

Funding McCleary – NO

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

Recommendation Summary Text (Short Description):

Superintendent Dorn believes that a significant step must be made towards fully funding basic education by 2018 in the 15-17 biennium. This step constitutes additional funding for K-12 education of approximately \$7.2 billion. Increased funding will be allocated through lowering K-12 class sizes, fully funding MSOC in the 2015-16 school year, increasing allocations for school based and districtwide staff, providing increased instructional hours per week for categorical programs, and implementing the compensation recommendations as proposed by the compensation technical working group.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
General Fund	001-01	\$2,700,000,000	\$4,500,000,000	\$7,200,000,000
Total Cost		\$2,700,000,000	\$4,500,000,000	\$7,200,000,000

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

Package Description (Includes the following sections)

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.

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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, 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.

MSOC values are statutorily required to be fully funded in school year 2015-16, and as such the remaining cost to fully fund MSOC is not included in this budget request.

Proposed Solution

Superintendent Dorn confirms the need for education to be fully funded by 2017-18, and puts forth this budget package as a means of achieving full compliance with Article IX, section 1 by 2018. This proposal phases in the full funding values in a linear fashion over the next three school years in order to comply with the 2017-18 school year timeline.

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

Full Day Kindergarten

School Year	Current Year 2014-15	2015-16	2016-17	2017-18
Percentage of Students Served	43.75	62.50	81.25	100.00

Class Sizes

Grades K-3	25.23	22.49	19.74	17.00
Grades K-1 High Poverty	20.30	18.53	16.77	15.00
Grades 2-3 High Poverty	24.10	21.07	18.03	15.00
Grades 4-6	27.00	26.33	25.67	25.00
Grades 4 High Poverty	27.00	25.33	23.67	22.00
Grades 5-6 High Poverty	27.00	25.67	24.33	23.00
Grades 7-8	28.53	27.35	26.18	25.00
Grades 7-8 High Poverty	28.53	26.69	24.84	23.00
Grades 9-12	28.74	27.49	26.25	25.00
Grades 9-12 High Poverty	28.74	26.83	24.91	23.00
Career and Technical Education	26.57	24.05	21.52	19.00
Skill Center	22.76	20.51	18.25	16.00
Lab Science	19.98	19.65	19.32	19.00

School Level and Districtwide Support Staff

School Year	Current Year 2014-15	2015-16	2016-17	2017-18
Principals (Elem/Mid/High)	1.253 / 1.353 / 1.880	1.269 / 1.369 / 1.887	1.284 / 1.384 / 1.893	1.300 / 1.400 / 1.900
Librarian	0.663 / 0.519 / 0.523	0.775 / 0.679 / 0.682	0.888 / 0.840 / 0.841	1.000 / 1.000 / 1.000
Guidance Counselor	0.493 / 1.216 / 2.539	0.495 / 1.477 / 2.859	0.498 / 1.739 / 3.179	0.500 / 2.000 / 3.500
Health/Social Services	0.135 / 0.068 / 0.118	0.424 / 0.379 / 0.412	0.713 / 0.689 / 0.706	1.000 / 1.000 / 1.000
Teaching Assistant	0.936 / 0.700 / 0.652	1.022 / 0.898 / 0.808	1.109 / 1.097 / 0.965	1.195 / 1.295 / 1.121
Office Support	2.012 / 2.325 / 3.269	2.415 / 2.560 / 3.307	2.817 / 2.794 / 3.344	3.220 / 3.029 / 3.382
Custodian	1.657 / 1.942 / 2.965	2.279 / 2.446 / 3.481	2.902 / 2.950 / 3.996	3.524 / 3.454 / 4.512
Student and Staff Safety	0.079 / 0.092 / 0.141	0.086 / 0.230 / 0.335	0.092 / 0.368 / 0.529	0.099 / 0.506 / 0.723
Family Engagement	0.083 / 0.000 / 0.000	0.280 / 0.225 / 0.225	0.478 / 0.451 / 0.451	0.676 / 0.676 / 0.676

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District Technology Staff	0.628	1.089	1.549	2.010
Facilities, Maintenance, and Grounds	1.813	2.782	3.750	4.719
Warehouse, Laborers, Mechanics	0.332	0.412	0.491	0.571

Categorical Program Hours Per Week

School Year	Current Year 2014-15	2015-16	2016-17	2017-18
Highly Capable (Grades K-6 / Grades 7-12)	2.1590 / 2.1590	3.6060 / 2.4727	5.0530 / 2.7863	6.5000 / 3.1000
Learning Assistance Program (K-6 / 7-12)	2.3975 / 2.3975	2.8483 / 3.2650	3.2992 / 4.1325	3.7500 / 5.0000
Learning Assistance Program Class Size (K-6 / 7-12)	15.00 / 15.00	12.00 / 15.00	9.00 / 15.00	6.00 / 15.00
Transitional Bilingual Program (7-8 / 9-12)	4.7780 / 4.7780	5.1853 / 5.8520	5.5927 / 6.9260	6.0000 / 5.0000

Professional Development

School Year	Current Year 2014-15	2015-16	2016-17	2017-18
Instructional Coach Allocation (Elem/Mid/High)	0.000 / 0.000 / 0.000	0.367 / 0.367 / 0.367	0.733 / 0.733 / 0.733	1.100 / 1.100 / 1.100
New Teacher Training Mentors (Hours per Week)	0.000 / 0.000 / 0.000	0.667 / 0.500 / 0.333	1.333 / 1.000 / 0.667	2.000 / 1.500 / 1.000
Professional Development Days for CIS Staff	0	3.3	6.7	10.0

Compensation

School Year	Current Year 2014-15	2015-16	2016-17	2017-18
Increased Funded Salary Levels for Certificated Instructional Staff	\$34,048	\$48,687	\$48,687	\$48,687
Increased Funded Salary Levels for Certificated Administrative Staff	\$57,986	\$101,860	\$103,517	\$105,374
Increased Funded Salary Levels for Classified Staff	\$31,865	\$54,571	\$55,473	\$56,374
Increased Daily Funding Amount for Substitutes	\$151.86	\$175.03	\$198.19	\$221.36

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Contact person

- T.J. Kelly – (360) 725-6301 (calculations)
- JoLynn Berge – (360) 725-6292 (policy)

Narrative Justification and Impact Statement (Includes the following section)

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. 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:

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 linear progression towards full funding education values as proposed by the technical work groups created under HB2261. FDK and K-3 class sizes are statutorily required to be fully implemented by the 2017-18 school year.

Impact on Other State Programs

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

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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. Additionally, satisfactory progress towards fully funding basic education would not be met.

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. A capital budget request has been submitted by the Superintendent outlining these needs.

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

Expenditure Calculations and Assumptions:

School year expenditure calculations are based on June 2014 enrollment and staff mix data as used in apportionment. Base salary allocation values are increased by Seattle CPI for each school year beyond 2015-16. Models used to derive calculated values are provided.

Total cost by school year is found in the chart below:

Expenditure Category	School Year		
	2015-16	2016-17	2017-18
Early Elementary Class Sizes	\$202,812,515	\$458,130,044	\$789,926,548
Later Grade Class Sizes	\$133,333,329	\$283,414,747	\$454,901,508
School/District Support Staff	\$355,610,606	\$717,775,681	\$1,086,485,908
Program Hours	\$103,507,914	\$243,698,593	\$475,794,541
Professional Development	\$144,351,361	\$305,633,637	\$490,144,289
Compensation	\$2,489,265,379	\$2,767,697,512	\$3,336,149,391
Grand Total	\$3,428,881,103	\$4,776,350,213	\$6,633,402,184

Object Detail

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		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	\$2,700,000,000	\$4,500,000,000	\$7,200,000,000
Total Objects		\$2,700,000,000	\$4,500,000,000	\$7,200,000,000

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				\$2,700,000,000	\$4,500,000,000	\$7,200,000,000
Total Activities					\$2,700,000,000	\$4,500,000,000	\$7,200,000,000

Six-Year Expenditure Estimates

Fund	15-17 Total	17-19 Total	19-21 Total
General Fund 001-1	\$7,200,000,000	12,900,000	13,300,000
Expenditure Total	\$7,200,000,000	12,900,000	13,300,000
FTEs	0.00	0.00	0.00

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

Costs are all ongoing.