and how to represent current funding in the new structure.
  - Expect to finish the recommendations to define the starting point in September and present those recommendations at the next QEC meeting.

# Implementation Plan Overview

- Next steps include setting assumptions for implementation and providing recommendations on how changes are phased in over time.
  - Technical working group can inform the discussion on implementation by bringing school district and educator perspectives and providing information on local capacity.
  - In it's oversight role, the QEC can advise the Funding Formula Technical Working Group on assumptions to make regarding implementation. Discussion of this topic is scheduled for September QEC meeting.

# August 20<sup>th</sup> Meeting Summary

- Recommended that general allocations and calculations for prototype schools be based on district-wide enrollment rather than district-defined school enrollments
- Debate regarding appropriate enrollment level for poverty-based elements
- Discussion of how to represent current system in the new prototype model. Example: How to represent lump-sum Non-Employee Related Costs (NERC) in new categories of Maintenance, Supplies and Operating Costs (MSOC)
- Created ad hoc group to look at planning time assumption that is needed to show assumed class size

# Meeting Schedule

- August 20<sup>th</sup> – Puget Sound ESD
- September 3<sup>rd</sup> – Highline Community College
- September 17<sup>th</sup> – Puget Sound ESD
- October 8<sup>th</sup> – Puget Sound ESD
- October 22<sup>nd</sup> – Highline Community College
- November 5<sup>th</sup> – Olympia
- November 12<sup>th</sup> – Olympia
- November 19<sup>th</sup> – Tentative – Possible Conference Call

# Working Group Updates

- Meeting reminders and general updates to an email listserve.

Send email to: [LISTSERV@LISTSERV.WA.GOV](mailto:LISTSERV@LISTSERV.WA.GOV) with the following command in the body of the email:

SUBSCRIBE K12-FUNDING-FORMULA-TECHWKGP

- Information regarding next meeting and prior meeting documents on website:

<http://www.ofm.wa.gov/k12funding/>

# Prototype Funding Structure: Funding Formula Work Group Discussion

Jennifer Priddy, Office of Superintendent of Public  
Instruction

# What categories should be included in the Prototypes?

- Three sets of recommendations with some differing categories:
  - Washington Learns K-12 Advisory Committee
  - Basic Education Finance Task Force
  - ESHB 2261
- Setting the categories soon critical to:
  - Identifying the Starting/Ending Values
  - Revising OSPI data collection in time for 2010-11 SY
- Funding Formula Work Group has preliminary decisions re: categories to recommend; some additional research for OSPI is required
- Following is a Preview of FFWG discussion

# “Prototype” funding approach has 7 components to build most of a school system

1. Number of students and grade-level breakdown
2. Class size assumption (classroom teachers)
3. School staffing plan (all non-class size staff)
4. Non-staff operating costs (Maintenance, Supplies and Other Costs)
5. Extra support for some students/schools
6. Professional development
7. Districtwide support (central administration)
  - *Compensation schedules/allocations*
  - *Transportation*

# Structure of Prototypes / # of Students

	Wa Learns	BEFTF	ESHB 2261	FFWG Discussion
1	Elementary (K-5) 432 Students	Elementary (K-6) 400 Students	Elementary (K-6) 400 Students	Pending data
2	Middle (6-8) 450 Students	Middle (7-8) 432 Students	Middle (7-8) 432 Students	Pending data
3	High (9-12) 600 Students	High (9-12) 600 Students	High (9-12) 600 Students	Pending data

## FFWG:

- Research number of students by school and report to FFWG in September

# Class Size Prototype: Separate Class Size Recommendation for Each

	Wa Learns	BEFTF	ESHB 2261	FFWG Discussion
1	K-3 Core + Specialist Teachers	K-3	K-3	K-3
2				K-3, High Poverty
3	4-12 Core + Specialists	4-12 (4-5, 6-8, 9-12)	4-12 (4-6, 7-8, 9-12)	4-12 (4-6, 7-8, 9-12)
4		4-12, High Poverty (4-6, 7-8, 9-12)	4-12, High Poverty (4-6, 7-8, 9-12)	4-12, High Poverty (4-6, 7-8, 9-12)
5		AP/IB/Lab Science	AP/IB/Lab Science	AP/IB/Lab Science
6	CTE	7-12 CTE Exploratory	CTE Exploratory	CTE Exploratory
7		9-12 CTE Preparatory	CTE Preparatory	CTE Preparatory

# Class Size Prototype continued

FFWG:

- Add K-3 poverty category to facilitate phase-in
- Debate continues re: use of school poverty data to drive funding and how funding would be expected to be expended

# School Staffing Plan for each of Elementary, Middle, and High which includes these categories:

	Wa Learns	BEFTF	ESHB 2261	FFWG Discussion
1	Principals	Principals	Principals	Principals
2	Teacher Librarians	Teacher Librarians	Teacher Librarians	Teacher Librarians
3	Pupil Support	Student Health Svs	Student Health Svs	Student Health Svs
4		Guidance Counselors	Guidance Counselors	Guidance Counselors
5	School Sec. and other Aides (Non-Instruct)	Office Support	Office Support	Office Support
6			Teaching Assistance	Teaching Assistance
7				Technology
8		Facilities Maintenance	Facilities Maintenance (and Warehouse, Laborer, and CTE Support)	Facilities Maintenance

# School Staffing Plan continued

## FFWG:

- Add Technology as a category; the expenditures and staffing are substantially different than Office Support
- Isolate Facilities Maintenance as a separate category
  - Recent Board of Health action re: Safe and Healthy Schools highlights need for more transparency around state funding and district expenditures on facilities maintenance.
- Other classified staffing (warehouse/mail) is rolled into Central Administration prototype

# Maintenance, Supplies and Other Costs (MSOC)

	Wa Learns	BEFTF	ESHB 2261	FFWG Discussion
1	Student Technology	Student Technology	Student Technology	Technology
2	Instructional Materials	Textbooks, Library, Other Materials	Curriculum, Textbooks, Library, Other School Materials	Curriculum, Textbooks (Library?)
3				Other School Materials (Library?)
4	Utilities	Utilities	Utilities	Utilities & Insurance
5	Central Office, Maintenance	Central Office	Central Office	Districtwide Support and Security
6		Insurance/Security/Facilities Maintenance	Insurance/Security/Facilities Maintenance	Facilities Maintenance
7	CTE	CTE	CTE (HS and SC)	

# MSOC continued

## FFWG:

- Isolate 'Technology' as a category
  - Administrative Technology and Student Technology are intertwined
  - A technology category in MOSC and in Staffing Plan will permit the state to identify differential expenditures among districts for technology
- Isolate 'Facilities Maintenance' as a category
  - Includes custodial services and supplies in both Staffing Plan and MOSC
  - Permits state to identify how much districts are spending on facilities maintenance compared to state allocations
- Districtwide Support is a more accurate description than Central Administration; Security is similar to other districtwide expenditure categories
- CTE and Library Materials conversation not complete

# Extra Support for Schools/Students

	Wa Learns	BEFTF	ESHB 2261
1	Tutoring for Struggling Students	Tutoring for Struggling Students	Learning Assistance Program: Extended Day Extended Year Additional Supplies
2	Summer School		
3	English Language Learners	English Language Learners: % of Day in Supplemental Instruction Additional Supplies	English Language Learners: % of Day in Supplemental Instruction Additional Supplies
4	Special Education	Special Education	Special Education
5	Gifted Education	Gifted Education	Gifted Education
6	Full-day Kindergarten	Full-day Kindergarten	Full-day Kindergarten
7	Small School District	Small School District	Small School District

- *Not discussed by FFWG in August*

# Professional Development

	Wa Learns	BEFTF	ESHB 2261
1	Instructional Facilitators	Professional Development Coaches	Professional Development Coaches
2	Extra Contract Days	Extra Contract Days	(silent)
3	Mentoring for New Teachers	Mentoring for New Teachers	(QEC design)

- *Not discussed by FFWG in August*

# Districtwide Support

	Wa Learns	BEFTF	ESHB 2261
1	Specific staffing allocations for Superintendent and Supervisors, Technology, Secretaries, and Finance Office	Central Administration funded as percentage of total prototype staffing	Central Administration funded as percentage of total prototype staffing (% of Class Size, School Staffing Plan, Prof Development, and Gifted Staffing)

- *Not discussed by FFWG in August*

# Feedback for FFWG

- Are there changes to categories the Council would like the FFWG to consider, debate, and provide feedback on?

# Prototype Funding Structure: Crosswalk of Current Funding Levels to New Structure

Jennifer Priddy, Office of Superintendent of Public  
Instruction

# What is the Crosswalk?

- Translation of current funding formulas and funding levels into the new formula structure
  - Dependent on final prototype elements
- Establishes the Starting Values for the Implementation Plan
- Starting Values represent a cost neutral re-statement of the current system
  - Any changes in district funding or state allocations should be a policy decision identified as such in the phase-in plan to new Ending Values
  - Starting Values must be set for 3 levels of funding
    - Basic Education minimum requirement (RCW 28A.150.260)
    - Current Funding level (enhancement to Classified and K-4 Certificated Instructional Staffing)
    - I-728 (BEFTF recommended that I-728 funding be incorporated into the Prototype Structure; what elements of the prototype should be improved with I-728 funding?)

# Why is it important?

- The new funding structure is a statement of “What the State is Paying For”
  - We have very little background to tell us what policymakers have intended to buy with the allocations provided to the system
  - Represents a series of policy decisions best made by policymakers
  - Example: Within the allocation for Certificated Instructional Staff, does the state intend for districts to employ school nurses, or just classroom teachers?
    - More school nurses necessarily drives the starting value of class size up
    - Depending on the assumption for school nurses and other ESAs, the class size assumption will range between about 24 and about 30 (grades 5-12)

# When will the Crosswalk be complete?

- FFWG reviewed draft crosswalk methods on 8/20
  - Provided feedback to OSPI for additional data analysis and method alternatives
- Anticipate that crosswalk will be finalized at September 3<sup>rd</sup> and 17<sup>th</sup> meetings of FFWG
  - Potential FFWG recommendation to QEC by September 29<sup>th</sup>
- Hope for tentative adoption of the Crosswalk by QEC on September 30<sup>th</sup>
  - Modeling by district will be complete mid-October

# Crosswalk Preview

- General Apportionment
  1. Non-employee Related Costs
  2. Certificated Instructional Staff
  3. Certificated Administrative Staff
  4. Classified Staff
- Categorical programs, professional development, I-728, CTE, and small school factor not included in today's preview

# NERC to MSOC

- Districts expended \$1,083 per student; state funded \$480 or 44%
  - 2007-08 is used as the basis for the calculations
  - District expenditure data is based on an survey tool that isolates basic education expenditures from non-basic education; represents 62% of students
- FFWG debating approach to distribute funds across categories:
  1. Proportionally distribute so that state covers 44% of each category
  2. State funds cover 100% of utilities/insurance; 26% of remaining categories

# NERC to MSOC continued

		<b>Crosswalk Method 1</b>	<b>Crosswalk Method 2</b>
	<b>2007-08 District Spending</b>	<b>Proportional Distribution of Funding</b>	<b>Utilities and Insurance 100% Funded; Proportional Distribution of Remainder of Funding</b>
Technology	\$ 114	\$ 50	\$ 25
Curriculum	\$ 122	\$ 54	\$ 27
Library and Other Supplies	\$ 259	\$ 115	\$ 57
Professional Development	\$ 19	\$ 8	\$ 4
Utilities/ Insurance	\$ 309	\$ 137	\$ 309
Districtwide Support	\$ 106	\$ 47	\$ 23
Facilities Maintenance	\$ 153	\$ 68	\$ 34
<b>Total</b>	<b>\$ 1,083</b>	<b>\$ 480</b>	<b>\$ 480</b>

# Certificated Instructional Staff

Crosswalk identifies:

- A. Class size
- B. Number of Teacher Librarians, Counselors, Nurses, and/or Professional Development Coaches for each prototype (elementary, middle, high school)

# Certificated Instructional Staff

## Policy Questions associated with Crosswalk

Out of 46.0/1,000 allocation:

- |   |   |
|---|---|
| 1 | Does the state allocate a lower class size for high-poverty schools?  |
| 2 | How many staff are assumed Teacher Librarians, Counselors, Nurses, Professional Development Coaches? How is this amount distributed among categories? |
| 3 | How much time out of the student school day is allocated for teacher planning time?   |

For the K-4 class size enhancement of 7.2/1,000:

- |   |  |
|---|--|
| 4 | Is all of K-4 enhancement intended to reduce class size? |
|---|--|

# Example

	Elementary (400)	Middle (432)	High (600)
Example % ESAs	<b>8.65%</b>	<b>8.81%</b>	<b>8.80%</b>
Teacher Librarians	.59	.55	.77
Guidance Counselors	.88	.85	1.18
Nurses/Social	.22	.21	.29
Professional Development Coaches	<u>.15</u>	<u>.14</u>	<u>.19</u>
Total	1.84	1.75	2.43
Example Class Size ( <b>17% Planning</b> )	24.8	28.7	28.7
Equivalent to:	53.2/1,000	46/1,000	46/1,000

# Classified and Administrative Staff

	School Staffing Plan	Districtwide Support
Classified Staff (17.02 / 1,000)	Teaching Assistants, Office Staff, Technology Support, Facilities Maintenance (Custodians/ Grounds/ Maintenance), Security	Finance and Personnel Offices, Warehouse, Mail, Laborer
Certificated Administrative Staff (4 / 1,000)	Principals, Vice-principals	Superintendent Assistant Superintendents
Equivalent to:	17.02 + 4.0 staff per 1,000 students	

# Feedback or Questions for FFWG?

- NERC or MSOC
- Certificated Instructional Staff: Class Size and ESAs
- Certificated Administrative Staff
- Classified Staff
- Categorical programs, professional development, I-728, CTE, and small school factor

# Discussion Document: Key Dates for Transition to New Funding Structure in September 2011

Discussion Document Assumptions:

- reflects implementation of new state funding formulas with some new data elements associated with the prototype
- does not reflect steps required to implement a new accounting structure for accounting for all revenue
- does not reflect steps required to implement a new accounting structure for accounting for expenditures by school
- each column represents the party primarily responsible for a task; many tasks involve other entities (e.g., ESD and School Districts are involved in OSPI discussions of new account coding structure)

Row #	Key Date	Policymakers	Office of Superintendent of Public Instruction	Educational Service Districts	School Districts
1	8-2009	Initial discussion of Prototype Elements	Begin discussion with School District Accounting Advisory Committee (SDAAC) re: implications for coding and structure		
2	9-2009				Begin reporting data for 2009-10 SY in CEDARS
3	10-2009	FFWG and QEC identify draft Prototype Elements	1) OSPI begin small work groups on enrollment, personnel, budget/ accounting and class size; 2) Obtains bids for re-development of apportionment systems		
4	11-2009	Governor's Supplemental budget for re-development of apportionment systems			
5	12-2009	FFWG recommends new formula structure			
6	1-2010	QEC recommends new formula structure			
7	2-2010		OSPI drafts contracts for system re-development		

## Discussion Document: Key Dates for Transition to New Funding Structure in September 2011

Row #	Key Date	Policymakers	Office of Superintendent of Public Instruction	Educational Service Districts	School Districts
8	3-2010	Legislature enacts current level funding for with new formula structure (effective date can be 9-1-2011); appropriates \$ for re-development of apportionment systems	OSPI begins re-development of apportionment systems		
9	4-2010				
10	5-2010				
11	6-2010		School District Accounting Advisory Committee (SDAAC) begins formal discussion of changes for 2011-12 SY		
12	7-2010		Develop excel tool to compare apportionment in current structure to new structure		
13	8-2010				
14	9-2010		Begin posting web-tool for districts to compare current apportionment formulas for 2009-10 SY with what apportionment would look like in new funding structure		
15	10-2010				Districts begin developing next year's budget
16	11-2010				Districts begin developing next year's budget
17	12-2010				Districts begin developing next year's budget

## Discussion Document: Key Dates for Transition to New Funding Structure in September 2011

Row #	Key Date	Policymakers	Office of Superintendent of Public Instruction	Educational Service Districts	School Districts
18	1-2011		Published Accounting and Budget Manual for 2011-12 SY		Business offices begin revisions to account coding structure; projecting available resources
19	2-2011		Publish bulletins for new enrollment reporting; new personnel reporting		Same as January
20	3-2011				Same as January
21	4-2011	2011 Legislature enacts budget for 2011-12 and 2012-13 Sys; Any necessary formula clean-up is enacted	(1) Release School District Budget Reporting (F-195) (2) School District Revenue Projection System (F-203)	ESDs assist with budgets	
22	5-2011			ESDs assist with budgets	
23	6-2011			ESDs assist with budgets	
24	7-2011			ESDs assist with budgets	Publish 2011-12 Budget (not required)
25	8-2011		Review final budgets; approve 2 <sup>nd</sup> Class budgets	Review final budgets; approve 2 <sup>nd</sup> Class	Adopt budget
26	ESHB 2261 required: 09-01-2011		Publish budgets (F195 report)		<b>Begin expending resources within new funding structure for 2011-12 SY</b>
27	10-2011				Districts report preliminary personnel data for 2011-12
28	11-2011		Publishes preliminary personnel data for 2011-12		
29	10-2012				Close Out 2011-12 SY
30	11-2012				Report 2011-12 SY expenditures to OSPI
31	12-2012		Complete data edits and publishes 2011-12 SY data		