



WASHINGTON STATE BOARD OF EDUCATION

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Overview of K-12 Funding: Current Picture of State and Local Funding for K-12 and Review of Comprehensive Proposals to Basic Education Finance Task Force

SUMMARY OF POLICY ISSUE /STATE BOARD OF EDUCATION (SBE) STRATEGIC PLAN GOAL:

Although only the Legislature can appropriate funds for K-12 education in Washington, the Board may advocate for all of the Board's strategic plan goals in various forums and at different times.

BACKGROUND

The 2007 Legislature created a Joint Task Force on Basic Education Finance (JTFBEF) to "review the definition of basic education and all current basic education funding formulas" (SB 5627). The Task Force is to "develop options for a new funding structure and all the necessary formulas, and propose a new definition of basic education." The Task Force will complete its work by December 1, 2008.

Jennifer Priddy, Assistant Superintendent of Financial Resources in the Office of Superintendent of Public Instruction (OSPI), has recently presented to the JTFBEF and the Appropriations Subcommittee on Education about the current funding of K-12 education in Washington and has also provided information about how potential changes in funding may affect school districts. She will present some of the same information to the Board and then be available to answer questions.

During the last few meetings, agencies and groups have presented their ideas for a new funding structure to the Task Force. The included spreadsheet summarizes the three most comprehensive proposals presented during the Task Force's meetings on June 9 and 10, 2008. The full proposals and accompanying PowerPoint presentations can be viewed on the Task Force's Web page (<http://www.leg.wa.gov/Joint/Committees/BEF/>) by following the link to the June 9-10 meeting under the "Task Force Meetings and Materials" subheading.

Brad Burnham, staff to the Board, will present the summary spreadsheet to the Board. Representatives from the Full Funding Coalition, the League of Education Voters, and the Office of Superintendent of Public Instruction will provide short presentations about their proposals to the Board and will be available to answer questions.

Summary of Some Funding Proposals Presented to the Basic Education Finance Joint Task Force

Please also refer to the original documents used to compile this summary, which can be found on the Task Force Meetings and Materials Web page (http://www.leg.wa.gov/joint/committees/bef/task_force_meetings.htm).

Component of proposals	OSPI proposal	League of Education Voters proposal	Full Funding Coalition proposal
Basic Education Definition	Proposes that most components of system defined as Basic Education are inadequately funded. Expansions of programmatic inclusion to the current definition are for full-day kindergarten, incorporate I-728, and fund a six period day. Includes an approach that is a comprehensive replacement to current funding system with three core elements: 1. Enhancing support for educators; 2. Enhancing student support systems; and 3. Fully funding school operating costs. Any new funding would be defined as Basic Education.	Provide every student reasonable opportunities to meet the state's achievement standards and high school graduation requirements. New definition of basic education would include quality pre-kindergarten for low income children and one year of post secondary education.	Redefined to include all expectations, goals, requirements, practices, and policies included in state and federal legislation, rules, and regulations. State's definition of basic education would be updated and adjusted annually. The 2007 Washington Adequacy Funding study outlines adequate funding levels through defining the resources required to operate prototype schools.
Educator Compensation	New salary schedule with larger salary increases for more years of experience and higher maximum salaries overall. Larger salary increases as teachers obtain new certificates/designations: Professional Certification and Leader Certification. (I-732 is maintained and drives COLAs and salary allocations are equalized across districts.)	Develop and pilot new salary schedule with three levels of responsibility: entry, professional, and lead. Conduct compensation survey to make teaching more competitive with comparable professions. Three-year rolling, renewable contracts for teachers and principals. Because it holds the responsibility for funding basic education, the state would bargain compensation. Local bargaining over working conditions and other contractual issues would be maintained.	Instructional staff salaries to be based on a Comparable Wage Index measured against comparable professions by labor market. Increase compensation of all K-12 staff three percent above I-732 COLA the first year of implementation and by 2% the following year to begin phased implementation to comparable wage salary levels.

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Educator Support	Mentoring in the first two years of teaching. Also, eight more paid days for professional development that is research-based; address key areas of shortage (math, science, special education, ELL).	State would design and implement a rigorous teacher induction program. Experienced mentors would guide novice teachers. Strong programs to evaluate and support new and struggling teachers. Probationary period for new teachers extended to five years.	Fund instructional improvement coaches and add time and resource for significant, relevant professional development. Special education teachers receive additional support.
Student Support	Increasing staff ratios for nurses, counselors, and librarians by to specific levels. Increased funding for Navigation 101 and graduation advisors. Struggling student resources funded according to need and based on proven programs such as small group tutoring, instructional materials, and targeted professional development. ELL component similar to struggling students with added support for interpreters, community outreach, also with more intensive resources as poverty increases and students are older.	Targeted Interventions Fund adds further class size reductions in K-1, one-on-one tutoring in K-3 and monitors for students at risk of dropping out of high school. Districts have flexibility to strategically lower class sizes and increase student supports with Core K-12 Education funds and local levy dollars.	Continue full-day Kindergarten implementation, and fund outreach coordinators. Additional funding for high-need student populations including students in poverty, English Language Learners (ELLs), struggling students and special education students. Skills Center, libraries, technology and student behavioral support programs funded, as well.
Class Sizes	Reduce class sizes over time to national average (grades K to 3- 20; 4 to 5- 22; 6 to 12- 25, with lower assumptions for CTE). Assumes 6 periods per day.	State funds lower K-3 class sizes in the K-12 Resource Model.	Reduce class size grades K-3 to 1:17.
Classified Staff	Break classified staffing into common-sense categories. Equalize salary allocations across districts, then allocate salaries based on state-employee salary levels (e.g., maintenance workers in state system drive K-12 salary allocation). Improve staffing ratio to provide one classified staff per 39.8 students.	Classified staffing levels built into the K-12 Resource Model	Increase classified staff allocations to provide one classified staff per 54.8 students. State would fund classified staff ratios and salaries in seven classifications such as aides, office/clerical, and technical.

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School Operations Support	Fund school district operating costs at \$1,383 per student (current is \$469 per student). Funds the basic costs that district incur (utilities/insurance); provides improved access to technology and a lap top for each high school student; improves curriculum adoption cycle from 18 to 6 years.	Non-employee related costs would be swept into the basic Core K–12 Education Fund.	Starting in 2009-11, Non-Employee Related Costs (NERC) increases phased-in to ease dependence on levies and fund campus security for middle and high schools. After 2009-11, adequate funding for all components of NERC expenditures are determined by prototype schools in the Washington Adequacy Funding (WAF) study.
Accountability	Accountability system and appropriate support to be informed by upcoming SBE recommendations.	Overhaul K-12 chart of accounts and accounting system. Build an integrated P–20 Data System to track student progress and hold stakeholders accountable for results. Require districts to establish spending and achievement targets. State funds school-based performance awards and deploys external inspectors to schools that are chronic underperformers.	Two way accountability between districts and state. Funding and accountability connected with performance expectations of schools. Schools held accountable in relation to characteristics and a multi-dimensional benchmarking system (currently available). School district flexibility in spending as continue to meet (or exceed) established performance benchmarks. Levy expenditures accounted for as separate program similar to federal programs and the Student Achievement Fund (I-728).
Administrative Oversight		A new K–12 Expenditure Forecast Council (modeled on the Economic Forecast and Caseload Forecast councils) would produce a comprehensive five-year forecast of the state, local, and federal resources required to maintain the existing K–12 service level. To increase transparency and shed light on budget alternatives, the Council would build and maintain a K-12 Resource Model, modeled after Oregon's Quality Education Model	Washington Adequacy Funding study to guide initial 2009-11 biennium investments. New Commission for Quality Education in Washington would develop a Quality Education Model (QEM) to determine needed resources and determine expected levels of accountability for districts. CQEW costing determinations advisory to legislature. Legislature would acknowledge effect on accountability requirements if funding less.

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Revenue Sources			State would re-establish a higher state collected property tax rate for schools. In addition, a portion of any general state revenue increases beyond a threshold amount would be transferred to a Basic Education improvement fund.
Formula Components	Continue simple allocations from state to districts in current formula categories (add I-728 into basic education for 6 main formulas). Assumptions that drive allocations are defined by Legislature with background documents (LEAP documents) based on common sense categories. Legislative assumptions for staffing are based on class size and workload by grade band: K-5, 6-8, 9-12.	New budget development process. Consolidate categorical programs into a new Core K-12 Education Fund. New allocation model with more flexibility for school districts. Weighted student funding for four categories of students: free/reduced lunch eligible, special education, English language learning, and career and technical education. In addition, a new targeted interventions fund for research-proven gold standard programs. Local levies restored to their intended use of funding enhancements	Shift of focus from inputs to outcomes with six formula: 1. A Foundation Formula (weighted pupil funding formula that combines the current funding for education of regular students, Special Education, Transitional Bilingual, Career and Technical Education, Learning Assistance Program, and Student Achievement Program); 2. Special Education Safety Net; 3. Small School District Factors; 4. Pupil Transportation; 5. Skills Centers; and 6. Institutions.
Implementation	Phase-in additional state financial support over the next six to ten years	Policy makers need to work in collaboration with teachers to develop new compensation system. New system needs to be phased in, initially allowing districts to opt in. Current teachers would be held harmless.	Six-year phased implementation plan