

ORGANIZATION AND FINANCING
OF
WASHINGTON PUBLIC SCHOOLS

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About This Document

The Office of Superintendent of Public Instruction (OSPI) is pleased to present the eighth edition of Organization and Financing of Washington Public Schools. This edition updates school fiscal data through the 2000–2001 school year. Other significant changes from the February 2000 edition include:

- Addition of an Executive Summary providing a quick overview of school finance.
- Additional charts to make tables and numbers easier to grasp.
- More information about education reform and its influence on school finance.
- A description of recent legislation and initiatives adopted by Washington voters.

This publication attempts to make the complex subject of school finance understandable to the general public. It is written for school board members, legislators, educators, and interested citizens. It can also be used as a training manual for new school employees or as a reference manual for school finance professionals. It does not take the place of official OSPI instructions to school districts. School business managers and personnel are advised to refer to OSPI bulletins and handbooks for the most current and authoritative policies of this agency. Individuals wanting additional school financial information may want to refer to OSPI's School Apportionment and Financial Services Web site at: <http://www.k12.wa.us/safs/>.

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EXECUTIVE SUMMARY

The Washington State Constitution establishes the education of all children as the paramount duty of the state. It requires the state to make ample provision for a uniform system of public schools. These constitutional mandates are the foundation of court decisions that make Washington's school funding system unique. To carry out its constitutional responsibility, the state dedicates almost half of all state General Fund resources to support of the public schools. Washington State ranks among the highest in the nation in the percent of school district revenue provided from state sources.

Beginning in 1992, Washington embarked on an ambitious program of education reform with the goal of improving student achievement for all students. The state is a leader in developing student learning standards and assessments to measure student performance. The Legislature and the citizens of Washington have shown continued support for education reform goals and programs. In November of 2000, Washington citizens passed Initiative 728, the K–12 2000 Student Achievement Act, which dedicates state revenues for improvements to student achievement in all 296 school districts of the state.

The public school system in the state of Washington consists of the Office of Superintendent of Public Instruction (OSPI), the State Board of Education (SBE) and the Washington State School Directors' Association at the state level, educational service districts (ESDs) at the regional level, and school districts at the local level. These organizations establish state educational policies, administer, and supervise the public schools.

State funding is distributed to school districts through numerous formulas and grants to assure equitable funding to recognize variable costs of districts and the special needs of disadvantaged students. State funding is supplemented with federal and local funding. Local levy funding is limited by the state's levy lid law. But the state also partially equalizes local levy funding by providing local effort assistance to property poor school districts.

Financial management of schools rests with locally elected school boards in the state's 296 school districts. The state, through OSPI, supervises school district budgeting, accounting and financial reporting to provide consistent financial management and accountability. The State Auditor conducts regular examinations of school finance to ensure sound accounting practices and compliance with state and federal fiscal policy.

School districts account for the day-to-day maintenance and operations of the district in their General Fund. Other funds are used to account for specialized activities. These include the Capital Projects Fund for the acquisition of land, equipment and facilities; the Debt Service Fund for redemption of bonds and payment of interest; the Transportation Vehicle Fund for the acquisition and maintenance of pupil transportation equipment; the Associated Student Body Fund for student activities; and Trust Funds for donations dedicated for specific uses.

School districts report information to OSPI on school personnel, salaries, student enrollments, revenues, and expenditures (by program, activity, and object). OSPI compiles and analyzes this information for use by local, state, and federal policy makers and the public.

1) Who is Responsible for Financial Management of Washington Public Schools?

The locally elected school district board of directors is ultimately responsible for the financial management of a school district. School boards hire a superintendent who oversees the day-to-day management of the school district.

School districts operate within the constraints of:

- Laws passed by the U.S. Congress.
- U.S. Department of Education regulations implementing federal law.
- Laws and budgets passed by the Washington State Legislature.
- OSPI and State Board of Education regulations implementing state and federal law.

The complexity of school finance arises from the number of programs funded and from the many reporting, accounting, and audit requirements of each program. OSPI administers:

- 17 formula-driven state programs funded through the apportionment process.
- 19 state grant programs.
- 36 federal grant programs.
- Numerous programs funded under contracts between OSPI and school districts.

School districts prepare an annual budget for public review and comment by July 10 of each school year. Budgets must be formally adopted by the school board before the beginning of the school year (September 1).

School districts account for all revenues and expenditures using standard account codes defined in the *Accounting Manual for Public School Districts in the State of Washington*. All expenditures are identified by program, activity, and object. Districts submit annual financial reports to OSPI.

The Washington State Auditor examines school district accounting practices and compliance with state and federal requirements for receiving funding.

Nine regional education service districts help OSPI implement state and federal policies and collect information from school districts. ESDs also assist school districts by providing cooperative services that are more efficiently performed regionally. ESD programs and cooperatives allow districts to eliminate duplication of services, realize significant savings, and receive special programs that might otherwise be unavailable to them.

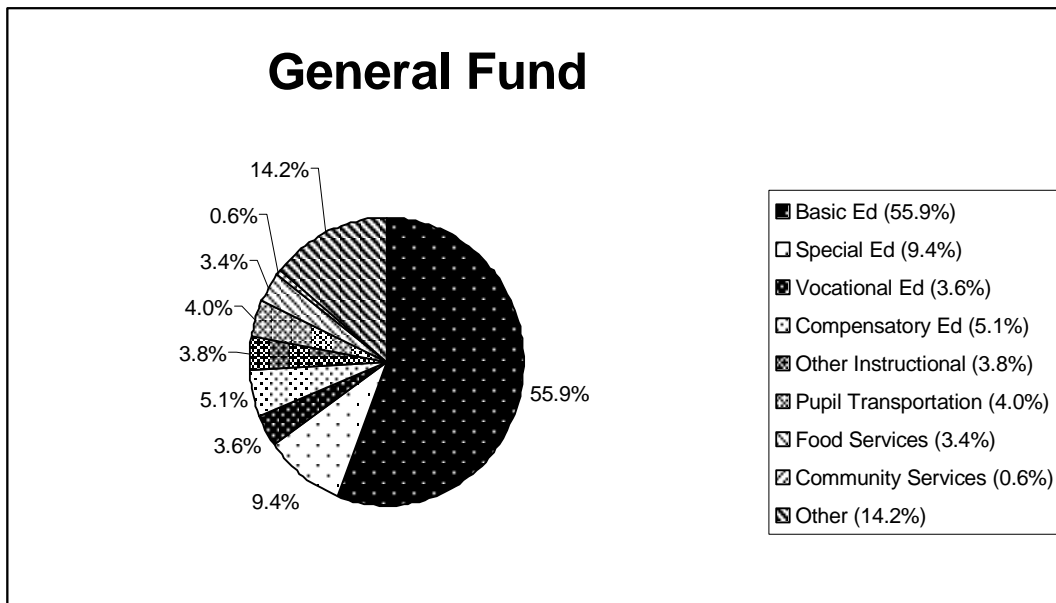
2) How Do Washington Public Schools Spend Their Money?

School districts record expenditures in five funds. About 80 percent of all expenditures are for the day-to-day maintenance and operation of the school district and are recorded in the General Fund. Total 2000–2001 school year expenditures by fund are summarized below. (*Dollars are in millions.*)

Fund	Amount	Percent	Purpose
General Fund	\$ 6,695	80.3%	Maintenance and operations
Capital Project	910	10.9%	Facilities construction/remodeling
Debt Service	590	7.1%	Repayment of bond debt
Transportation Vehicle	32	0.4%	Purchase of school buses
Assoc. Student Body	108	1.3%	Student body activities
Trust Funds	1	0.0%	Various dedicated purposes
Total	\$ 8,336	100.0%	

The largest program in the school district General Fund is basic education. Major programs in the General Fund for the 2000–2001 school year are summarized below. (*Dollars are in millions.*)

Program	Amount	Percent
Basic Education	\$ 3,881	55.9%
Special Education	657	9.4%
Vocational Education/Skills Centers	254	3.6%
Compensatory Education	354	5.1%
Other Instructional Programs	264	3.8%
Pupil Transportation	276	4.0%
Food Services	233	3.4%
Community Services	39	.6%
Other Support Services	987	14.2%
Total	\$ 6,945	100.0%

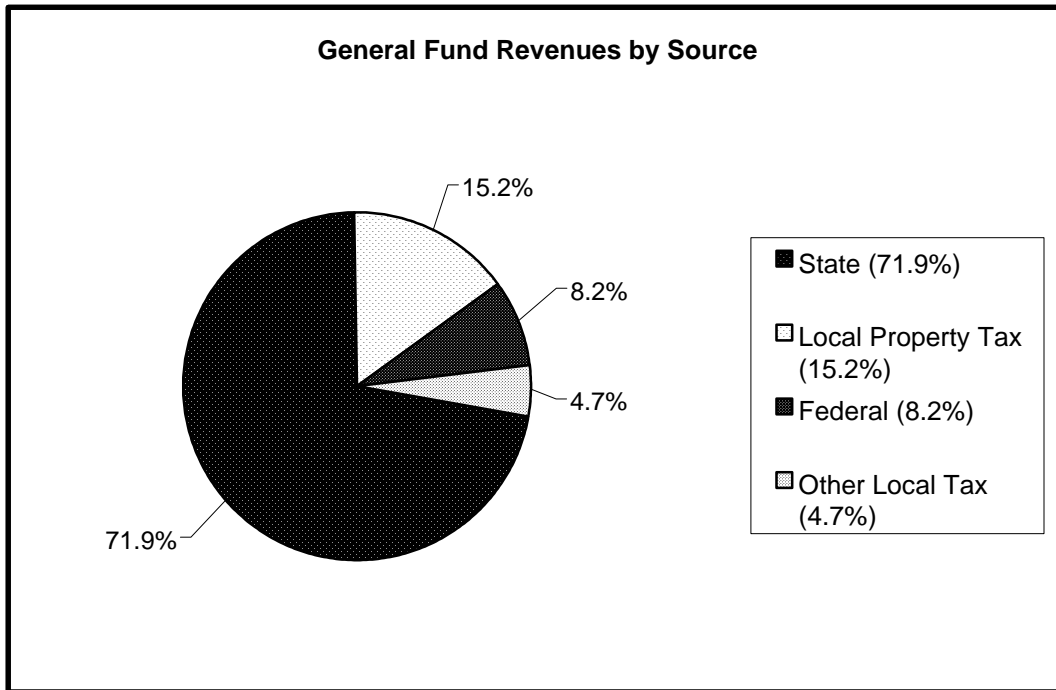


OSPI publishes an annual School District and Educational Service District Financial Reporting Summary containing detailed expenditure data by district. The publication is available electronically from the “Publications” link on the OSPI School Apportionment and Financial Services Web site at: <http://www.k12.us/safs/>.

3) What are the Main Sources of Revenues for Washington Public Schools?

Over 70 percent of school district General Fund revenue comes from the state. Sources of revenue for the 2000–2001 school year are shown below. (*Dollars are in millions.*)

Revenue Source	Amount	Percent
State	\$ 4,843	71.9%
Local Property Taxes	1,026	15.2%
Federal	553	8.2%
Other Local	314	4.7%
Total	\$ 6,736	100.0%



The proportion of state funding for public schools in Washington is among the highest in the nation. This is due to unusual language in the Washington State Constitution stating “It is the **paramount duty** of the state to make ample provision for the education of all children . . .” A landmark court decision in 1977 required the Washington State Legislature to define and fully fund a basic education program for all public school students. Because of the court ruling, Washington significantly increased state support and limited local property tax support for schools.

4) How is Money Allocated to Schools?

Most of the large state entitlement programs (basic education, special education, learning assistance, and bilingual) are paid through state apportionment formulas. Enrollment is the main driver of the funding formulas. Funding to the district increases or decreases with the actual enrollment reported during the school year.

The basic education formula is complex. Formula factors include:

- Varying staff/student ratios for different grade levels.
- Separate staff unit allocations for administrative, instructional, and classified staff.
- Weightings for the education and experience of staff (mix factors).
- Allocations for benefits, and nonemployee related costs (NERC).
- Allocations for substitute teachers.
- Enhanced funding for small schools.
- Enhanced funding for vocational programs.
- Separate rates for Running Start students.

The average basic education allocation per full time student in 2000–2001 was \$4,025.

RCW 28A.150.260 says that the state allocation formula “shall be for state allocation and equalization purposes only and shall not be construed as mandating specific operational functions of local school districts . . .” School districts retain responsibility for determining staffing levels. However, districts must employ at least 46 certificated instructional employees per 1000 students. School districts also set employee salaries and benefits in local negotiations with school employees. However, state law limits *average* certificated instructional staff salaries to the state allocated salary. The state budget also requires districts to demonstrate certain staffing levels in order to receive enhanced funding for K–4 and vocational staff.

State funding formulas for the other programs are simpler. The state special education allocation per student is based on 93.09 percent of the districts basic education allocation per student ages 3–21. Special education safety net funding is provided to districts that can demonstrate unusual needs. Bilingual funding is provided at a rate of \$709.69 per annual average bilingual student in the 2001–2002 school year.

The large federal compensatory programs (programs for disadvantaged or special need students) are also funded through formulas.

Many of the smaller state and federal programs are funded through competitive grants. Districts must apply for competitive grants. Applicants are scored and awards are made selectively. Successful applicants claim reimbursement for expenses incurred in providing the program.

5) **When Does the State Distribute Money to Schools?**

The state distributes money monthly based on apportionment formulas and reimbursement claimed through the grants management process. The State Treasurer, who is the banker for the state, electronically transmits money to each county treasurer for each of the school districts headquartered in each county. The county treasurers are the bankers for the school districts.

6) **How Do School Districts Raise Local Money?**

Article 7 of the State Constitution and chapter 84.52 RCW give school districts authority to levy local property taxes. The voters of the school district must approve such levies by a 60 percent “Yes” vote in a district-wide levy election. School districts may run a levy for a particular fund only two times in a calendar year. Unsuccessful levies may be resubmitted in subsequent years.

School district levies are of four fund types:

Excess General Fund levies are one to four year levies used for day-to-day operations of the school. Such levies are known as maintenance and operation (M&O) levies. State law limits school district M&O levies. For most districts, the limit is 24 percent of the school district’s state and federal funding for the previous school year (called the levy base). In 2001–02, 91 school

districts have higher levy limits between 24 and 34 percent based on their historical levels of levy passage prior to the establishment of the limit.

Local effort assistance is state money paid to eligible districts to match voter approved excess General Fund levies. These payments help school districts with above-average tax rates due to low property valuations.

Debt service fund levies are multi-year levies used to pay principal and interest on general obligation bonds sold to finance school construction and remodeling. Voter approval of a bond issue authorizes the sale of bonds and the levy of taxes over the life of the bonds, which is often to 30 years. Tax revenues are deposited in the Debt Service Fund.

Transportation vehicle fund levies are one or two year levies used to pay for school buses or other school transportation equipment.

Capital project fund levies are one to six year levies used to pay for school construction or remodeling.

7) How Does the State Help Pay for Construction of School Facilities?

The state assists school districts with the costs of construction and modernization of buildings used for instructional purposes. The state does not pay for school district administrative buildings, stadiums, or other non-instructional facilities, nor does the state pay for land purchases.

State assistance varies with the amount of assessed valuation for property tax purposes in each school district. The more wealth (property value) per pupil the district has, the lower the percentage of state assistance. The minimum state matching percentage is 20 percent and the maximum is 90 percent. The percentage of state assistance is applied to a cost allowance per square foot. The State Board of Education sets these latter two values pursuant to law.

8) What are the Sources of State Money for School Construction?

Proceeds from the sale of timber on Common School Trust Lands is dedicated for state school construction matching payments. In recent years, these revenues have been insufficient and the Legislature has found it necessary to appropriate money from other sources. The additional monies have come from the State General Fund or from state-issued general obligation bonds.

9) What are the Sources of State General Fund Revenue?

Retail sales tax and the business and occupation tax combined make up about 72 percent of all State General Fund revenue. Sources of State General Fund revenue for the 2001–03 Biennium are shown below. *(Dollars are in millions.)*

Revenue Source	Amount	Percent
Retail Sales Tax	\$11,726	53.1%
Business and Occupation Tax	4,119	18.6%
Property Tax	2,623	11.9%
Real Estate Excise Tax	862	3.9%
Use Tax	732	3.3%
Public Utility Tax	506	2.3%
All Other	1,531	6.9%
Total	\$22,099	100.0%

10) What Else is Funded in the State General Fund?

About 56 percent of all State General Fund expenditures are for education. Kindergarten through Grade 12 (K–12) receives approximately 43.5 percent and higher education 12.3 percent. State General Fund expenditures by major functional area are shown below for the 2001–03 Biennium. *(Dollars are in millions.)*

Functional Area	Amount	Percent
Public Schools (K–12)	\$ 9,903	43.5%
Higher Education	2,800	12.3%
Other Education	60	0.3%
Subtotal Education	12,763	56.1%
Human Services	7,415	32.5%
General Government, Legislative, Judicial	597	2.6%
Natural Resources	356	1.6%
Transportation	41	0.2%
Special Appropriations	1,611	7.0%
Total	\$22,783	100.0

SECTION I. FOUNDATIONS OF SCHOOL FINANCE IN WASHINGTON STATE

Chapter 1. Legal Foundations of School Finance

Chapter 2. Educational Organizations

Chapter 3. Financial Management Fundamentals

This section provides background information useful in understanding the context in which public schools operate.

CHAPTER 1. LEGAL FOUNDATIONS OF SCHOOL FINANCE

Washington State's public school system is shaped by the State Constitution, state and federal law, administrative rules adopted by the Superintendent of Public Instruction and the State Board of Education, and by court decisions.

A. STATE CONSTITUTION

The primary legal foundation for the state's public schools is the State Constitution. Article IX reads as follows:

Article IX

Section 1. "It is the paramount duty of the state to make ample provisions for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex."

Section 2. "The legislature shall provide for a general and uniform system of public schools . . . and such . . . normal and technical schools as may hereafter be established . . ."

The "paramount duty" and "ample provision" language places a priority on education not found in most state constitutions. This priority on education became the basis of a 1977 lawsuit that reshaped the state's role in school finance. The lawsuit and resulting court decisions are described in detail in section D of this chapter.

Article III, Section 1 of the State Constitution establishes the Superintendent of Public Instruction as a separately elected official within the Executive branch of state government. As an elected official, the state superintendent has somewhat more autonomy than superintendents in states where the superintendent is an appointed official. Article III, Section 22 gives the superintendent broad responsibility:

Article III

Section 22. "The superintendent of public instruction shall have supervision over all matters pertaining to the public schools, and shall perform such specific duties as may be prescribed by law . . ."

B. STATE LAWS

The Revised Code of Washington

The Revised Code of Washington (RCW) consists of statutory law enacted by the state legislature. Title 28A RCW relates to the common schools. ("Common schools" are public schools operating a program for kindergarten through twelfth grade or any part thereof. For the purposes of this publication, the terms "common schools" and "public schools" may be considered synonyms.) Title 28A RCW establishes the organizational structure of the common school system. Separate chapters define the roles and responsibilities of the Superintendent of Public Instruction (Chapter 28A.300), the State Board of Education (Chapter 28A.305), educational service districts (Chapter 28A.310), school districts (Chapter 28A.315-343). Other chapters of the RCW define requirements for certification, instructional program requirements, student and parent's rights and other subjects of state concern.

Appropriations Acts

The other state laws that shape school finance are the state operating and capital budgets adopted by the Legislature and signed by the Governor. These are called Biennial Appropriations Acts because they provide funding for a two-year period. The Operating Appropriations Act determines the level of state funding for school district operations. Detailed state funding formulas and requirements for receiving state funding are also defined. The Capital Appropriations Acts determine the amount of state matching money provided for school construction and renovation. Appropriation levels can be changed in “supplemental” budgets adopted after the initial biennial budget is approved. Federal funds are also appropriated in the Operating Appropriations Act, however federal funding levels are determined primarily by the U.S. Congress. Appropriations acts have the force of law but are not codified in the RCW.

OSPI begins the budget development process by requesting budget items in the fall. RCW 28A.300.170 states:

“ . . . the superintendent of public instruction shall submit such detailed estimates and other information to the governor and in such form as the governor shall determine of the total estimated amount required for appropriation from the state General Fund to the current school fund for state support to public schools during the ensuing biennium.”

The Governor considers the OSPI budget request before proposing a budget to the Legislature in December. A budget bill is adopted by the state House of Representatives and Senate and signed by the Governor before taking effect at the beginning of the state fiscal year (July 1).

In the past 25 years, school finance law in Washington has been shaped by two major developments: The court decisions of Justice Doran and the education reform movement. These are described below.

C. THE DORAN DECISIONS AND BASIC EDUCATION FUNDING

In response to a lawsuit initiated in 1976 by Seattle School District, State Superior Court Judge Doran directed the state legislature to define and fully fund a program of basic education for all students in Washington. In the following legislative session, the Legislature adopted the Basic Education Act of 1977. The court case and this landmark law redefined the state role and continue to shape the school funding policy in Washington.

The 1977 Act defined the basic education program to require:

- A minimum of 180 school days per year.
- Minimum instructional hours for kindergarten, Grades 1–3, 4–6, 7–8, and 9–12.
- Specific instructional content for each grade group.
- Minimum ratios of certificated staff to students.

The State Board of Education was given responsibility for approving school district basic education programs for state funding.

The basic education funding formula created by the Legislature matched the program requirements. Funding was provided for each full-time equivalent student based on staff/student ratios and allocations for staff salaries, benefits, and nonemployee related costs.

Subsequent court decisions in the 1980's expanded the state's basic education responsibility. Special education, bilingual education, institutional education, learning assistance program and pupil transportation are now considered “basic” and the state fully funds the formulas defined in law and in the appropriations act.

The state's basic education responsibility explains the unique character of the school finance in Washington:

- Once a program is defined as "basic," the state must fully fund the program; reducing funding is difficult; changing formulas requires justification.
- Funding increases are often labeled "enhancements to basic education" and therefore not an on-going entitlement.
- There is a state interest in limiting disparities in local levy revenues; the state levy lid law, and local effort assistance (levy equalization funding) reflect this interest.
- There is a state interest in controlling salary growth; the state salary allocation schedule and salary lid law assure relative uniform salaries for teachers statewide; differences in district pay levels are more often the result of supplemental pay, which is not a state responsibility.
- There is a keen interest in school district reporting of student FTE counts and staff experience and training; these drive state funding and are subject to audit by the State Auditor's Office.

In recent years many other states have faced lawsuits over the equity and adequacy of state support for public schools and have responded by strengthening the state's role in education funding. Washington's Doran decisions were early and decisive. They help explain why Washington ranks third in the nation in the percentage of school district operating revenue provided from state funding.

Details of the state funding formulas are provided in Chapter 5 of this publication.

D. EDUCATION REFORM

In the past ten years, education reform efforts have shaped state and federal education policy. Education reform reflects the recognition that in the information age, education is the key to individual success and the health of the economy. It is reinforced by efforts to improve government by focusing on performance (outcomes) rather than inputs. For education, the desired outcome is student achievement and the goal is improving student learning to meet the challenges of the 21st century.

Education reform in Washington began with the Governor's Council on Education Reform and Funding (GCERF) created by Governor Booth Gardner in 1991. The council's farsighted recommendations laid the foundation for reforms that reach well into the 21st century.

In 1992, the Legislature passed SSB 5953, which established the initial framework for education reform in Washington. Most significantly, it established the Commission on Student Learning. The Commission was directed to develop and administer the components of education reform. The Commission was charged with developing clear challenging academic standards; standards-based assessments and other ways of measuring student achievement; and recommendations for an accountability system to hold schools and school districts responsible for results. The Commission on Student Learning worked throughout the 1990s to define essential academic learning requirements (EALRs) for reading, writing, and other prescribed skills and to develop the Washington Assessment of Student Learning (WASL) to measure those skills. The timeline and implementation details of the statewide assessments have been revised many times since 1992.

The second major education reform bill, ESHB 1209 was adopted in 1993. This bill made changes to SSB 5953 and created new learning goals, the Student Learning Improvement Grants (SLIGs) program, and other programs intended to assist educators in helping students meet new academic standards. The goal of the Basic Education Act in RCW 28A.150.210 was rewritten to reflect the new standards for student learning:

The Basic Education Act was amended to replace instructional content requirements by grade with the new "essential academic learning requirements" (EALRS). More flexibility was provided in

program hour offerings and waiver provisions were created subject to State Board of Education approval. Changes to the Basic Education Act were written initially to take effect in 1998 after academic accountability measures were in place. The effective date was later changed to September 1, 2000, to allow more time for state assessments to be implemented.

As it now reads, the Basic Education Act requires that each school district shall make available to students enrolled in kindergarten at least a total instructional offering of 450 hours. In grades one through twelve, school districts must offer at least a district-wide annual average of 1,000 instructional hours per grade. The program shall include the Essential Academic Learning Requirements (EALRS) under RCW 28A.655.060 and such subjects and activities as the school district determines to be appropriate for the education of the school district's students. The goal of the Basic Education Act now reads as follows:

"The goal of the Basic Education Act for the schools of the state of Washington set forth in this chapter shall be to provide students with the opportunity to become responsible citizens, to contribute to their own economic well-being and to that of their families and communities, and to enjoy productive and satisfying lives. To these ends, the goals of each school district, with the involvement of parents and community members, shall be to provide opportunities for all students to develop the knowledge and skills essential to:

- (1) Read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings.
- (2) Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history; geography; arts; and health and fitness.
- (3) Think analytically, logically, and creatively, and to integrate experience and knowledge to form reasoned judgments and solve problems.
- (4) Understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities. (RCW 28A.150.210.)"

Much of the school funding debate of the last ten years in Washington and nationally is over what strategies contribute most to improving student achievement:

- Reducing class size.
- Improving teacher quality through professional development and compensation.
- Providing more hours of instruction for struggling students.
- Setting goals for improving student reading and math skills.
- Creating charter schools.
- Using technology to promote student learning.
- Providing more and better student assessments.
- Intervening in failing schools.

Class size reduction efforts began in 1989 when the state funded K–4 staffing ratio was increased from 46 certificated instructional staff per 1000 to 49. Subsequently the basic education K–4 staffing ratio has gradually increased to 55.4:1000 in the 2001–02 school year. Funding above 49:1000 is defined as an enhancement to basic education funding. State funding for grades 4–12 continues at 46:1000.

Support for professional development of educators was provided beginning in 1993 with the creation of student learning improvement grants (SLIG). These grants provided training time for educators to understand and implement education reforms. This funding has evolved over time. In 1999, student learning improvement allocations were replaced with funding for three "learning improvement days" added to the 180-day school year for certificated instructional staff. The three days are to be used for professional development aimed at improving student achievement.

In 1999, a number of education reform duties were reassigned. The Commission on Student Learning expired on June 30, 1999, and the Office of Superintendent of Public Instruction assumed most of the commissions responsibilities associated with education reform. Legislature also established the Academic Achievement and Accountability Commission to develop accountability systems for students, schools, and school districts. In 2000, the commission produced recommendations for rewarding successful schools and for intervening to help struggling schools.

In the 2000 session, a number of changes were made in the education reform related programs funded in the budget, such as creation of the Better Schools program. Better Schools funding was provided for reducing class size in grades K–4 and providing additional classroom contact hours to assist struggling students. Better Schools funding was also provided for additional staff professional development for educators. The 2000 Legislature also funded competitive awards for a Reading Corps and a Math Helping Corps. These programs assist students who do not perform well on the reading and mathematics sections of the Washington Assessment of Student Learning.

In the November 2000 election, Washington State voters approved Initiative 728, the K–12 2000 Student Achievement Act. The initiative dedicates a portion of the state property tax and state lottery revenues to the Student Achievement Fund. School districts have discretion to use the funding for any of six activities for improving student achievement including class size reduction, additional class time for struggling students, and professional development for educators. About \$194 per student is provided from state property tax and state lottery revenues in the 2001–02 school year. A portion of state lottery revenues also are dedicated to the Education Construction Fund. Beginning in the 2004–05 school year, the state property tax dedicated to the Student Achievement Fund increases to \$450 per student. The same year, available lottery revenues are dedicated solely to education construction.

In 2001, the Legislature delayed the assessment timeline of some WASL tests and expanded several programs including the Math Helping Corps, Principal Leadership Development Program, and the Teacher Assistance Program. Better Schools funding was transformed into an enhancement to the state K–4 basic education funding formula.

Education reform remains a work in progress:

- One premise of education reform is that increased accountability for student achievement should be accompanied by additional flexibility in the use of resources. To date, no significant progress has been made in increasing fiscal flexibility.
- State assessments are now in place for students in the third, seventh and tenth grades. However, to make assessment information more useful to policy-makers, systems are needed for tracking student achievement over time and for relating student achievement data to demographic, programmatic, and fiscal data.
- The immense task of redesigning curriculum and changing classroom teaching skills and lesson plans to align to EALRS has only begun.

E. WASHINGTON ADMINISTRATIVE CODE

The Washington Administrative Code (WAC) consists of the policies, rules, and regulations adopted by agencies of the state in interpreting and carrying out state law. Changes to the WAC (sometimes called “rules”) are adopted pursuant to the Administrative Procedures Act that requires public notice and hearing for any proposed rule. Authority to adopt rules is given in state law.

The State Board of Education has the power and duty to “adopt rules to implement and ensure compliance with the program requirements” of the Basic Education Act RCW 28A.150.220[4]. These administrative rules are found in Title 180 WAC.

The Superintendent of Public Instruction has “the power and duty to make such rules and regulations as are necessary for the proper administration of” laws authorizing reimbursement of

school district programs. (RCW 28A.150.290.) These administrative rules are found in Title 392 WAC.

State Board of Education

The State Board of Education (SBE) requires an annual review in October of each school district's kindergarten through twelfth grade program. The purpose is to determine compliance with the statutory basic education requirements and any supplemental basic education requirements the State Board may establish. Staff from State Board of Education review each district's report and make recommendations to the SBE. The SBE annually certifies each school district as being in compliance or noncompliance. Basic education support, in an amount established by the SBE, may be permanently deducted for a school district certified as being in noncompliance unless the SBE provides a waiver. (WAC 180-16-195.)

Statutory basic education requirements include minimum instructional hour offerings, students-to-classroom teacher ratio, the 180-day minimum school year, and certificated staff having current and valid certificates.

Superintendent of Public Instruction

The Superintendent of Public Instruction adopted chapter 392-121 WAC, which carries out laws governing distribution of basic education support to school districts. Chapter 392-121 WAC defines the following terms used in the basic education formula for distributing state moneys appropriated by the Legislature: enrolled student, full-time equivalent student, certificated employee, basic education certificated instructional employee, full-time equivalent basic education certificated instructional staff, eligible credits, certificated years of experience, staff mix factor, and placement on the LEAP salary allocation schedule. (See Chapter 5.A. for an explanation of the basic education allocation formula.)

The Superintendent of Public Instruction adopted chapter 392-122 WAC, which implements laws governing distribution of state moneys to school districts for programs other than basic education apportionment and transportation allocations. Provided are apportionment rules for the special education program, state institutional education programs, the learning assistance program, the transitional bilingual instruction program, and the state highly capable program.

F. COURT DECISIONS AFFECTING EDUCATIONAL FUNDING

Doran Decision I

On January 14, 1977, Thurston County Superior Court issued a declaratory judgment by Judge Doran, known as Doran Decision I, in the case of Seattle School District No. 1, et al., vs. State of Washington, et al. It stated:

“. . . (1) the level of funding provided by the state . . . was not fully sufficient . . . to fund the basic program of education offered by the district in accordance with state law;

“. . . (2) Under existing state law, the Legislature has established a general and uniform system for the public schools . . . but it has not (A) expressly defined basic education or determined the substantive contents of a basic program of education to which the children of this state are entitled in today's society or (B) provided a method for the fully sufficient funding of such education without reliance on special excess levies.”

In Doran Decision I the Seattle School District was successful in obtaining a judgment which in effect said the state must make ample provision for the basic education program through a regular and dependable tax source instead of a heavy reliance upon annual local special tax levies. The court refused, however, to accept the district's position to constitutionally define basic education and

a supportive funding formula. Instead, the court deferred to the Legislature, which, after the Superior Court decision, adopted the “Washington Basic Education Act of 1977.”

This act defined the basic education program, established a revised funding formula, substantially increased state funding, and limited the amount and purpose of special levies.

On September 28, 1978, the Washington State Supreme Court affirmed Judge Doran’s decision by a 6–3 margin.

Later Legislatures made additional changes.

Doran Decision II

Seattle School District and the other 25 petitioner school districts sought in Doran Decision II a judicial expansion of the Legislature’s definition of basic education and an order directing a substantial increase in state funding. Later, the reduction of some \$55 million in the original 1981–83 biennial support level for the common schools also became an issue.

On April 29, 1983, Thurston County Superior Court Judge Doran delivered an oral decision in the case of Seattle School District No. 1, et al., vs. State of Washington, et al., that:

“(1) The legislature’s constitutional duty to fully fund basic education includes not only the program contained within the 1977 Basic Education Act, but also the following supplemental programs which the legislature has statutorily mandated or statutorily committed itself to funding: (a) special education programs for handicapped children; (b) transitional bilingual education program; (c) the remediation assistance program; and (d) a transportation program for ‘some’ children such as the handicapped and children for whom transportation may be necessary due to their distance from school or hazardous walking conditions.”

“(2) The legislature is not constitutionally obligated to fund the following programs or costs: (a) gifted education; (b) food services; (c) extracurricular activities; (d) desegregation costs; (e) deferred maintenance costs; (f) costs (above and beyond such special needs programs as bilingual education and remediation assistance) which are allegedly unique to large and urban districts; and (g) costs associated with enrollment declines.”

“(3) Once the legislature has established what it deems to be 100% funding for basic education, that level may not be reduced (notwithstanding an economic crisis) unless the amount appropriated was in fact in excess of 100% funding.”

“(4) The relief granted is limited to a declaratory judgment; no orders directed to the legislature will ensue; and no relief in the form of additional funding to make up for the 1981–83 biennial shortfalls in funding due to the inadequacy of the original appropriation and reductions therein will be provided in connection with this particular case.”

Judge Doran found that the petitioners failed to establish that the foregoing in (2) above were constitutionally necessary in order to provide students their constitutional entitlement to a basic education.

The state preserved the Legislature’s prerogative to define basic education and establish the funding level for basic education, and warded off the attempt to expand the required level of common school funding. The schools also benefited; what the Legislature establishes in terms of programs and funding levels are commitments upon which the Legislature may not renege.

Doran Decision III

A full-cost special education program funding model was implemented in 1980–81 and later modified. (Now an excess cost model is used; see Chapter 5 for additional information.) This model provided funding to school districts based on a special education student's educational delay, not on a specific disability condition. The model also determined what portion of time the child spent in the regular basic educational program, and these activities were funded as part of the basic education program.

In 1988 Thurston County Superior Court issued a declaratory judgment by Judge Doran in the case of Washington State Special Education Coalition vs. State of Washington, et al. The judgment did not order the Legislature to take any particular action, upheld the formula approach to funding special education, and upheld the formula itself. Although the court identified a shortcoming in the formula funding approach, a need for some form of "safety net" to address any demonstrable under funding, the court left it to the Legislature to consider and devise an appropriate remedy.

Five school districts and the special education coalition initiated this lawsuit several years earlier. The five districts dropped out when the court did not grant summary judgment, but the coalition continued the suit.

It focused narrowly and exclusively upon the state's special education program funding formula. Previous funding lawsuits, particularly Doran Decision II decided by the Superior Court in 1983, established the principles upon which the coalition premised its case. Perhaps the two most significant principles established by Doran Decision II were that:

- The special education program the state is bound to fully fund is determined under current statutes and regulations by the individualized education programs (IEPs) developed by school districts for each child.
- The state must distribute funding in support of the program in a manner that is as close as reasonably practical to the actual cost of providing the programs set forth in the IEPs.

These two principles could be read as suggesting that the special education program funding formula must be designed to distribute funding based on the actual cost of each student's IEP. The special education program funding formula on the other hand was based on several assumptions.

One of the basic formula assumptions was that the composition of each district's special education student population reflects statewide averages. In addition, the formula addressed only direct special education program costs, not the indirect or overhead costs such as central office administration. With this in mind, the coalition's challenges boiled down to the following:

- The Severe Learning Disabled (SLD) "E" Component: First, the coalition mounted a narrowly focused challenge to that element of the formula (the SLD "E" component) which distributed a declining amount of additional funding for SLD student counts that exceeded 4 percent of a school district's total student enrollment.

The coalition argued that this formula treatment of SLD counts was not supported by either fact or reason and discriminated against SLD students.

- Assumed Student Population Characteristics: Second, the coalition challenged the funding formula as a whole in arguing against funding based on statewide average of students with disabilities population characteristics (as distinguished from, for example, the actual attributes of SLD students enrolled in each school district).
- Direct Cost Funding Only: Third, the coalition challenged the formula as a whole in arguing that the formula was either intended to or must, in any case, fund both direct

costs and indirect or overhead costs. This latter challenge was premised upon the coalition's perception of the meaning of the statutory commitment (chapter 28A.155 RCW) to fund special education "excess costs."

The Superior Court issued a four-part decision as follows:

- (i) First, the Superior Court refused to piecemeal the formula and invalidate the SLD "E" component. Implicit in the court's refusal was acceptance of the state's demonstration that no single formula component acts alone and that the formula components act as a whole to generate a pool of funds. The state also provided factual and program-related evidence in support of the practice of reducing the additional allocation per SLD student as a district's SLD population expands.
- (ii) Second, the Superior Court refused to invalidate the formula method of generally providing funding based in part upon statewide average of students with disabilities population characteristics. Implicit in the court's refusal is the court's recognition that no particular formula should be set in "constitutional concrete" and recognition of practical and public policy considerations which the Legislature must be free to consider from time to time.
- (iii) Third, the Superior Court refused to hold that the special education program funding formula must single-handedly fund both direct and indirect costs.
- (iv) Fourth, the Superior Court did conclude that:
 - The current formula approach resulted in under funding some districts to an unknown extent.
 - If the current formula approach continued, some form of "safety net" means of providing supplemental funding to districts in "need" must be devised and implemented. The court went on to conclude that the burden was upon a district claiming "need" to establish its need to the state's satisfaction. The state must be satisfied that a district requesting additional funding was operating a reasonably efficient program, had properly prepared and formulated IEPs for students with disabilities, and was otherwise making an effort to operate within the basic formula funding provided.

The judgment did not order that the Legislature take any particular action. With customary deference to the Separation of Powers Doctrine and faith in the Legislature, the court simply stated what it believed the general guidelines were as a matter of law and left it to the Legislature to review the funding formula and consider any number of available options.

Since Doran Decision III, the special education funding formula and the "safety net" have been considered by the Legislature. In 1991 the Legislature directed the Superintendent of Public Instruction to propose procedures and standards to meet funding needs beyond the level provided by the current funding formula. The Superintendent of Public Instruction reported back to the Legislature in January 1992.

In 1991, the Legislature developed a new formula for funding special education beginning with the 1995–96 school year. Included with the formula is a safety net formula. These formulas are described in Chapter 5.

CHAPTER 2. EDUCATIONAL ORGANIZATIONS

The Washington public school system consists of the State Board of Education, the Office of Superintendent of Public Instruction and the Washington State School Directors Association at the state level; educational service districts at the regional level; and school districts at the local level. Outside of the public school system are private schools, nonpublic agencies, education centers, and other state education agencies involved in kindergarten through twelfth grade education.

A. STATE BOARD OF EDUCATION

The State Board of Education was created in 1877 by the Legislature of the Territory of Washington and has operated continuously since that date.

The State Board of Education is a policy body currently comprised of 11 statutory members: one member from each of the state's nine congressional districts and one representative of approved private schools. The Superintendent of Public Instruction serves as Chief Executive Officer. Local school board members in their respective areas elect the State Board of Education members representing congressional districts. Members of the governing boards of the state's approved K–12 private schools elect the private school representative. Two high school students are appointed by the Washington Association of Student Councils to serve as ex officio members on the Board.

The State Board of Education's powers and duties are prescribed by law and relate primarily to the establishment of rules, standards, and guidelines in areas such as educator preparation and certification, school construction, approval of school district minimum basic education requirements, school accreditation, minimum high school graduation requirements, and approval of private schools.

B. SUPERINTENDENT OF PUBLIC INSTRUCTION

The Superintendent of Public Instruction is one of eight state officials whose offices are established by the State Constitution. The Superintendent of Public Instruction is elected on a nonpartisan basis every four years by the voters of the state.

The Superintendent of Public Instruction is an executive officer of state government charged in Section 22 of Article III of the State Constitution with the duty "to supervise all matters pertaining to public schools, and . . . perform such specific duties as may be prescribed by law."

The superintendent's primary responsibilities are to:

- Gather and report school information to state and federal authorities, prepare specifically requested reports each year, and provide other entities of state government (the Legislature, Legislative Evaluation and Accountability Program, and the Office of Financial Management) with information for policymaking and budget preparations as needed.
- Secure needed laws and appropriations from the state and federal governments and implement those statutes enacted. About 150 bills affecting public schools are considered in a typical session of the Washington State Legislature. About 20 percent of these are passed into law each year and require implementation of new programs, policies, or procedures.
- Apportion and distribute moneys to local school districts and ESDs that amounted to \$4.9 billion in the 2000–2001 state fiscal year. Approve and monitor the nine ESDs and 296 local school districts' expenditure budgets. (For 2001–2002, the ESD General Fund budgets total \$175.7 million and the local school districts have annual General Fund budgets totaling \$7.3 billion.) Administer, for the State Board, a state school construction fund (\$590 million in the 2001–03 biennium) and assist local school districts with construction and modernization.

- Provide technical help in finance and curriculum matters to ESDs and school districts. Monitoring and consultation is conducted in such areas as basic education, assessment, curriculum development aligned with the essential academic learning requirements, special needs programs for special student populations, and educational technology.
- Issue certificates for teachers, support personnel, and administrators of the K–12 system. About 62,000 certificates were active in the K–12 system during the 2000–2001 school year, excluding substitute teachers.
- Act as ex officio member and chief executive officer of the State Board of Education. Represent the interests and needs of education dealing with technology, environmental, arts, and partnership issues by serving on various state boards including:

Board of Natural Resources, member
 Workforce Training and Education Coordinating Board, member
 Traffic Safety Commission, member
 Family Policy Council, board member
 Academic Achievement and Accountability Commission, member
 Governor's Council on School-to-Work, member
 K–20 Educational Network Board, member

Besides powers and duties, the vision, mission, and goals of the Superintendent of Public Instruction are as follows:

VISION

The Superintendent of Public Instruction is a respected leader and trusted partner in developing schools and programs that prepare each student for the 21st century.

MISSION

Provide statewide leadership to help ensure that each student achieves the state's four learning goals.

Each student will:

- Read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings.
- Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history; geography; arts; and health and fitness.
- Think analytically, logically, and creatively, and to integrate experience and knowledge to form reasoned judgments and solve problems.
- Understand the importance of work and how performance, effort, and decisions directly affect career and educational opportunities.

Partners critical to achieving this vision and mission include:

- School districts.
- Educational organizations.
- Families.
- Communities.
- Higher education.
- Business and labor.
- Governor, Legislature, and Congress.

GOALS

- Facilitate the development of coordinated curriculum, instruction, and assessment systems that will maximize each student’s learning and assist schools and districts in achieving their accountability goals.
- Facilitate the development of the safe, nurturing, healthy, and civil learning environment that is essential for each student’s learning.
- Facilitate the implementation of a system to recruit, prepare, and sustain staff who educate students for the 21st century.
- Ensure that technology enhances the learning and working process for each student and school staff.
- Initiate action that will inform and influence legislative policy and funding decisions that provide ample support for public education for the 21st century.
- Develop, sustain and improve awareness, understanding and support for public education.
- Increase the Office of Superintendent of Public Instruction’s capacity as a high-performance organization.

C. ACADEMIC ACHIEVEMENT AND ACCOUNTABILITY COMMISSION

The 1999 Legislature established the Academic Achievement and Accountability Commission to provide oversight of the state’s K–12 educational accountability system. The purpose of the accountability system is to develop an accountability system for students, schools, and school districts consistent with the state’s education reform goals. The commission, also known as the “A+ Commission,” also is developing strategies for rewarding successful schools and providing assistance for students and schools that are failing. The nine-member commission is selected by the governor.

D. WASHINGTON STATE SCHOOL DIRECTORS’ ASSOCIATION

The Washington State School Directors’ Association is a self-governed, self-funded association of school boards established as a state agency by the Legislature in 1947. All school directors are automatically members of the association. Its dual mission is to assist school directors in the effective governance of their communities’ schools and to work aggressively for the improvement of student learning. In pursuit of its mission, the association provides a wide array of materials and educational services to its members, maintains multiple consultant resources to assist school boards in their work, implements an active governmental relations program to communicate school directors’ views to state education policymakers, and convenes a wide array of committee and other meetings to ensure that the association is responsive to its members’ needs and direction.

E. EDUCATIONAL SERVICE DISTRICTS

Educational service districts are regional administrative units created by statute that evolved from county superintendents. At present there are nine ESDs within the state. See Figure 1 for a map showing the boundaries of the ESD system.

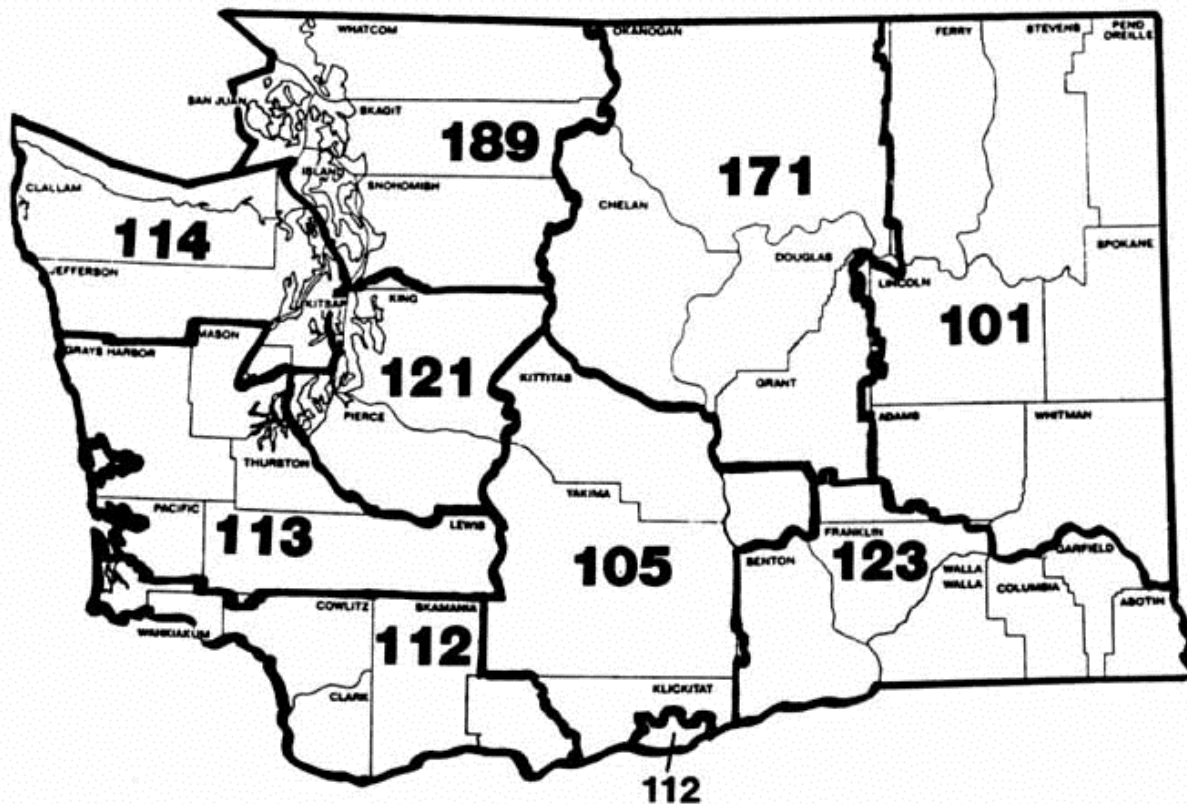
Statutes regulating ESDs are in chapter 28A.310 RCW. The State Board of Education has statutory authority relating to the number and boundaries of ESDs. Each ESD is governed by a board of either seven or nine members, with each member representing a subdivision of the district called a director district. They are elected by the school directors of each school district within the ESD. At the ESD board's option, the size of the board may be increased from seven to nine members. Currently three ESDs have nine-member boards. Each ESD board has the responsibility to hire a superintendent to manage its affairs.

Educational service districts are "regional agencies" which:

- "Assist the superintendent of public instruction and the state board of education in the performance of their respective statutory or constitutional duties;
- Provide cooperative and informational services to local school districts; and
- Provide services to school districts . . . to assure equal educational opportunities." (RCW 28A.310.010.)

ESDs are not taxing districts and depend on the state, the federal government, and local school districts for funding. The Superintendent of Public Instruction approves and monitors ESD budgets. State aid from the State General Fund is appropriated by the Legislature to the Superintendent of Public Instruction for allocation to ESDs based on a core services funding formula (RCW 28A.310.360). Federal aid is either allocated directly to the ESDs or through grants administered by the Superintendent of Public Instruction. In 2000–2001 the revenue of the educational service districts totaled about \$179.5 million. Of that amount, \$39.8 million or 22.1 percent were state funds. (See Figure 2.)

Figure 1 – Educational Service Districts – Boundaries



EDUCATIONAL SERVICE DISTRICTS BY NUMBER	DISTRICT OFFICE	SCHOOL DISTRICTS SERVED	STUDENTS SERVED 2000–2001
101 Educational Service District	Spokane	59	89,191
105 Educational Service District	Yakima	25	56,319
112 Educational Service District	Vancouver	30	88,728
113 Educational Service District	Olympia	45	69,796
114 Olympic Educational Service District	Bremerton	15	53,070
121 Puget Sound Educational Service District	Seattle	35	376,627
123 Educational Service District	Walla Walla	23	55,712
171 North Central Educational Service District	Wenatchee	29	39,970
189 Northwest Educational Service District	Mount Vernon	35	159,737

**Figure 2 – Educational Service Districts – State Summary – General
Expense Fund
Fiscal Year 2000–2001**

REVENUES	
State	39,875,591
Federal	63,586,055
Cooperative Programs	28,379,751
Local	9,683,760
Other Financing Sources	32,915,817
Investment Earnings	2,176,408
Total Revenues and Other Financing Sources	\$176,617,382
EXPENDITURES	
Operations	16,440,594
Instructional Support	109,442,654
Non-instructional Support	31,432,390
Capital Outlay	17,770,282
Debt Service	693,606
Total Expenditures (Uses of Resources)	\$175,779,526
Other Financing Sources (Uses)	2,934,402
Excess of Revenues Over Resources Used	3,772,258
Fund Balance at September 1, 2000	\$25,126,497
Correction of Prior Years	0
Fund Balance at August 31, 2001	\$28,898,755

Source: ESD Year-End Financial Report.

ESDs provide a wide range of services to school districts. Many of these services are provided because, due to reasons of economy, the individual districts could not or would not be able to provide them. Examples of these services include data processing, film libraries, and itinerant special education staff activities. ESDs also provide some direct student service programs. Local school districts reimburse ESDs for these services to the degree that they are not funded by state or federal sources.

F. SCHOOL DISTRICTS

School districts are the statutory delivery system for instruction of our children. A school district is described by law as a corporate body and possesses all the usual powers of a corporation for public purposes (RCW 28A.320.010). The board of directors elected by the citizens serve four-year staggered terms. The general powers and duties of the board of directors are prescribed by law, including the requirement that the board shall:

“. . . be vested with the final responsibility for the setting of policies ensuring quality in the content and extent of its educational program and that such program provide students with the opportunity to achieve those skills which are generally recognized as requisite to learning [RCW 28A.150.230].”

“. . . enforce the rules and regulations prescribed by the superintendent of public instruction and the state board of education for the government of schools, pupils and certificated employees [RCW 28A.600.010].”

The board of directors is empowered to make regulations which are not inconsistent with laws or rules and regulations of the Superintendent of Public Instruction or the State Board of Education (RCW 28A.320.040).

Districts are governed by five elected school board members, except for Seattle School District, which has seven.

School districts are managed by a district superintendent who is responsible to the board of directors for carrying out district policy, administering the operation of the district and schools, supervising of district personnel, and advising the board of directors on all educational matters for the welfare and interest of the students.

Other district personnel include certificated administrative personnel such as principals; certificated instructional personnel such as teachers; educational staff associates such as counselors, librarians, school nurses, and psychologists; and classified personnel such as clerks, custodians, bus drivers, and food service workers.

There were 296 local school districts in the 2000–2001 school year. They enrolled 1,004,770 students in October 2000.

Superintendent's Duties

In addition to duties prescribed by the district school board, a superintendent has duties required by statute (RCW 28A.400.030). They are as follows:

- Attend all meetings of the board of directors and ensure that minutes of the meetings are kept.
- Keep records and reports in a form as required by the district board of directors, laws, rules, or regulations of higher administrative agencies. These records and reports must be turned over to a successor.

- Keep accurate and detailed accounts of all receipts and expenditures of school money. At each annual school board meeting the superintendent must present his record book of board proceedings for public inspection and make a statement of the financial condition of the district. The record book must always be open for public inspection.
- Give notice of all annual or special elections required by law; also give notice of the regular and special meetings of the board of directors.
- Sign all orders for warrants ordered to be issued by the board of directors.
- Carry out all orders of the board of directors made at any regular or special meeting.

District Classification

Local school districts are of two classes:

- **First Class District**—Normally any district having a student enrollment of 2,000 or more. There were 104 first class districts in 2000–2001. They served approximately 84 percent of all public school students. First class districts range in size from 46,697 pupils (Seattle) to 2,044 (Elma).
- **Second Class District**—Normally all districts having a student enrollment of fewer than 2,000. There were 192 districts in this category in 2000–2001. They served 16 percent of public school students. Second class districts range in size from 2,320 pupils (Sultan) to 8 pupils (Benge).

High and Nonhigh School Districts

School districts are also either high school districts or nonhigh school districts:

- **High School Districts**—There were 248 high school districts in 2000–2001 serving 989,785 students or 99 percent of the total public school students. High school districts must accept students of nonhigh school districts who elect to attend the high school program provided. High school districts may be either first or second class.
- **Nonhigh School Districts**—Nonhigh districts do not offer high school programs. There were 48 nonhigh school districts in 2000–2001 serving 9,737 students or 1 percent of the total public school students. Nonhigh school districts are second class districts because their enrollments are less than 2,000.

School Buildings

School districts' organizational patterns may vary. Some districts have grades separated into individual elementary and secondary schools, such as K–8 and 9–12; K–6, 7–8 and 9–12; or K–12. The organizational choice may depend on the educational program offered, the capacity of existing school facilities, or the ages of students present in the district. (See Figure 3.)

Figure 3 – Washington Public Schools

As of October 2000 the 296 operating school districts in Washington reported pupils enrolled in 2,146 public school buildings. There were:

TYPE OF SCHOOL	NUMBER OF SCHOOLS	ENROLLMENT
High Schools	224 contain Grades 9–12 39 contain Grades 7–12 23 contain Grades 10–12 9 contain Grades 8–12 8 contain Grades 6–12 4 are other combinations	213,610 12,802 29,839 2,296 11,919 180
Total High Schools	307	270,646
Junior High and Middle Schools	168 contain Grades 6–8 65 contain Grades 7–9 54 contain Grades 7–8 17 contain Grades 5–8 26 are other combinations	107,397 31,235 41,176 8,151 18,317
Total Junior High and Middle Schools	330	206,276
Elementary Schools	497 contain Grades P, K or 1–5 430 contain Grades P, K or 1–6 51 contain Grades P, K or 1–8 42 contain Grades P, K or 1–4 24 contain Grades P, K or 1–3 20 contain Grades P–2 or K–2 16 contain Grades 3–5 8 contain Grades P–7 or K–7 14 contain Grades 4–6 34 are other combinations	213,442 194,712 13,319 18,426 8,472 8,751 7,484 3,251 5,605 9,712
Total Elementary Schools	1,136	483,174
Complete Schools (P, K, or 1–12)	27	6,436
Alternative Schools	237	29,571
Unclassified Schools (special education units, institutional schools, vocational schools)	109	8,667
TOTAL	2,146	1,004,770

Source: SPI Form P-105A, School Enrollment Report, October 2000.

Figure 4 – Washington Private Schools

As of October 2000 the 296 operating school districts in Washington reported pupils enrolled in 493 private schools. There were:

TYPE OF SCHOOL	NUMBER OF SCHOOLS	ENROLLMENT
High Schools	31 contain Grades 9–12	8,760
	10 contain Grades 7–12	1,388
	7 contain Grades 6–12	1,637
	4 contain Grades 8–12	43
	6 contain Grades 5–12	1,812
	21 are other combinations	345
	Total High Schools	79
Junior High and Middle Schools	4 contain Grades 6–8	236
	8 are other combinations	190
Total Junior High and Middle Schools	12	426
Elementary Schools	173 contain Grades P, K or 1–8	35,632
	50 contain Grades P, K or 1–6	7,237
	34 contain Grades P, K or 1–5	3,879
	10 contain Grades P, K or 1–10	596
	14 contain Grades P or K–3	573
	14 contain Grades P, K or 1–7	1,088
	10 contain Grades P, K or 1–9	933
	10 contain Grades P or K–4	712
	8 contain Grades P, K or 1–11	409
	6 contain Grades P or K–1	366
	27 are other combinations	717
Total Elementary Schools	356	52,142
Complete Schools	46 contain Grades P, K or 1–12	16,174
TOTAL	493	87,727

Source: SPI Form P-105B, School Enrollment Report, October 2000.

G. PRIVATE SCHOOLS

Private schools submit State Standards Certificate of Compliance Form SPI 618A as part of their initial approval process. The Superintendent's designee reviews the certificates and makes recommendations for approval to the State Board of Education at regularly scheduled meetings. Once a school is approved, their approval is reviewed annually when the school submits Form SPI 618B.

The requirements for approval of a private school are established by statute (chapter 28A.195 RCW) and include a minimum total program hour offering for students; Washington State certification of classroom teachers (except for teachers of religion or persons of unusual competence as defined in WAC 180-90-125); and meeting local fire, health, and safety building standards.

Private schools may be profit or nonprofit, parochial, or independent. As of October 2000 there were 493 approved private schools enrolling 82,727 pupils. (See Figure 4.) Private school enrollment constituted 7.61 percent of students enrolled in both public and private schools.

See Chapter 12, Figure 27 for historical trends in private school enrollments.

H. NONPUBLIC AGENCIES

If a student's special education needs cannot be met by a local school district, then the district may contract with a nonpublic agency (NPA) for special education and related services; provided, that the school district establishes it cannot provide an appropriate education for the student with disabilities within the district or another school district. School districts are responsible to provide a free appropriate public education (FAPE) program. Nonpublic agencies must adhere to the same legal requirements as school districts, therefore offering students, for whom they may be contracted to serve, the same rights and protections they are afforded in their local school district.

Furthermore, a district may not contract with a NPA until such time as the NPA has received State Board of Education (SBE) approval. This process involves completion of an application, with technical assistance and on-site validation provided by educational service district staff. When the application packet is completed, it is forwarded to Special Education at OSPI for a second tier review. Upon completion of this review, a recommendation for approval or disapproval is forwarded to the SBE for consideration. Following SBE action, OSPI Special Education notifies the applicant of the outcome. SBE approval is for three years, with annual updates required. Currently there are 60 SBE-approved NPAs.

I. EDUCATION CENTERS

Education centers (formerly called educational clinics) are special-purpose programs for public school dropouts. They were created by the Legislature to address the skill, knowledge, and behavioral problems that prevent students from becoming productive members of society. They follow an individualized procedure of diagnosis, prescription, and treatment through evaluation and remediation of educational deficiencies.

An education center is a private educational institution certified by the State Board of Education. The center must employ a clinical, client-centered approach and be devoted to:

- Teaching the basic academic skills including specific attention to improvement of student motivation for achieving.
- Employment orientation (RCW 28A.205.010).

An education center is certified up to three years and reports annually any changes in its operation to the State Board of Education. In 2000–2001, there were 13 education centers operating programs across the state and serving approximately 1,450 dropouts from the common schools.

J. HOME-BASED INSTRUCTION

In 1985 the Legislature authorized home-based instruction. A parent may provide home-based instruction to his or her child only. The parent is expected to meet certain qualifications or be supervised by a certificated person. The parent has the duty to:

- (1) File annually a signed declaration of intent with the superintendent of the local school district.
- (2) Ensure that test scores or annual academic progress assessments and immunization records and other instructional records are forwarded to any school to which the child transfers.
- (3) Ensure that a standardized achievement test approved by the State Board of Education is administered annually by a qualified individual or that an annual assessment of the student's progress is prepared by a certificated person.

In 2000–2001 there were 20,433 students in home-based instruction.

CHAPTER 3. FINANCIAL MANAGEMENT FUNDAMENTALS

Responsibility for financial management of each school district rests with the local school board and the superintendent they retain to manage the operations of the school district. However, the district’s financial management is regulated by state law and supervised by the Superintendent of Public Instruction. School districts must follow uniform guidelines for budgeting, accounting, and financial reporting practices. These guidelines ensure consistent and comparable data for each of the state’s school districts. The Washington State Auditor audits school district financial records for compliance with laws and regulations, general accounting practices, and adequate internal controls.

A. THE BUDGET PROCESS

Each school district develops and adopts its own budget prior to the beginning of each school year. The budget process is governed by state law (chapter 28A.505 RCW), regulations (chapter 392-123 WAC), and instructions provided by the Superintendent of Public Instruction. Budgets are prepared on forms prescribed by the Superintendent of Public Instruction. These include Form F-203C, Estimate for State Revenues, and Form F-195, School District Budget Document. These forms are prepared in accordance with the following time schedule as set forth in chapter 28A.505 RCW:

Final Date for Action	First Class Districts	Second Class Districts
July 10	Final date to prepare budget. Final date to have copies of budget available to public. Final date to forward budget to educational service district for review and comment.	Final date to prepare budget. Final date to have copies of budget available to public. Final date to forward budget to educational service district for review and comment.
Aug. 1		Final date for adoption of budget.
Aug. 3		Final date to forward adopted budget to educational service district for review, alteration, and approval.
Aug. 31	Final date for adoption of budget.	Final date for budget review committee to approve budget.
Sept. 3	Final date for filing adopted budget with educational service district.	
Sept. 10	Final date for ESD to file with OSPI.	Final date for OSPI to return a copy of the approved budget to the local school district.

Second class districts' budgets are required by law to be approved by a budget review committee. This committee consists of an educational service district representative, a representative of the local school district, and a representative of the Superintendent of Public Instruction. First class districts are required by law to be filed with the Superintendent of Public Instruction.

B. GENERAL ACCOUNTING PRACTICES

The *Accounting Manual for Public School Districts in the State of Washington* prescribes uniform accounting practices for school districts. The accounting manual was developed by the School District Accounting Advisory Committee under joint direction of the Office of Superintendent of Public Instruction and the State Auditor's Office.

The manual provides for a basic double-entry modified accrual system of accounting. Under this basis, revenues are recognized in the accounting period in which they become available and measurable. School districts with an average full-time equivalent enrollment of fewer than 1,000 pupils for the preceding fiscal year may use a cash basis system of accounting for revenues and expenditures.

The manual establishes basic minimum accounting principles and procedures necessary for school district reporting. It is intended that school districts maintain detailed revenue and expenditure accounts as well as required periodic reports. Reporting from school districts provides detail of revenues and expenditures to supplement the county treasurers' reports.

The accounting system described in the accounting manual is organized and operated on a fund basis. Funds that school districts may use are those established in law. They are:

- General Fund
- Associated Student Body Fund (a Special Revenue Fund)
- Debt Service Fund
- Capital Projects Fund
- Transportation Vehicle Fund (a Capital Projects Fund)
- Expendable Trust Funds
- Nonexpendable Trust Funds

C. FINANCIAL REPORTS

Annual Financial Reports

A set of annual general purpose financial statements (GPFS) presents all funds, account groups, and expendable Trust Funds. The GPFS set includes:

- Combined Balance Sheet—All Fund Types and Account Groups.
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance—All Governmental Fund Types and Expendable Trust Funds.
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual.

Notes to the financial statements are essential to explain significant accounting policies and circumstances that affect the district's financial position and results of operations and are therefore required for the financial statements.

Additional reporting is necessary for those districts wishing to apply for the Certificate of Excellence in Financial Reporting from the Association of School Business Officials or for the Certificate of

Achievement for Excellence in Financial Reporting issued by the Governmental Finance Officers Association.

To be awarded a certificate, an expanded financial report titled Comprehensive Annual Financial Report (CAFR) must be submitted to either organization for review. GPFS, along with the combining statements for the Capital Projects Fund, are the primary components of the CAFR. The additional components necessary include the reporting of certain statistical and demographic information.

Financial statements and reports are prepared by school district administration on a monthly basis as required by WAC 392-123-110. The reports contain the most current information available at the time of preparation. These financial reports provide the board of directors of the district with certain financial information necessary for the proper financial management of the district.

Monthly Budget Status Report

The school district is required by WAC 392-123-115 to prepare a monthly budget status report for each fund. Each member of the district board of directors is required to be provided a copy at the board's regular monthly meeting. The report contains the most current approved budget amounts by summary level accounts and the fund balance at the beginning and end of the period being analyzed. OSPI prescribes use of Form F-198 Budget Status Report.

As part of the budget status report, the administration is required to provide each member of the board of directors with a brief written explanation of any significant deviations in revenue and expenditure projections that may affect the financial status of the district.

Monthly Statement of Financial Condition

The school district administration is required by WAC 392-123-120 to provide the board of directors with a monthly statement of financial condition. The statement of financial condition is a balance sheet showing the assets, liabilities, reserves, and equities for each fund type and account group.

Monthly Personnel Budget Status Report

Each school district is required to maintain the capability to prepare a monthly personnel status report according to WAC 392-123-125. This report displays the combined responsibilities of the district's administrative staff for personnel management and budget control and shows the status of expenditures and commitments for salaries and wages. The report also shows the number of certificated and classified positions planned in the budget and the amount of funds budgeted for those positions summarized by program and responsibility area. The number of positions filled and the amount of funds expended and encumbered in support of these positions are also shown in a manner that can be compared with budget. Any significant variance between budgeted positions and actual should be explained.

A district's board of directors may use the personnel status report with a monthly budget status report and the statement of financial condition to manage the financial position of the district.

D. SCHOOL DISTRICT CASH FLOW

Several agencies must be included in any discussion of school district cash flows and related reports. The school district, county treasurer, educational service district, Superintendent of Public Instruction, and state treasurer all play a part in the process.

The county treasurer acts as banker for each school district within the county. All school district revenue and expenditure moneys are deposited with and released by the county treasurer. The school district may have revenues from federal, state, and local sources. Monthly, the Superintendent of Public Instruction authorizes state and federal moneys to be electronically

transmitted by the state treasurer to the county treasurer. Other federal moneys may be transmitted directly to the school district by federal authorities. Local taxes are collected directly by the county for the school districts. Other moneys, such as school lunch receipts, are collected by the school district and deposited with the county treasurer.

Many districts experience significant variations in their cash reserve depending upon the month of the year. The table below summarizes the flow of cash into the school district General Fund.

Sources	Type Of Revenue Transferred or Deposited	Transactions Occur
Superintendent of Public Instruction	State revenues Federal revenues passing through SPI	Monthly according to apportionment schedule
Federal agencies	Federal revenues	Various times according to agency schedule
Local tax payers	Property taxes	Daily, with bulk of payments occurring in the months of April and October
Local school district	School lunch receipts ASB activity receipts, etc.	Receipts deposited daily

Expenditure warrants are authorized by the school district board of directors and paid from available funds held by the county treasurer.

School districts and county treasurers are required by law to prepare various forms and reports (RCW 28A.510.270 and RCW 28A.400.030). Other forms and reports are required of districts by OSPI.

Monthly Reporting by OSPI

At the end of the month OSPI calculates state funding for the school districts and prepares several reports for each school district.

- Report 1191** Basic Education Allocation
- Report 1191E** Enrollment and Staff Units Used in the Basic Education Allocation
- Report 1191FS** School Food Services Allocation
- Report 1191SA** School Safety and Student Achievement Allocation
- Report 1191SE** Special Education Allocation
- Report 1191SN** Learning Assistance, Bilingual, and Highly Capable Allocation
- Report 1191TRN** Transportation Operations and Depreciation Allocations
- Report 1191TSE** Traffic Safety Education Allocation
- Report 1197** Monthly Apportionment by Account
- Report 1220** Special Education Allocation

Three other reports are prepared as part of the monthly calculations. The first is sent to the ESD, the second to the county treasurer, and the third to the state treasurer.

- Report 1195** Summary of Monthly Apportionment for All Districts in the ESD
- Report 1196** Monthly Apportionment for All Districts in the County
- Report 1198** Monthly Apportionment by County

The state treasurer uses Report 1198 as authorization to transmit moneys to the county treasurer. The county treasurer uses Report 1196 to reconcile moneys received from the state treasurer with individual school district funds. The school district then reconciles its records with the county treasurer's.

Payments to school districts are made monthly on a school fiscal year basis, September through August. Initially based on estimates, the formula amounts are adjusted during the year to reflect actual enrollments, staff mix factors and, in the case of basic education, certain local revenues. The payment schedule is as follows:

<u>Month</u>	<u>Payment Percent</u>	<u>Month</u>	<u>Payment Percent</u>
September	9.0	March	9.0
October	9.0	April	9.0
November	5.5	May	5.5
December	9.0	June	6.0
January	9.0	July	10.0
February	9.0	August	<u>10.0</u>
		Total:	100.0%

Monthly Reporting by County Treasurers

The county treasurer prepares and submits to each school district superintendent in the county a written report (RCW 28A.510.270 and WAC 392-123-132) of the state of district finances as of the last day of the preceding month. The report F-197 County Treasurers Report must:

- Be certified by the county auditor.
- Contain the cash balance on the first of the preceding month; the receipts during the month; warrants paid during the month, including any interest; the number of warrants issued and not paid; and the cash balance as of the end of the month.

After each monthly settlement with the county commissioners, the county treasurer submits a statement of all canceled district warrants to the school district superintendent. The statement is verified by the county auditor. The canceled warrants of each district must be preserved separately and be open to inspection by the school district superintendent or by any authorized accountant of the district.

Monthly Reporting by School Districts

The school district reports to OSPI enrollments as of the fourth school day of September and first school day of each month, October through May. Enrollment is the major component in determining state funding to the school district.

The school district must keep accurate and detailed accounts of all receipts and expenditures of school district money. The records must always be open for public inspection.

The school district reconciles ending net cash and investments, revenues, and expenditures reported by the county treasurer with district records for all funds. Any differences are noted and adjustments to school district records are made if necessary.

Monthly financial statements and reports are prepared by school district administration on a monthly basis as discussed in Section C. of this chapter.

Year-End Reporting by School Districts

At the end of the year, the school district submits to OSPI Form SPI F-196, Annual Financial Statement for School Districts (also discussed in Section C. of this chapter). These data are used in many calculations, one of which is the recapture of unspent state categorical funding.

Year-End Reporting by OSPI

In January of the following school year, state funding is recalculated using final enrollment, final staff data, final revenue, and final expenditure data for the prior school year. Any adjustments are treated as prior year adjustments.

E. SCHOOL DISTRICT AUDITS

School district financial records are audited by examiners from the Office of the State Auditor's Office. Large school districts are audited annually. The districts may be audited on a cyclical basis depending on a number of factors including, but not limited to size, risk, financial data, previous audit cycle, etc. The audit examines school district records for compliance with federal and state laws and regulations, general accounting practices, and adequate internal controls. The audit also encompasses areas affecting state funding such as student enrollment, transportation ridership, staff mix, special education enrollment and other areas affecting state funding. Errors discovered as a result of an audit may require revised reports and/or adjustments to state or federal funding.

SECTION II. FUNDING FOR MAINTENANCE AND OPERATIONS OF SCHOOLS

Chapter 4. Sources of State Support for Maintenance and Operations

Chapter 5. State Funding for Maintenance and Operations

Chapter 6. Local Funding for Maintenance and Operations

Chapter 7. Federal Funding for Maintenance and Operations

Maintenance and operations include all the normal, recurring operations of the district such as instruction of students, maintenance of plant and facilities, administration of the district, food services, and pupil transportation. A combination of state, local, and federal revenues provided a total of \$6.7 billion dollars for school district maintenance and operations of the districts.

Maintenance and operations are accounted for in the school district's General Fund.

CHAPTER 4. SOURCES OF STATE SUPPORT FOR MAINTENANCE AND OPERATIONS

In the 2000–2001 school year 71.8 percent of school district General Fund (maintenance and operations) revenues came from state government. The Legislature appropriates state moneys for schools from the State General Fund. As shown in Figure 6, public schools make up 43 percent of all budgeted State General Fund expenditures in the 2001–03 Biennium.

Taxes are the primary sources of State General Fund revenue. Figure 5 shows the State General Fund revenues by source.

A. RETAIL SALES TAX

Washington State's chief revenue source is the retail sales tax. The state levies a tax of 6.5 percent on retail sales and rental of tangible personal property and the sale of many services, such as cleaning, repair, construction, accommodations, and certain recreational activities. In the 2001–03 biennial budget, the retail sales tax provides 53.1 percent of State General Fund revenues from state sources.

B. BUSINESS AND OCCUPATION TAX

The Business and Occupation Tax is a tax on the gross receipts of most businesses in the state of Washington. The tax rate varies by class of business. The most significant tax rates are: 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and .015 percent for all services. The Business and Occupation Tax is Washington's second largest source of revenue from within the state; it accounts for 18.6 percent of State General Fund revenues from state sources in the 2001–03 biennial budget.

C. PROPERTY TAX

Property owners pay taxes to the state and to several local jurisdictions based on the assessed value of their property. The taxes are paid to county treasurers who distribute the moneys to the various jurisdictions. The state property tax levy proceeds are sent to the state treasurer and are deposited in the State General Fund. The state property tax accounts for 11.9 percent of State General Fund revenue from state sources in the 2001–03 biennial budget.

(For a discussion of property taxes paid directly to school districts, see Chapter 6.A.)

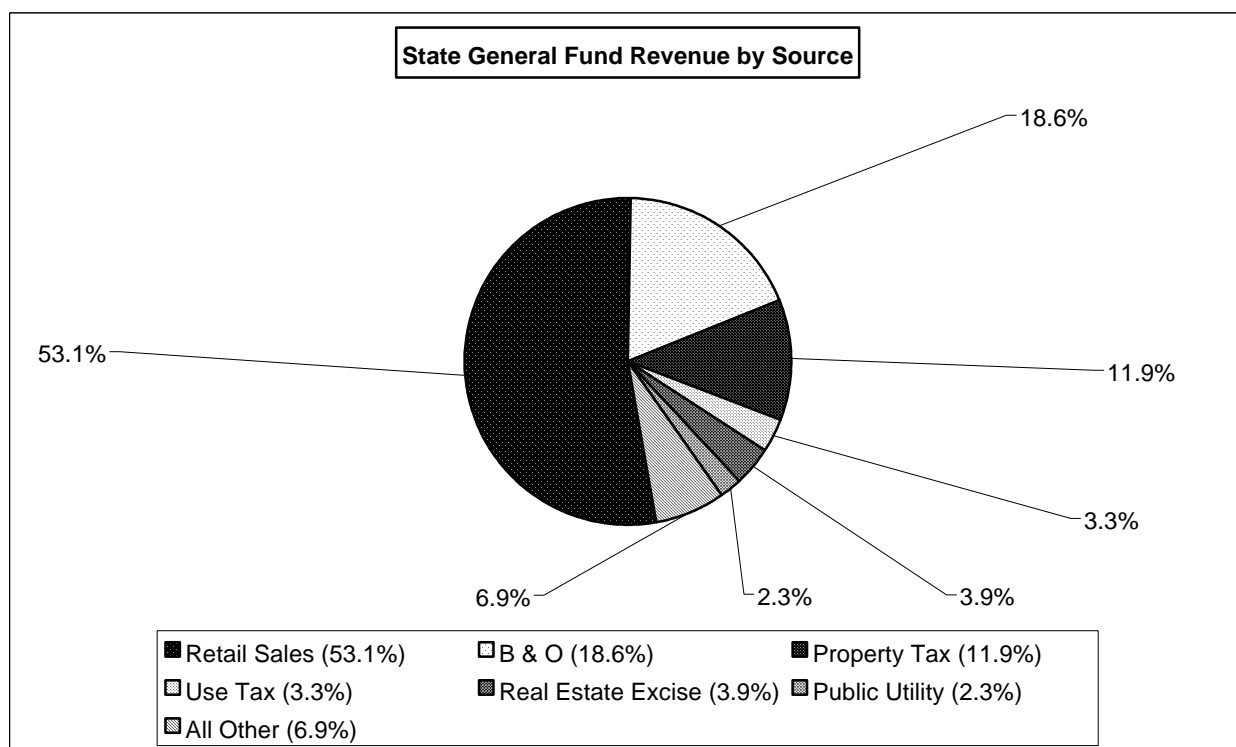
The state property tax was revised January 1, 1975, as part of a total property tax limitation plan enacted by constitutional amendment in November 1972. This amendment limited regular property taxes to 1 percent of true and fair valuation (\$10 per \$1,000 true and fair valuation). Prior to this change, the constitutional limit was 40 mills on an assessed valuation of 50 percent of true and fair value, or an effective 2 percent levy limit.

Figure 5 – State General Fund Revenues by Source

1991–93 Biennium Through 2001–03 Biennium

(Dollars in Millions)

Source	1991–93	1993–95	1995–97	1997–99	1999–2001	2001–03
Retail Sales	\$7,163	\$8,021	\$8,542	\$9,610	\$10,937	\$11,726
Business and Occupation	2,503	3,032	3,300	3,604	3,766	4,119
Property Tax	1,662	1,960	2,212	2,453	2,654	2,623
Use Tax	515	569	626	662	781	732
Real Estate Excise	399	493	533	746	803	862
Public Utility	293	345	387	416	489	506
All Other	1,817	1,781	1,730	2,129	1,855	1,531
Total	\$14,352	\$16,201	\$17,330	\$19,620	\$21,285	\$22,099



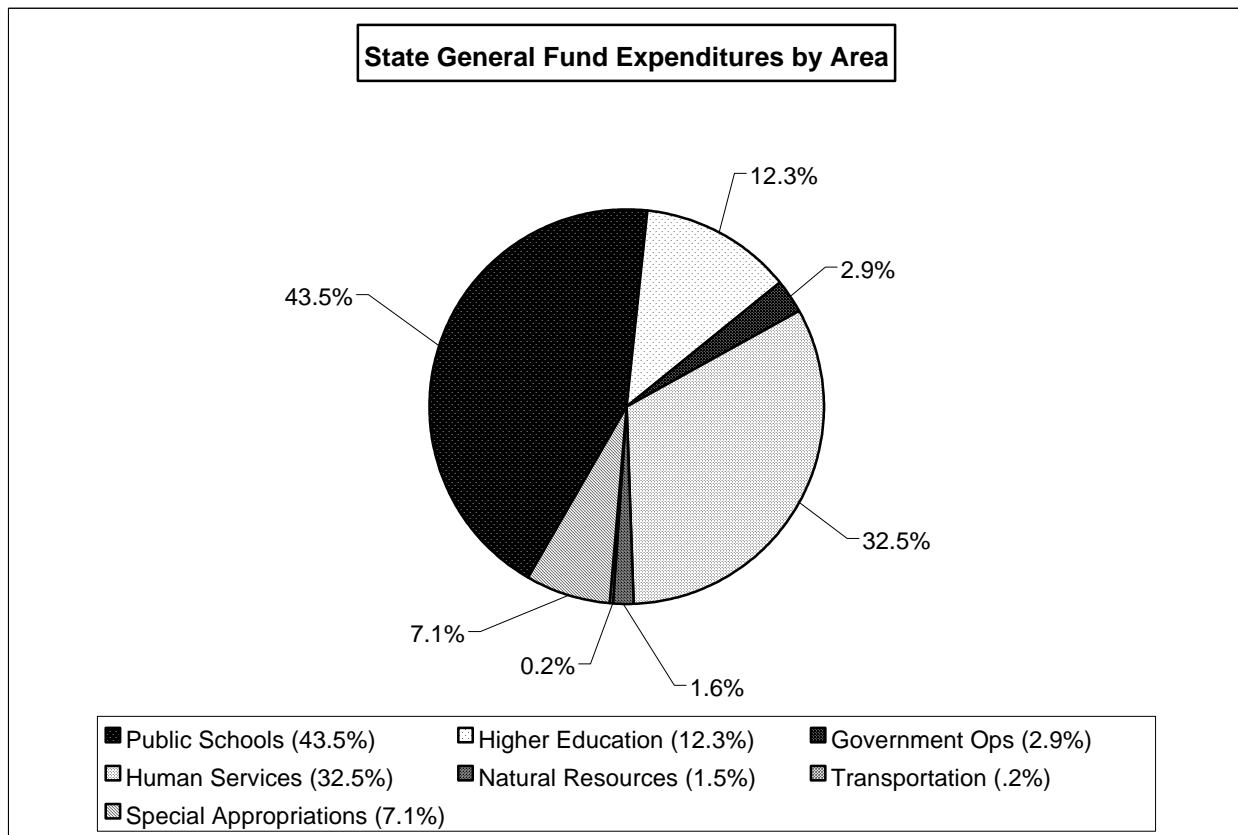
*Source: Legislative Budget Notes 2001–03 Biennium.

Figure 6 – State General Fund Expenditures by Functional Area

1991–93 Biennium Through 2001–03 Biennium

(Dollars in Millions)

Function	1991–93	1993–95	1995–97	1997–99	1999–2001	2001–2003
Public Schools	7,061	7,706	8,335	8,824	9,459	9,903
Higher Education	1,881	1,880	1,969	2,207	2,549	2,800
Governmental Ops.	518	538	586	585	641	657
Human Services	4,471	4,778	5,435	5,922	6,401	7,415
Natural Resources	279	275	225	259	305	355
Transportation	42	19	30	41	53	41
Special Appropriations	729	1,003	1,149	1,321	1,637	1,611
Total	\$14,981	\$16,199	\$17,729	\$19,159	\$21,045	\$22,782



*Source: Legislative Budget Notes 2001–03 Biennium.

The following is a schedule of maximum statutory taxing district regular levy rates:

Tax Authority	Tax Rates Per \$1,000	
	Incorporated	Unincorporated
	Areas	Areas
State	\$3.60	\$3.60
Counties	1.80	1.80
County Roads	-	2.25
Cities	3.60	-
Other	<u>1.00</u>	<u>2.35</u>
Total	\$10.00	\$10.00

The allocation of tax rates under the 1 percent limit is statutorily set at fewer than \$10 per \$1,000 to allow for equalization of the state school levy across counties. During the 1980s property values began to slow from the fast pace of the previous decade. As taxing districts raised rates in order to maintain levies, they began to come up against statutory maximums. In 1987 the Legislature ranked taxing districts to provide for orderly proration of levy rates and in 1988 removed the state levy from the possibility of proration.

The 1979 Legislature limited the growth of the state levy to 106 percent of the highest tax levy of the three most recent years, exclusive of new construction. This change caused the growth in levy yield to be reduced significantly from what would have been collected absent a 106 percent limitation. This same 106 percent limitation has been in effect for regular levies of cities, counties, and other taxing districts since 1974. School district excess tax levies are exempt because they are approved by voters in dollar amounts. During the early 1980s the state levy rate declined substantially below the statutory \$3.60 rate because of the 106 percent limit. Late in the decade, as a result of lower inflation in property values, the school levy rate rose to its statutory maximum of \$3.60. Recently, however, property values have risen rapidly. Referendum 47 passed in 1997, limiting the growth of the state levy to the rate of inflation as measured by the implicit price deflator. Because property values have grown faster than inflation, Referendum 47 causes the state property tax rate to decline. The resulting school levy rate for 2001 collections is \$2.83 based on equalized assessed valuations.

The state property tax is equalized by a countywide ratio determined by the Department of Revenue for each tax assessment year. This ratio is the comparison of real estate sales and appraisals to corresponding values on the assessor's rolls. The ratio is used to adjust the county levy rate to provide an equalized yield. For example, if a county is determined to be assessed at 75 percent of true and fair value, the 2001 levy rate of \$2.83 would be adjusted to \$3.77 by dividing by 0.75. If a county was determined to be at 100 percent assessment level, the full \$2.83 would be collected on the assessor's valuation. This approach provides that all taxpayers of the state pay their state taxes on an equal basis regardless of the assessment practices of their county.

The percent of true and fair value is called the indicated ratio. For 2001 the statewide average indicated ratio was 89.5. Dividing the state tax rate of \$2.83 by .895 yields \$3.16, which is the average state tax rate based on county-assessed valuations.

By statute, state property tax levies are designated as exclusively for the support of the common schools, but the money goes to the State General Fund. However, state support of schools is approximately 3.7 times the amount of state property tax. Therefore changes in state property tax collections have no direct impact on state allocations to schools.

Initiative 728 passed in 2000 directed \$140 per pupil of state property tax to be placed in the student achievement fund for calendar years 2001 through 2003. In 2004 this amount increases to \$450 per pupil and will be adjusted for inflation thereafter.

D. OTHER

There are approximately 18 other tax sources that support the State General Fund. Major sources include the use tax, real estate excise tax, public utilities tax, cigarette tax, several taxes on alcoholic beverages, and the insurance premiums tax.

In addition, the state receives revenue from nontax sources including licenses and fees, college tuition, sales of property and state-owned timber, charges for services, net proceeds of the lottery and excess liquor funds derived from the state's price markup. Together the other tax and nontax revenues represent 16.4 percent of the State General Fund revenues in the 2001–03 biennial budget.

CHAPTER 5. STATE FUNDING FOR MAINTENANCE AND OPERATIONS

State funding for public schools is determined by the Legislature in the biennial (two-year) operating budget. State funding for school districts takes two basic forms: formula allocations and competitive grants.

Formula allocations are based on student enrollments and other characteristics of each school district and are paid on a predefined allocation schedule. All of the large state-funded programs (basic education, special education, pupil transportation, etc.) are formula allocations. Most state formula allocations are funded as entitlements. This means that a district’s funding rises or falls automatically when the district’s enrollment and other funding factors change. The legislature provides an initial appropriation based on estimates and provides additional funding in a supplemental budget if needed.

Competitive grants are numerous but usually of smaller amounts. Districts typically apply or compete for the grants and receive reimbursement after they incur the expenses. The legislature typically appropriates a fixed amount, which is divided among qualifying districts. Most competitive grants are funded in Education Reform or Statewide Programs.

State moneys are paid out to school districts by the Superintendent of Public Instruction based on the language in the biennial operating budget. When needed, the Superintendent of Public Instruction adopts rules defining exactly what districts must do to qualify and how allocations will be calculated. These rules are codified in Title 392 of the Washington Administrative Code (WAC).

State funding makes up over 70% of all school district operating (General Fund) revenues. The State General Fund appropriations to K-12 education for the 2001–02 state fiscal year are summarized below:

2001–02 State Fiscal Year	Total (millions)	Percent of Total
Basic Education	3,865.6	79.5%
Special Education	430.7	8.8%
Pupil Transportation	196.9	4.0%
Local Effort Assistance (LEA)	136.3	2.8%
Learning Assistance Program (LAP)	72.6	1.5%
Bilingual Education	44.4	0.9%
Education Reform	35.9	0.7%
Institutional Education	19.6	0.4%
Local Enhancements	19.5	0.4%
State Office (OSPI) Statewide Programs	17.3	0.2%
State Administration	12.4	0.2%
Better Schools	9.0	0.2%
Highly Capable (Gifted)	6.6	0.1%
Educational Service Districts	4.9	0.1%
Traffic Safety	3.6	0.1%
Food Services	3.1	0.1%
Total	4,878.4	100.0%

- Amounts shown are General Fund—State appropriations for the 2001–02 state fiscal year from the 2001–03 Biennial Operating Appropriations Act (Part V, K–Education, Chapter 7, Laws of 2001, Second Special Session). Amounts shown above include salary and benefit increases for school district and ESD staff.
- State Office (OSPI) Statewide programs – represents monies that flow through OSPI to school districts, ESDs, and other educational entities.

A. BASIC EDUCATION

Washington was the first state in the nation except for Hawaii, a single school district state, to assume the responsibility for a fully funded basic education program for its public school system. Basic education is an entitlement in Washington State. The Basic Education Act defines the basic education program in terms of a minimum program hour offering in the various grade levels (RCW 28A.150.220). In order to receive state basic education moneys, the school district's basic education program must be approved by the State Board of Education.

State funds, supplemented by certain school district resources, are distributed to school districts through the basic education funding formula to equalize education opportunities throughout the state. Washington's formula is now intended to provide equalization in three major aspects:

- **Program content**, as evidenced in the Basic Education Act of 1977 as amended.
- **The staffing and nonemployee allocations**, as evidenced in the formula set forth in the operating budget.
- **The resources**, at the prescribed level identified in the Basic Education Act and the operating budget, without dependence on local property tax levies.

The basic education funding formula, in brief, begins with student enrollment. School districts report the number of full-time equivalent (FTE) students enrolled on the fourth school day of September and the first school day of October through May. (An FTE student is one enrolled four hours per day for Grades 1–3 and five hours per day for Grades 4–12.) These nine counts are then averaged to obtain an annual average FTE (AAFTE) enrollment. This enrollment is multiplied by various ratios to determine the number of allocated certificated instructional, certificated administrative, and classified staff units.

These staff units are then translated into dollars by multiplying the units by the district's state-recognized salary level for instructional, administrative, and classified staff. Salary increases, benefits, and allocations for nonemployee-related costs and substitute teachers are then added into the formula. Certificated units generated by vocational education enrollment receive additional nonpersonnel cost allocations. Finally, several adjustments must be made before the allocation is determined.

The average basic education allocation per FTE student in the 2001–02 school year is currently \$4,147. Each district's allocation per student varies based on the formula factors described below.

The state funding formula determines the state dollars allocated to each school district. Each school district determines the actual number and type of staff it will employ with the dollars generated by the formula. Salaries paid by school districts are also negotiated locally by the school district and its employees. State law sets a maximum average salary for basic education certificated instructional staff. State law also sets a minimum salary for a certificated instructional employee with a bachelor's degree and certificated instructional employee with a master's degree.

The following sections describe steps in the basic education funding formula in more detail.

a. Enrollment-Generated Staff Units

Each district's basic education staff allocation is determined by using four basic elements.

- i. A ratio of certificated instructional staff (CIS) units for each 1000 FTE pupils enrolled. The ratios are:

- for Grades K–3: minimum 49:1000 (20.4 pupils per staff)
- for Grade 4: minimum 46:1000 (21.7 pupils per staff)
- for Grades K–4: maximum 55.4:1000 (18.05 pupils per staff)
- for Grades 5–12 46:1000 (21.7 pupils per staff)

Districts may receive funding for Grades K–4 at a ratio of 55.4:1000 (18.05 pupils per staff) if they demonstrate an actual ratio of 55.4:1000 or greater full-time basic education certificated instructional staff. For any school district documenting a lower ratio, the funding ratio shall be based on the district’s actual ration achieved in 2001–02, or the minimum funding ratio, if greater. The minimum funding ratio used in generating K–4 CIS staff units is calculated as follows:

Minimum Funding 2001–02 K–4 BEA CIS Ratio

(Annual Average Grades K–3 FTE times 49

plus

Annual Average Grade 4 FTE times 46)

divided by

Annual Average Grades K–4 FTE

For the purposes of this formula, basic education certificated instructional staff means certificated teachers and certificated educational staff associates in the following programs as defined for statewide school district accounting purposes: basic education, secondary vocational education, skills centers, general instructional support, and general supportive services.

- ii. A ratio of certificated administrative staff (CAS) units for Grades K–12 of 4:1000 (250 pupils per staff).
- iii. A ratio of classified units for Grades K–12 of 16.67:1000 (60 pupils per staff).
- iv. A nonemployee-related cost (NERC) allocation for each certificated unit generated above.

The basic education allocation formula is for state apportionment and equalization purposes only and does not mandate specific operational functions of school districts other than those identified in:

- RCW 28A.150.220, Basic Education Act—Definitions—Program requirements—Program accessibility—Rules and regulations.
- RCW 28A.150.100, Basic education certificated instructional staff—Definition—Ratio to students “. . . In the 1988–89 school year and thereafter, each school district shall maintain a ratio of at least forty-six basic education certificated instructional staff to one thousand annual average full-time equivalent students.”
- RCW 28A.150.250, Annual basic education allocation of funds according to average FTE student enrollment—Student/teacher ratio standard which requires that the ratio of students per classroom teacher in Grades K–3 be no greater than the ratio of students per classroom teacher in Grade 4 and above.
- RCW 28A.400.200, Salaries and compensation for employees which set minimum salaries and maximum average salaries for certificated instructional staff. (See Chapter 11 for additional information about salary policies.)

A district's FTE enrollment generates CIS and CAS units in accordance with the ratios in a.i. and a.ii. above, per 1000 FTE enrollment. FTE enrollment is determined by calculating total FTE enrollment and subtracting the FTE enrollment of vocational-secondary programs and skills center programs and FTE enrollments for small school districts, remote and necessary (R&N) plants, and small high schools. Calculation of certificated units for small school districts, remote and necessary plants, and small high schools are described below.

Small Schools

For small school districts and remote and necessary plants with fewer than 25 FTE enrollment, the formula ensures the provision of a minimum number of certificated staff units. These minimum levels are as follows:

Program Level	FTE Enrollment		Instructional Staff Units	Administrative Staff Units
	>	To		
K-6	0	5	1.76	0.24
K-8	0	5	1.68	0.32
K-6	5	25	$1.76 + [(FTE - 5)/20]$	0.24
K-8	5	25	$1.68 + [(FTE - 5)/10]$	0.32

For small school districts and remote and necessary plants with 25 or more FTE enrollment but not more than 100 FTE in Grades K-8, the formula provides certificated staff units as follows:

Program Level	FTE Enrollment	Minimum Instructional Staff Units	Minimum Administrative Staff Units
	Up to		
K-6	60	2.76	0.24
7-8	20	0.92	0.08

For K-6 programs with FTE enrollment of more than 60 and 7-8 programs with FTE enrollment of more than 20, staff units are calculated based on the regular ratio described above.

For nonhigh districts meeting the enrollment conditions described below, the formula provides an additional 0.5 certificated instructional staff unit. The enrollment conditions and additional units are provided as follows:

Program Level	FTE Enrollment Between	Additional Instructional Staff Units
K-8	70 and 180 FTE	0.5
K-6 or 1-6	50 and 180 FTE	0.5

For districts operating not more than two high schools having total Grades 9-12 FTE enrollment of not more than 300 in each high school, the formula ensures a minimum number of certificated staff units. This does not apply to alternative schools. The FTE enrollment used for determining eligibility includes vocational FTE. Staff units are reduced at the rate of 46 certificated instructional staff units and four certificated administrative staff units per 1000 vocational FTE. For districts meeting the above criteria, the formulas for calculating certificated instructional and certificated administrative staff units are as follows:

<u>R&N Plants with High School Students*</u>	
Instr.	$4.5 - [(H/C+Voc)FTE \times .046]$
Admin.	$0.25 - [(H/C+Voc)FTE \times .004]$
<u>60 or less High School FTE</u>	
Instr.	$9.0 - [(H/C+Voc)FTE \times .046]$
Admin.	$0.5 - [(H/C+Voc)FTE \times .004]$

60 to 300 High School FTE

Instr.	$9.0 + [(FTE - 60)/43.5 \times .8732] - [(H/C+Voc)FTE \times .046]$
Admin.	$0.5 + [(FTE - 60)/43.5 \times .1268] - [(H/C+Voc)FTE \times .004]$

* For remote and necessary schools with Grades 9–12 students and total K–12 FTE enrollment of 25 or less.

One classified staff unit is allowed for every three certificated staff units in the small schools discussed above and an additional one-half of a classified unit is provided for any nonhigh school district with an enrollment between 50 and 180.

The small school factor takes into consideration the sparsity factor over which many of our small schools have no control. During 2000–2001 there were eight small districts and seven remote and necessary plants with enrollment under 25 FTE, 28 small districts and four remote and necessary plants with enrollment between 25 and 100 FTE, 17 nonhigh districts received an additional 0.5 certificated instructional staff units, and 97 school districts had small high schools.

<u>Small Schools</u>	<u>Number</u>
Districts with less than 25 FTE	8
R&N plants with less than 25 FTE	7
Districts with 25–100 FTE	28
R&N plants with 25–100 FTE	3
Nonhighs between 50–180	15
Small high schools (under 300 FTE)	97 *

* One district has two small high schools.

Vocational-Secondary and Skills Centers

The formula also includes factors for approved secondary vocational education programs.

- FTE enrollment for vocational-secondary and skills centers is determined by dividing approved vocational-secondary enrollment hours by 900.
- Vocational-secondary enrollment generates 0.92 of a CIS unit and .08 of a CAS unit per 19.5 FTE students in approved vocational classes.
- Skills center enrollment generates 0.92 of a certificated instructional staff unit and 0.08 of a certificated administrative staff unit per 16.67 FTE enrollment in approved vocational classes.

Enrollment Increases

Special consideration has been given to districts that experience an increase in enrollment during a given month. Districts must meet the following conditions to be eligible:

- Total FTE enrollment of at least 250.
- An FTE enrollment count for at least one day during a given month that exceeds the first of the month FTE count by 5 percent or more.

Districts meeting the above conditions shall receive an additional allocation of 110 percent of the per-pupil allocation multiplied by the increase in FTE. This increase in FTE is determined by subtracting the first-of-the-month FTE count from the highest monthly FTE count, then dividing by nine to obtain an annualized count.

One classified staff unit is allowed for every three certificated staff units in schools with enrollment increases.

Private School, Home-Based Students and Summer Enrollments

In addition, the formula provides for funding to school districts for some summer enrollments and private school or home-based students receiving ancillary services. The actual total number of hours served are divided by 900 to convert hours to annual average full-time equivalent students. The school districts were funded for approximately 320 summer annual average FTEs in 2000–2001 and 200 FTEs for ancillary services to private school and home-based students. Additionally private school and home-based students are eligible to enroll in school districts on a part-time basis. The actual hours of attendance for these students is converted to an FTE and included in the basic education enrollment reported which is used to calculate the district's funding for basic education.

Running Start

Students enrolled in a community college or technical college under the Running Start program (see Chapter 12.B.) are reported and funded separately. Running Start enrollment is funded at a uniform statewide rate estimated at \$3,824 per AAFTE nonvocational student and \$4,543 per AAFTE vocational student for 2001–02. Moneys generated by Running Start students are collected by the school district and paid to the community or technical college. School districts may retain up to 7 percent of moneys generated by Running Start enrollment.

b. Certificated Instructional Salaries

Certificated instructional staff unit salary allocations are calculated using the school district's "derived base salary" together with the district's "staff mix factor." The purpose of using the district staff mix factor is to provide more funding to districts that have staff with more education and educational work experience. This is done because professional educational staff are paid on the basis of education and experience. Thus, the formula recognizes this cost factor.

The Legislative Evaluation and Accountability Program (LEAP) Committee, a research arm of the Legislature, developed a staff weighting table (called LEAP Document 1S) which reflects a format similar to a school district salary schedule for certificated employees. (See Figure 7.)

The numerical factors shown at each step of the LEAP Document 1S table indicate how much greater the salary recognized at that step is than the starting base salary, due to an employee's experience and education.

The staff mix factor of a district for a given year is determined by placing each of the district's certificated instructional employees on the LEAP Document 1S table according to their actual experience and education and computing an average mix factor for the district. The average mix factor reflects the district's average certificated staff experience and education. Such average mix factors are computed for basic education and state institutional education program funding.

The school district's derived base salary or derived starting salary for a certificated employee with a bachelor's degree and no educational experience is computed by dividing the actual average basic education certificated staff salary of a district by the district's average basic education staff mix factor. Stated as an equation:

$$\text{Derived Base Salary} = \text{Actual Average Salary} \div \text{Staff Mix Factor}$$

Funding is provided for maintenance of the school district's legislatively authorized certificated instructional salaries for basic education.

- i. "Maintenance salaries" are the continuation of the previous biennium's salary allocation levels. For 2001–02 the certificated instructional staff (CIS) unit salary maintenance allocation is determined by multiplying the district's formula-generated CIS units (described in 1. above) by the district's 2000–2001 certificated instructional derived base salary shown on LEAP Document 12E, and then multiplying the result by the district's 2001–02 CIS mix factor computed using LEAP Document 1S. (See Figure 8 for LEAP Document 12E.)

Figure 7 – LEAP Document 1S
Table of Staff Mix Factors for Certificated Instructional Staff

YEARS OF SERVICE	EDUCATION EXPERIENCE								MA+90 OR PHD
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	
0	1.00000	1.02700	1.05497	1.08299	1.17299	1.23097	1.19892	1.28892	1.34691
1	1.01344	1.04080	1.06915	1.09846	1.18936	1.24702	1.21224	1.30313	1.36079
2	1.03628	1.06422	1.09313	1.12497	1.21652	1.27536	1.23765	1.32919	1.38800
3	1.07041	1.09920	1.12897	1.16252	1.25569	1.31710	1.27524	1.36837	1.42982
4	1.09451	1.12485	1.15511	1.19013	1.28481	1.34731	1.30175	1.39642	1.45893
5	1.11952	1.15030	1.18117	1.21847	1.31376	1.37814	1.32899	1.42428	1.48866
6	1.13397	1.16407	1.19599	1.23521	1.33001	1.39471	1.34357	1.43837	1.50307
7	1.17099	1.20182	1.23452	1.27626	1.37342	1.44061	1.38462	1.48178	1.54897
8	1.20854	1.24107	1.27454	1.31971	1.41821	1.48784	1.42807	1.52657	1.59620
9		1.28171	1.31681	1.36364	1.46443	1.53643	1.47196	1.57279	1.64479
10			1.35961	1.40982	1.51195	1.58635	1.51818	1.62031	1.69471
11				1.45734	1.56171	1.63758	1.56570	1.67007	1.74594
12				1.50336	1.61278	1.69096	1.61510	1.72114	1.79932
13					1.66511	1.74561	1.66621	1.77347	1.85397
14					1.71772	1.80234	1.71886	1.82950	1.91070
15					1.76239	1.84921	1.76353	1.87706	1.96038
16 or more					1.79765	1.88618	1.79879	1.91461	1.99959

Source: Legislative Evaluation and Accountability Program Committee.

- ii. The CIS salary increase allocation is the difference between the maintenance allocation above and the formula-generated CIS units multiplied by the following:
 - For any district with a 2000–2001 derived base salary of \$26,487 on LEAP Document 12E, the district’s average salary determined by placing the district’s actual full-time equivalent basic education CIS for 2001–02 on the 2001–02 salary allocation schedule.
 - For any district with a 2000–2001 derived base salary of greater than \$26,487 on LEAP Document 12E, the district’s 2001–02 LEAP Document 12E base salary multiplied by the district’s CIS mix factor computed using LEAP Document 1S.

There is a 3.7 percent increase in salary allocations for every district for the 2001–02 school year. Initiative 732 was approved by the voters of Washington State in 2000. This initiative provides cost-of-living salary adjustments to school employees based on the Puget Sound area consumer price index (CPI) as determined by the U. S. Department of Labor, Bureau of Labor Statistics.

c. Certificated Administrative Salaries

Certificated administrative staff unit salary allocations are calculated using the school district's average certificated administrative salary as developed by the LEAP Committee.

Funding is provided for maintenance of the school district's legislatively authorized certificated administrative salaries for basic education.

- i. "Maintenance salaries" are the continuation of the previous biennium's salary levels. For 2001–02 the certificated administrative staff (CAS) unit salary maintenance allocation is determined by multiplying the district's formula-generated CAS units by the district's 2000–2001 certificated administrative average salary shown on LEAP Document 12E.
- ii. The CAS unit salary increase for 2001–02 is 3.7 percent of the district's 2000–2001 LEAP Document 12E certificated administrative salary multiplied by the formula-generated CAS units. Future increases will be provided pursuant to Initiative 732 described earlier.

d. Classified Salaries

Funding is provided for maintenance of the school district's legislatively authorized classified salaries for basic education.

- i. Classified staff unit maintenance salary allocation for basic education for 2001–02 is determined by multiplying the 2000–2001 district classified salary as shown on LEAP Document 12E by the formula classified staff units.
- ii. The classified staff unit salary increase for 2001–02 is 3.7 percent of the district's 2000–2001 LEAP Document 12E classified salary multiplied by the formula-generated classified staff units. Future increases will be provided pursuant to Initiative 732 described earlier.

Figure 8 – LEAP Document 12E – Extract ¹

<i>Revised (6/12/02)</i>	DERIVED BASE SALARIES		SALARY ALLOCATIONS		SALARY ALLOCATIONS	
	FOR CERTIFICATED		FOR CERTIFICATED		FOR	
	INSTRUCTIONAL STAFF ²		ADMINISTRATIVE STAFF		CLASSIFIED STAFF	
	<u>2000–01</u>	<u>2001–02</u>	<u>2000–01</u>	<u>2001–02</u>	<u>2000–01</u>	<u>2001–02</u>
01 109 WASHTUCNA	26,487	27,467	53,929	55,924	24,820	25,738
01 122 BENGE	26,669	27,656	33,162	34,389	26,394	27,371
01 147 OHELLO	26,487	27,467	46,010	47,712	25,845	26,801
01 158 LIND	26,487	27,467	59,651	61,858	24,691	25,605
01 160 RITZVILLE	26,487	27,467	51,557	53,465	25,979	26,940
02 250 CLARKSTON	26,487	27,467	48,562	50,359	25,914	26,873
02 420 ASOTIN-ANATONE	26,487	27,467	47,051	48,792	23,376	24,241
03 017 KENNEWICK	26,487	27,467	45,121	46,790	25,516	26,460
03 050 PATERSON	26,487	27,467	47,290	49,040	22,534	23,368
03 052 KIONA-BENTON	26,487	27,467	50,741	52,618	25,722	26,674
03 053 FINLEY	26,487	27,467	49,618	51,454	25,557	26,503
03 116 PROSSER	26,487	27,467	51,665	53,577	25,484	26,427
03 400 RICHLAND	26,487	27,467	48,397	50,188	25,626	26,574
04 019 MANSON	26,487	27,467	53,667	55,653	25,534	26,479
04 069 STEHEKIN	26,487	27,467	54,944	56,977	20,840	21,611
04 127 ENTIAT	26,487	27,467	63,394	65,740	25,067	25,994
04 129 LAKE CHELAN	27,230	28,238	44,487	46,133	26,101	27,067
04 222 CASHMERE	26,487	27,467	57,688	59,822	25,891	26,849
04 228 CASCADE	26,487	27,467	51,947	53,869	25,536	26,481
04 246 WENATCHEE	26,636	27,621	50,338	52,201	25,930	26,889
05 121 PORT ANGELES	26,487	27,467	50,888	52,771	25,397	26,337
05 313 CRESCENT	26,487	27,467	52,541	54,485	25,440	26,381
05 323 SEQUIM	26,487	27,467	45,877	47,574	25,914	26,873
05 401 CAPE FLATTERY	26,487	27,467	51,027	52,915	25,366	26,305
05 402 QUILLAYUTE VALLEY	26,487	27,467	49,586	51,421	25,517	26,461
06 037 VANCOUVER	26,487	27,467	50,560	52,431	25,546	26,491
06 098 HOCKINSON	26,487	27,467	51,446	53,350	23,946	24,832
06 101 LA CENTER	26,487	27,467	52,127	54,056	23,374	24,239
06 103 GREEN MOUNTAIN	26,670	27,657	65,815	68,250	25,097	26,026
06 112 WASHOUGAL	26,487	27,467	47,324	49,075	26,012	26,974
06 114 EVERGREEN (CLARK)	26,487	27,467	45,676	47,366	25,649	26,598
06 117 CAMAS	26,487	27,467	53,596	55,579	26,023	26,986
06 119 BATTLE GROUND	26,487	27,467	49,548	51,381	25,445	26,386
06 122 RIDGEFIELD	26,487	27,467	52,079	54,006	25,407	26,347
07 002 DAYTON	26,487	27,467	45,181	46,853	25,753	26,706
07 035 STARBUCK	26,487	27,467	30,502	31,631	23,449	24,317
08 122 LONGVIEW	26,487	27,467	47,616	49,378	25,621	26,569
08 130 TOUTLE LAKE	26,487	27,467	56,373	58,459	26,077	27,042
08 401 CASTLE ROCK	26,487	27,467	47,657	49,420	26,470	27,449
08 402 KALAMA	26,487	27,467	48,495	50,289	24,876	25,796
08 404 WOODLAND	26,487	27,467	48,612	50,411	25,610	26,558
08 458 KELSO	26,529	27,510	47,931	49,704	25,299	26,235
09 013 ORONDO	28,113	29,153	45,423	47,104	23,547	24,418
09 075 BRIDGEPORT	26,487	27,467	52,094	54,021	26,261	27,233
09 102 PALISADES	26,487	27,467	29,555	30,649	25,570	26,516
09 206 EASTMONT	26,769	27,759	50,495	52,363	25,360	26,298
09 207 MANSFIELD	26,487	27,467	63,346	65,690	26,283	27,255
09 209 WATERVILLE	26,487	27,467	48,699	50,501	25,692	26,643
10 003 KELLER	26,487	27,467	33,378	34,613	24,964	25,888
10 050 CURLEW	26,487	27,467	63,336	65,679	25,456	26,398

¹ This is an extract from Legislative Evaluation and Accountability Program Committee (LEAP) Schedule 12E.

² The "Derived Base Salaries" shown for certificated instructional staff reflects the base salaries before weighting for experience and training of staff (LEAP 1S mix factors). Mix factors vary widely between districts, but the statewide average for 2000–01 is about 1.604 and the average state allocated salary was \$42,718. Base salaries include the three additional learning improvement days that are available to the districts.

Figure 8 – LEAP Document 12E – Extract ¹

<i>Revised (6/12/02)</i>	DERIVED BASE SALARIES		SALARY ALLOCATIONS		SALARY ALLOCATIONS	
	FOR CERTIFICATED		FOR CERTIFICATED		FOR	
	INSTRUCTIONAL STAFF ²		ADMINISTRATIVE STAFF		CLASSIFIED STAFF	
	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>
10 065 ORIENT	26,487	27,467	58,712	60,884	25,902	26,860
10 070 INCHELIUM	26,487	27,467	55,206	57,249	24,607	25,517
10 309 REPUBLIC	26,487	27,467	45,067	46,734	24,936	25,859
11 001 PASCO	26,487	27,467	47,759	49,526	25,951	26,911
11 051 NORTH FRANKLIN	26,487	27,467	49,171	50,990	25,524	26,468
11 054 STAR	26,487	27,467	37,281	38,660	20,968	21,744
11 056 KAHLLOTUS	26,487	27,467	47,974	49,749	23,636	24,511
12 110 POMEROY	26,487	27,467	52,769	54,721	25,997	26,959
13 073 WAHLUKE	26,487	27,467	57,065	59,176	24,318	25,218
13 144 QUINCY	26,487	27,467	48,622	50,421	25,959	26,919
13 146 WARDEN	26,487	27,467	50,526	52,395	25,774	26,728
13 151 COULEE-HARTLINE	26,487	27,467	54,235	56,242	24,626	25,537
13 156 SOAP LAKE	26,487	27,467	46,857	48,591	25,937	26,897
13 160 ROYAL	26,487	27,467	48,329	50,117	25,602	26,549
13 161 MOSES LAKE	26,487	27,467	48,911	50,721	25,164	26,095
13 165 EPHRATA	26,487	27,467	47,178	48,924	24,740	25,655
13 167 WILSON CREEK	26,487	27,467	67,566	70,066	25,855	26,812
13 301 GRAND COULEE DAM	26,487	27,467	47,575	49,335	25,068	25,996
14 005 ABERDEEN	26,487	27,467	48,509	50,304	25,559	26,505
14 028 HOQUIAM	26,487	27,467	50,382	52,246	25,402	26,342
14 064 NORTH BEACH	26,487	27,467	55,221	57,264	25,821	26,776
14 065 McCLEARY	26,795	27,786	51,556	53,464	26,958	27,955
14 066 MONTESANO	26,487	27,467	48,175	49,957	25,810	26,765
14 068 ELMA	26,487	27,467	48,173	49,955	26,747	27,737
14 077 TAHOLAH	26,676	27,663	61,658	63,939	24,483	25,389
14 097 QUINAULT	26,487	27,467	48,695	50,497	26,142	27,109
14 099 COSMOPOLIS	26,509	27,490	48,331	50,119	23,981	24,868
14 104 SATSOP	26,487	27,467	31,758	32,933	23,112	23,967
14 117 WISHKAH VALLEY	26,487	27,467	61,647	63,928	26,629	27,614
14 172 OCOSTA	26,487	27,467	47,876	49,647	26,104	27,070
14 400 OAKVILLE	26,487	27,467	66,172	68,620	26,765	27,755
15 201 OAK HARBOR	27,009	28,008	46,400	48,117	25,449	26,391
15 204 COUPEVILLE	26,487	27,467	47,592	49,353	24,613	25,524
15 206 SOUTH WHIDBEY	26,487	27,467	48,287	50,074	26,259	27,231
16 020 QUEETS-CLEARWATER	26,487	27,467	49,725	51,565	26,141	27,108
16 046 BRINNON	26,487	27,467	37,163	38,538	22,356	23,183
16 048 QUILCENE	26,487	27,467	66,650	69,116	24,864	25,784
16 049 CHIMACUM	26,487	27,467	49,679	51,517	26,527	27,508
16 050 PORT TOWNSEND	26,551	27,533	44,962	46,626	25,327	26,264
17 001 SEATTLE	27,017	28,016	49,288	51,112	29,947	31,055
17 210 FEDERAL WAY	26,487	27,467	44,841	46,500	25,419	26,360
17 216 ENUMCLAW	26,487	27,467	47,794	49,562	25,275	26,210
17 400 MERCER ISLAND	26,487	27,467	51,994	53,918	26,164	27,132
17 401 HIGHLINE	26,487	27,467	51,374	53,275	25,722	26,674
17 402 VASHON ISLAND	26,487	27,467	53,395	55,371	24,396	25,299
17 403 RENTON	26,487	27,467	48,086	49,865	25,833	26,789
17 404 SKYKOMISH	26,487	27,467	69,384	71,951	26,105	27,071
17 405 BELLEVUE	26,559	27,542	50,358	52,221	28,099	29,139
17 406 TUKWILA	26,487	27,467	57,608	59,739	25,747	26,700

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Figure 8 – LEAP Document 12E – Extract ¹

<i>Revised (6/12/02)</i>	DERIVED BASE SALARIES FOR CERTIFICATED INSTRUCTIONAL STAFF ²		SALARY ALLOCATIONS FOR CERTIFICATED ADMINISTRATIVE STAFF		SALARY ALLOCATIONS FOR CLASSIFIED STAFF	
	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>
	17 407 RIVERVIEW	26,487	27,467	51,251	53,147	25,124
17 408 AUBURN	26,487	27,467	47,408	49,162	25,795	26,749
17 409 TAHOMA	26,487	27,467	47,513	49,271	26,082	27,047
17 410 SNOQUALMIE VALLEY	26,487	27,467	46,651	48,377	25,277	26,212
17 411 ISSAQUAH	26,487	27,467	49,074	50,890	25,173	26,104
17 412 SHORELINE	26,487	27,467	51,905	53,825	27,222	28,229
17 414 LAKE WASHINGTON	26,620	27,605	50,303	52,164	25,790	26,744
17 415 KENT	26,487	27,467	46,620	48,345	25,545	26,490
17 417 NORTHSHORE	27,951	28,985	47,068	48,810	26,312	27,286
18 100 BREMERTON	26,487	27,467	48,447	50,240	26,867	27,861
18 303 BAINBRIDGE ISLAND	26,487	27,467	49,878	51,723	25,526	26,470
18 400 NORTH KITSAP	26,487	27,467	47,851	49,621	26,337	27,311
18 401 CENTRAL KITSAP	26,487	27,467	47,222	48,969	25,108	26,037
18 402 SOUTH KITSAP	26,487	27,467	48,869	50,677	26,037	27,000
19 007 DAMMAN	26,487	27,467	29,384	30,471	19,795	20,527
19 028 EASTON	26,487	27,467	46,669	48,396	25,473	26,416
19 400 THORP	26,641	27,627	47,784	49,552	26,617	27,602
19 401 ELLENSBURG	26,487	27,467	48,766	50,570	25,372	26,311
19 403 KITTITAS	26,487	27,467	48,840	50,647	25,417	26,357
19 404 CLE ELUM-ROSLYN	26,487	27,467	51,326	53,225	25,950	26,910
20 094 WISHRAM	26,487	27,467	59,457	61,657	24,533	25,441
20 203 BICKLETON	26,487	27,467	59,422	61,621	25,686	26,636
20 215 CENTERVILLE	26,552	27,534	31,692	32,865	25,185	26,117
20 400 TROUT LAKE	26,487	27,467	52,544	54,488	22,502	23,335
20 401 GLENWOOD	26,487	27,467	52,927	54,885	25,572	26,518
20 402 KLICKITAT	26,487	27,467	57,503	59,631	22,250	23,073
20 403 ROOSEVELT	26,487	27,467	33,289	34,521	21,914	22,725
20 404 GOLDENDALE	26,487	27,467	46,818	48,550	25,293	26,229
20 405 WHITE SALMON	26,487	27,467	53,794	55,784	25,146	26,076
20 406 LYLE	26,487	27,467	54,018	56,017	25,116	26,045
21 014 NAPAVINE	26,487	27,467	55,252	57,296	25,992	26,954
21 018 VADER	27,365	28,378	41,271	42,798	24,490	25,396
21 036 EVALINE	26,663	27,649	28,467	29,520	24,514	25,421
21 206 MOSSYROCK	26,487	27,467	53,031	54,993	24,948	25,871
21 214 MORTON	26,487	27,467	51,217	53,112	26,135	27,102
21 226 ADNA	26,487	27,467	55,842	57,908	24,059	24,949
21 232 WINLOCK	26,487	27,467	50,150	52,006	25,108	26,037
21 234 BOISTFORT	26,729	27,718	49,410	51,238	21,840	22,648
21 237 TOLEDO	26,487	27,467	49,798	51,641	25,111	26,040
21 300 ONALASKA	26,487	27,467	48,868	50,676	25,395	26,335
21 301 PE ELL	26,487	27,467	54,844	56,873	26,441	27,419
21 302 CHEHALIS	26,487	27,467	47,502	49,260	25,752	26,705
21 303 WHITE PASS	26,487	27,467	48,143	49,924	24,689	25,602
21 401 CENTRALIA	26,487	27,467	51,872	53,791	25,143	26,073
22 008 SPRAGUE	26,487	27,467	54,340	56,351	26,056	27,020
22 009 REARDAN-EDWALL	26,487	27,467	48,782	50,587	25,189	26,121
22 017 ALMIRA	26,487	27,467	61,878	64,167	24,362	25,263
22 073 CRESTON	26,487	27,467	61,379	63,650	24,692	25,606
22 105 ODESSA	26,487	27,467	51,372	53,273	25,099	26,028

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Figure 8 – LEAP Document 12E – Extract ¹

<i>Revised (6/12/02)</i>	DERIVED BASE SALARIES FOR CERTIFICATED INSTRUCTIONAL STAFF ²		SALARY ALLOCATIONS FOR CERTIFICATED ADMINISTRATIVE STAFF		SALARY ALLOCATIONS FOR CLASSIFIED STAFF	
	2000–01	2001–02	2000–01	2001–02	2000–01	2001–02
	22 200 WILBUR	26,487	27,467	59,018	61,202	24,911
22 204 HARRINGTON	26,487	27,467	69,384	71,951	24,848	25,767
22 207 DAVENPORT	26,487	27,467	52,252	54,185	25,649	26,598
23 042 SOUTHSIDE	27,241	28,249	33,387	34,622	24,128	25,021
23 054 GRAPEVIEW	26,487	27,467	51,639	53,550	23,332	24,195
23 309 SHELTON	26,487	27,467	49,851	51,695	26,033	26,996
23 311 MARY M KNIGHT	26,487	27,467	61,087	63,347	26,388	27,364
23 402 PIONEER	26,487	27,467	41,151	42,674	24,014	24,903
23 403 NORTH MASON	26,487	27,467	45,114	46,783	25,965	26,926
23 404 HOOD CANAL	26,487	27,467	49,796	51,638	26,938	27,935
24 014 NESPELEM	26,487	27,467	55,992	58,064	23,596	24,469
24 019 OMAK	26,487	27,467	51,831	53,749	25,120	26,049
24 105 OKANOGAN	26,487	27,467	49,067	50,882	26,256	27,227
24 111 BREWSTER	26,487	27,467	48,504	50,299	26,004	26,966
24 122 PATEROS	26,487	27,467	48,723	50,526	25,453	26,395
24 350 METHOW VALLEY	26,487	27,467	58,805	60,981	26,107	27,073
24 404 TONASKET	26,487	27,467	50,168	52,024	25,025	25,951
24 410 OROVILLE	26,487	27,467	48,078	49,857	26,481	27,461
25 101 OCEAN BEACH	26,487	27,467	53,769	55,758	25,288	26,224
25 116 RAYMOND	26,487	27,467	49,660	51,497	25,382	26,321
25 118 SOUTH BEND	26,487	27,467	46,632	48,357	25,240	26,174
25 155 NASELLE-GRAYS RIVER	26,487	27,467	56,935	59,042	25,027	25,953
25 160 WILLAPA VALLEY	26,487	27,467	45,583	47,270	25,211	26,144
25 200 NORTH RIVER	26,487	27,467	54,317	56,327	23,588	24,461
26 056 NEWPORT	26,487	27,467	47,745	49,512	25,170	26,101
26 059 CUSICK	26,487	27,467	60,250	62,479	25,755	26,708
26 070 SELKIRK	26,487	27,467	46,295	48,008	24,635	25,546
27 001 STEILACOOM HIST.	26,487	27,467	49,329	51,154	26,092	27,057
27 003 PUYALLUP	27,376	28,389	46,322	48,036	25,713	26,664
27 010 TACOMA	26,487	27,467	46,281	47,993	28,462	29,515
27 019 CARBONADO	26,487	27,467	58,237	60,392	24,805	25,723
27 083 UNIVERSITY PLACE	26,487	27,467	45,051	46,718	25,065	25,992
27 320 SUMNER	26,538	27,520	48,683	50,484	25,484	26,427
27 343 DIERINGER	26,487	27,467	52,163	54,093	25,663	26,613
27 344 ORTING	26,487	27,467	49,098	50,915	25,324	26,261
27 400 CLOVER PARK	26,487	27,467	48,840	50,647	25,312	26,249
27 401 PENINSULA	26,487	27,467	50,068	51,921	25,960	26,921
27 402 FRANKLIN PIERCE	26,487	27,467	51,621	53,531	25,197	26,129
27 403 BETHEL	26,487	27,467	49,215	51,036	25,892	26,850
27 404 EATONVILLE	26,697	27,685	47,492	49,249	25,476	26,419
27 416 WHITE RIVER	26,487	27,467	47,720	49,486	25,652	26,601
27 417 FIFE	26,487	27,467	49,815	51,658	25,482	26,425
28 010 SHAW ISLAND	27,347	28,359	40,200	41,687	27,466	28,482
28 137 ORCAS ISLAND	26,487	27,467	45,906	47,605	26,015	26,978
28 144 LOPEZ ISLAND	27,125	28,129	51,618	53,528	25,663	26,613
28 149 SAN JUAN ISLAND	26,487	27,467	50,518	52,387	25,655	26,604
29 011 CONCRETE	26,487	27,467	52,516	54,459	24,626	25,537
29 100 BURLINGTON-EDISON	26,487	27,467	48,273	50,059	24,857	25,777
29 101 SEDRO-WOOLLEY	26,487	27,467	45,568	47,254	26,026	26,989

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	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	
	29 103 ANACORTES	26,487	27,467	49,192	51,012	25,791	26,745
	29 311 LA CONNER	26,487	27,467	54,078	56,079	25,839	26,795
29 317 CONWAY	26,487	27,467	51,528	53,435	24,330	25,230	
29 320 MOUNT VERNON	26,487	27,467	45,132	46,802	25,345	26,283	
30 002 SKAMANIA	26,487	27,467	60,146	62,371	27,629	28,651	
30 029 MOUNT PLEASANT	26,487	27,467	29,997	31,107	28,675	29,736	
30 031 MILL A	26,487	27,467	44,068	45,699	26,332	27,306	
30 303 STEVENSON-CARSON	26,487	27,467	48,297	50,084	24,976	25,900	
31 002 EVERETT	28,167	29,209	51,433	53,336	27,310	28,320	
31 004 LAKE STEVENS	26,487	27,467	53,312	55,285	25,835	26,791	
31 006 MUKILTEO	27,154	28,159	50,436	52,302	25,172	26,103	
31 015 EDMONDS	26,808	27,800	49,678	51,516	25,288	26,224	
31 016 ARLINGTON	26,487	27,467	48,237	50,022	25,845	26,801	
31 025 MARYSVILLE	27,869	28,900	47,840	49,610	25,431	26,372	
31 063 INDEX	26,487	27,467	30,751	31,889	25,700	26,651	
31 103 MONROE	26,487	27,467	49,681	51,519	25,067	25,994	
31 201 SNOHOMISH	26,487	27,467	50,715	52,591	25,942	26,902	
31 306 LAKEWOOD	26,487	27,467	47,473	49,230	25,500	26,444	
31 311 SULTAN	26,487	27,467	45,507	47,191	25,164	26,095	
31 330 DARRINGTON	26,669	27,656	55,584	57,641	24,869	25,789	
31 332 GRANITE FALLS	26,487	27,467	47,783	49,551	25,901	26,859	
31 401 STANWOOD-CAMANO	26,487	27,467	46,812	48,544	25,394	26,334	
32 081 SPOKANE	26,487	27,467	46,773	48,504	25,031	25,957	
32 123 ORCHARD PRAIRIE	26,487	27,467	29,185	30,265	25,472	26,414	
32 312 GREAT NORTHERN	26,487	27,467	30,727	31,864	24,141	25,034	
32 325 NINE MILE FALLS	26,487	27,467	52,635	54,582	25,143	26,073	
32 326 MEDICAL LAKE	26,487	27,467	47,016	48,756	25,584	26,531	
32 354 MEAD	26,487	27,467	44,482	46,128	25,508	26,452	
32 356 CENTRAL VALLEY	26,487	27,467	45,305	46,981	26,225	27,195	
32 358 FREEMAN	26,487	27,467	47,324	49,075	25,991	26,953	
32 360 CHENEY	26,487	27,467	48,956	50,767	25,597	26,544	
32 361 EAST VALLEY	26,487	27,467	47,580	49,340	25,380	26,319	
32 362 LIBERTY	26,487	27,467	49,536	51,369	25,239	26,173	
32 363 WEST VALLEY (SPOKANE)	26,487	27,467	52,336	54,272	25,319	26,256	
32 414 DEER PARK	26,487	27,467	48,807	50,613	25,658	26,607	
32 416 RIVERSIDE	26,487	27,467	49,030	50,844	25,871	26,828	
33 030 ONION CREEK	26,487	27,467	32,862	34,078	24,385	25,287	
33 036 CHEWELAH	26,487	27,467	47,635	49,397	26,433	27,411	
33 049 WELLPINIT	26,487	27,467	61,599	63,878	23,874	24,757	
33 070 VALLEY	26,487	27,467	53,013	54,974	25,851	26,807	
33 115 COLVILLE	26,487	27,467	46,471	48,190	23,354	24,218	
33 183 LOON LAKE	26,663	27,649	46,567	48,290	20,309	21,060	
33 202 SUMMIT VALLEY	26,487	27,467	30,743	31,880	22,395	23,224	
33 205 EVERGREEN (STEVENS)	26,487	27,467	34,472	35,747	21,823	22,630	
33 206 COLUMBIA (STEVENS)	26,487	27,467	69,384	71,951	25,724	26,676	
33 207 MARY WALKER	26,487	27,467	53,458	55,436	23,240	24,100	
33 211 NORTHPORT	26,487	27,467	56,650	58,746	25,799	26,754	
33 212 KETTLE FALLS	26,487	27,467	46,749	48,479	26,182	27,151	
34 002 YELM	26,487	27,467	50,515	52,384	25,642	26,591	

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	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2000-01</u>	<u>2001-02</u>	
	34 003 NORTH THURSTON	26,487	27,467	47,808	49,577	24,960	25,884
	34 033 TUMWATER	26,487	27,467	50,763	52,641	25,001	25,926
34 111 OLYMPIA	26,487	27,467	49,233	51,055	25,961	26,922	
34 307 RAINIER	26,487	27,467	50,738	52,615	25,140	26,070	
34 324 GRIFFIN	26,487	27,467	42,202	43,763	24,927	25,849	
34 401 ROCHESTER	26,487	27,467	46,957	48,694	25,876	26,833	
34 402 TENINO	26,487	27,467	45,372	47,051	25,685	26,635	
35 200 WAHIAKUM	26,487	27,467	46,227	47,937	25,261	26,196	
36 101 DIXIE	26,487	27,467	52,366	54,304	23,568	24,440	
36 140 WALLA WALLA	26,487	27,467	48,009	49,785	25,839	26,795	
36 250 COLLEGE PLACE	26,487	27,467	49,049	50,864	25,553	26,498	
36 300 TOUCHET	26,487	27,467	49,407	51,235	23,174	24,031	
36 400 COLUMBIA (WALLA WALLA)	26,487	27,467	47,245	48,993	25,053	25,980	
36 401 WAITSBURG	26,487	27,467	58,181	60,334	24,976	25,900	
36 402 PRESCOTT	26,487	27,467	56,594	58,688	26,909	27,905	
37 501 BELLINGHAM	26,487	27,467	48,193	49,976	25,086	26,014	
37 502 FERNDALE	26,487	27,467	50,154	52,010	25,448	26,390	
37 503 BLAINE	26,487	27,467	50,298	52,159	26,269	27,241	
37 504 LYN DEN	26,487	27,467	44,379	46,021	25,564	26,510	
37 505 MERIDIAN	26,487	27,467	45,925	47,624	25,392	26,332	
37 506 NOOKSACK VALLEY	26,487	27,467	46,507	48,228	25,963	26,924	
37 507 MOUNT BAKER	26,487	27,467	45,760	47,453	25,087	26,015	
38 126 LACROSSE	26,487	27,467	57,390	59,513	26,239	27,210	
38 264 LAMONT	26,487	27,467	53,573	55,555	25,631	26,579	
38 265 TEKOA	26,487	27,467	63,983	66,350	25,828	26,784	
38 267 PULLMAN	26,487	27,467	47,592	49,353	26,083	27,048	
38 300 COLFAX	26,487	27,467	47,978	49,753	25,803	26,758	
38 301 PALOUSE	26,487	27,467	56,909	59,015	26,241	27,212	
38 302 GARFIELD	26,487	27,467	55,701	57,762	24,650	25,562	
38 304 STEPTOE	26,487	27,467	34,982	36,276	26,303	27,276	
38 306 COLTON	26,487	27,467	57,676	59,810	24,672	25,585	
38 308 ENDICOTT	26,487	27,467	64,007	66,375	23,586	24,459	
38 320 ROSALIA	26,487	27,467	60,366	62,600	25,991	26,953	
38 322 ST JOHN	26,487	27,467	69,384	71,951	25,166	26,097	
38 324 OAKESDALE	26,487	27,467	62,437	64,747	23,780	24,660	
39 002 UNION GAP	26,487	27,467	52,741	54,692	25,349	26,287	
39 003 NACHES VALLEY	26,487	27,467	51,342	53,242	25,469	26,411	
39 007 YAKIMA	26,487	27,467	52,339	54,276	26,006	26,968	
39 090 EAST VALLEY (YAKIMA)	26,487	27,467	48,421	50,213	26,194	27,163	
39 119 SELAH	26,487	27,467	51,503	53,409	25,923	26,882	
39 120 MABTON	26,487	27,467	54,562	56,581	26,766	27,756	
39 200 GRANDVIEW	26,487	27,467	49,376	51,203	24,692	25,606	
39 201 SUNNYSIDE	26,487	27,467	44,442	46,086	25,006	25,931	
39 202 TOPPENISH	26,510	27,491	51,593	53,502	25,188	26,120	
39 203 HIGHLAND	26,487	27,467	52,191	54,122	25,567	26,513	
39 204 GRANGER	26,487	27,467	50,951	52,836	25,108	26,037	
39 205 ZILLA H	26,487	27,467	50,469	52,336	25,361	26,299	
39 207 WAPATO	26,487	27,467	49,695	51,534	24,774	25,691	
39 208 WEST VALLEY (YAKIMA)	26,487	27,467	46,960	48,698	25,335	26,272	
39 209 MOUNT ADAMS	26,487	27,467	51,832	53,750	24,690	25,604	

¹ This is an extract from Legislative Evaluation and Accountability Program Committee (LEAP) Schedule 12E.

² The "Derived Base Salaries" shown for certificated instructional staff reflects the base salaries before weighting for experience and training of staff (LEAP 1S mix factors). Mix factors vary widely between districts, but the statewide average for 2000-01 is about 1.604 and the average state allocated salary was \$42,718. Base salaries include the three additional learning improvement days that are available to the districts.

e. Fringe Benefits

School districts receive additional allocations for fringe benefits required by law. These benefits are employer contributions to OASI, industrial insurance, medical aid and the supplemental pension contribution, unemployment compensation, certificated employee Teachers' Retirement System contribution, and classified employee Public Employees' Retirement System contribution.

Fringe benefits percentages to be applied to salary allocations for 2001–02 are:

- 11.27 percent for certificated salary maintenance.
- 10.63 percent for certificated salary increase.
- 12.92 percent for classified salary maintenance.
- 9.42 percent for classified salary increase.

f. Insurance Benefits

School districts receive state funding for employee insurance benefits at a rate of \$455.27 per month from September 2001 through August 2002 for each formula certificated and classified staff unit. This results in an annual allocation of \$5,463.24 per formula unit.

Full-time equivalent classified employees are determined on the basis of 1,440 hours (instead of 2,080 hours) solely for the purpose of calculating the amount of state funding necessary to contribute toward insurance benefits for classified employees who work for nine months in state-supported programs. For funding purposes, this is recognized by multiplying the classified formula-generated staff units by 1.152.

Insurance benefits include such items as liability, life, health, health care, accident, disability, and salary protection insurance. School districts must pay \$32.41 per month per full-time employee to the state Health Care Authority to fund a reduction in premiums for retired school employees.

g. Nonemployee-Related Cost

The formula provides for a nonemployee-related cost (NERC) allocation per each allocated certificated staff unit. For 2001–02 the NERC allocation for the basic education program is \$8,519 per certificated staff unit, \$20,920 per certificated staff unit for the vocational-secondary allocation, and \$16,233 per certificated staff unit for the skills center allocation. These amounts are specified in each biennial operating budget.

Nonemployee-related costs are those costs other than salary and benefits. They include instructional supplies, textbooks, staff travel, equipment, and contractual services such as heat, lights, and computer services.

h. Substitute Teacher Pay

For 2001–02, school districts receive \$512.63 per year multiplied by 91.7 percent of the basic education formula-generated CIS units.

i. Local Deductible Revenues

The total basic education allocation (the sum of the amounts calculated in subsections a. through h. above) is supported by state funds amounting to approximately 99 percent of the formula amount and approximately 1 percent from deductible local revenues. For 2001–02, revenues from the following sources are formula deductibles pursuant to law or rule of the Superintendent of Public Instruction:

- Local in lieu of taxes includes county in lieu of tax payments by housing authorities or from lands purchased by the Department of Natural Resources.
- County-administered forests includes proceeds from the sale, rental, or lease of stone, minerals, timber, forest products, other crops and matter, and improvements to or on tax title real property managed by a county.
- State forests includes proceeds from the lease of state forest lands or from the sale of forest and mineral products from those lands.
- Federal in lieu of taxes includes revenue from the Federal Housing Administration, Bureau of Land Management, military forest yield pursuant to Public Law 97-99, and reclamation projects.
- Federal forests includes federal forests revenue diverted to the capital projects and Debt Service Funds.

Deductible revenues from any of the foregoing sources received by a school district due solely to the district's Capital Projects Fund or Debt Service Fund excess tax levy do not constitute school district General Fund revenues and are not deducted in the computation of the district's annual basic education allocation.

Formula-deductible revenues amounted to \$23.08 million in the 2000-01 school year.

j. Fire District Payments

Eligible school districts under the formula receive state funds as part of the July apportionment to reimburse fire districts for the costs of fire protection services. The state payment is \$1.04 per pupil for 2001–02. Fire district payments received but not expended by school districts for this purpose are recovered by the state.

Fire district payments, while part of the basic education allocation, are not part of the basic education entitlement.

B. SPECIAL EDUCATION

In 1971, House Bill 90 was adopted by the Legislature. This bill became the foundation of chapter 28A.155 RCW, which states as its purpose to ensure that all children with disabilities “have the opportunity for an appropriate education at public expense as guaranteed to them by the Constitution of this state.” This law is known as the “Education for All Act of 1971.”

With passage of this act, Washington's approach to special education became a model for the nation. Under the act, children with disabilities must be provided an education directed to the unique needs, abilities, and limitations of the children, and their programs commence at age 3.

RCW 28A.155.020 further states that “Children with disabilities are those children in school or out of school who are temporarily or permanently retarded in normal educational processes by reason of physical or mental disability, or by reason of emotional maladjustment, or by reason of other disability, and those children who have specific learning and language disabilities resulting from perceptual-motor disabilities, including problems in visual and auditory perception and integration.”

The Superintendent of Public Instruction has the duty and authority (RCW 28A.155.090) to:

- Assist school districts in the formation of total school programs to meet the needs of children with disabilities.

- Develop interdistrict cooperative programs for children with disabilities.
- Provide, upon request, to parents or guardians of children with disabilities, information about the special education programs offered within the state.
- Assist, upon request, the parent or guardian of any child with disabilities in the placement of the child.
- Approve school district and agency programs for special excess cost financial aid.
- Determine, upon appeal by a parent or guardian of a child with disabilities who is not receiving an educational program, whether the school district superintendent is justified in not providing special education services.
- Promulgate such rules and regulations as are necessary to carry out state laws relating to special education and to ensure educational opportunities within the common school system for all children with disabilities who are not institutionalized.

a. Special Education Allocation Formula

The special education allocation is over and above the full basic education allocation. School districts have two main sources of revenue to support special education services to students (basic education and special education).

Prior to 1995–96 the special education allocation formula was designed to provide full funding for special education. In turn, students with disabilities were not included in basic education funding for the time they spent in the special education program. In addition, that special education formula was based on 14 categories of disability, with more resources provided for the more severe disability categories. The Legislature revised the formula beginning in 1995–96.

The special education formula consists of an allocation for students with disabilities aged 3–21 plus an allocation for students with disabilities aged birth through two. The allocation for students with disabilities aged 3–21 is limited for those school districts whose percentage of resident students with disabilities exceeds 12.7 percent. The rate on which the students are funded is based on the basic education allocation rate. Also, there is a safety net provided for certain situations.

The formula for 2001–02 is as follows:

- i. The annual average headcount of birth through age 2 special education enrollment, times the district's 2001–02 BEA allocation rate per student, times 1.15.
- ii. Plus the annual average headcount of age 3 to 21 special education enrollment, limited to a maximum of 12.7 percent of annual average K–12 resident FTE basic education enrollment, times the district's 2001–02 BEA allocation rate per student, times .9309.

The terms used above in the special education formula are defined as follows:

“BEA allocation” is based on staff ratios of 49 per 1000 for Grades K–3 and 46 per 1000 for Grades 4–12. K–3, vocational, and small school enhancements are not included.

“Annual average FTE basic education enrollment” means the resident enrollment, including students enrolled through choice and students from nonhigh districts and excluding students residing in another district enrolled through interdistrict cooperatives.

Enrollments are reported in individual counts (headcount) rather than in full-time equivalents (FTE). Average headcounts for the months of October through May are used to calculate state allocations.

The legislative appropriation language for 2001–03 requires all districts to use the 1077 excess cost methodology when recording state special education program expenditures. Formerly, only safety net districts were required to use the 1077 methodology. The purpose of the change is to reflect that special education students are basic education students first and as a class are entitled to their full basic education allocation.

The Legislature appropriated \$430.7 million for special education programs for the 2001–02 state fiscal year.

b. Safety Net Allocation

For 2001–02, state funding is provided for safety net purposes for school districts with demonstrable funding needs beyond the combined basic education and special needs formula allocations.

State safety net allocations may be requested for the following reasons:

Maintenance of State Revenue: The district's special education state revenue generated by its resident special education enrollment in 2001–02 is less than the excess cost portion of the special education revenue generated by its resident students with disabilities in 1994–95 as measured using the lower of the total or per pupil amount.

Students above the Funded Percentage: The district's percent of 3–21 year-old special education students is over 12.7 percent.

Other Factors: The district's special education costs exceed available revenues due to factors other than students above the funded level or high-cost individual students.

In addition, federal funding is available for individual high-cost students.

c. Home and Hospital Allocation

The cost for tutoring students in home/hospital care is reimbursed at a maximum rate of \$60 per student per week.

C. PUPIL TRANSPORTATION

Each school district electing to provide student transportation to and from school is entitled to state pupil transportation funding at the rate provided by the state. Prior to 1982–83, state support for the operation of the pupil transportation program was on a reimbursement basis and was computed on the basis of approved route miles, driving time, drivers' salaries, maintenance, operation, and supervision costs. This reimbursement method for funding approved transportation costs was replaced by an allocation system effective with the 1982–83 school year. The allocation system enabled the state to better estimate transportation costs, provided school districts with a more stable and predictable source of funding, and removed the state from compliance review. Local control increased and paperwork decreased.

In the 1982–83 transition year, the basis for this allocation system was "eligibility" which meant state funding to districts was based on the number of pupils eligible to ride buses.

In 1983–84 the allocation system was changed again with the adoption of RCW 28A.160.150 through 28A.160.190. This system is still in use. The allocation basis is "ridership" which means allocations to districts are based on the number of students eligible to ride who actually do ride buses. The allocation system for pupil transportation provides the following:

- Allows school districts to determine which students are to be transported and which routes are to be used.
- Authorizes school districts to transport students enrolled in their schools who live in other school districts.
- Establishes an allocation formula to distribute the state transportation appropriation to districts.

The allocation formula is based on the following transportation services:

- Transportation to and from school on school buses or contracted transit of students who live beyond one radius mile from school.
- Transportation of certain students with disabilities from home to school and return on school buses with specialized equipment to accommodate the special needs of the disabled.
- Transportation of students with disabilities from their assigned school to other facilities for part of their school program.
- Transportation of basic education students from their assigned school to other school facilities for instruction which is specifically required by statute and is offered in different locations.
- Transportation of kindergarten pupils who live beyond one radius mile from school. Said transportation occurs during the regularly scheduled school day, preceding or following their half-day kindergarten program.
- Transportation of basic education students from their assigned schools to other school facilities pursuant to an interdistrict agreement, e.g., skills centers.
- Arrangements for transportation of students in lieu of transportation by school bus where school bus use is not safe or practical.

The allocation formula uses the following factors:

- Number of students transported.
- Distance weighting factors assigned to distances in one radius mile intervals from pickup location to school location (measured along a straight line between the two locations).
- A minimum load factor for certain school districts, which cannot achieve cost-effective bus operation due to reasons beyond their control.
- Variable load factor ratios for bus routes that serve students with disabilities.
- Use of special types of transportation vehicles.
- A standard cost rate. The 2001–02 rate for each weighted student unit is set at \$38.13 per weighted student unit.

In 1996, RCW 28A.160.160 through 28A.160.190 was amended to provide for eligibility funding of K–5 students living within one radius mile of their school of enrollment. Previously all students whose bus stops were within one radius mile of their school of attendance and who were transported due to the existence of hazardous walking conditions were funded. With the new law, all

kindergarten through Grade 5 students living within one radius mile, whether transported or not, generate funding. The number of students is multiplied by a factor of 1.29 and further multiplied by the current allocation rate, which is \$38.13 for 2001–02. This rate will be reduced if the appropriation is not sufficient.

Excluded from allocation formula calculations are field trips, extended day or activity runs, and extracurricular transportation.

The acquisition of approved transportation equipment is also supported with state funds. School districts are reimbursed for all district-owned school buses placed on depreciation schedules. The allocation for transportation vehicle replacement and depreciation is governed by RCW 28A.160.200 and chapter 392-141 WAC. Prior to 1980, school districts were reimbursed at 90 percent and after 1980 at 100 percent.

Payments for buses placed on the depreciation schedule after September 1, 1982, are based on the state-supported purchase price (determined by annual bid). These payments are decreased annually to include imputed interest assumed to be earned at the annualized 90-day “T” bill rate on prior depreciation payments to school districts. This is designed to provide districts with sufficient funds to replace buses when they have reached the end of their useful lifetimes. Transportation depreciation payments go into the district’s Transportation Vehicle Fund and are to be used only for purchase of new buses or rebuilding of existing buses.

The Superintendent of Public Instruction also certifies school bus drivers. Drivers must meet the following requirements for certification:

- Have an acceptable driving record.
- Take basic bus driver training classes.
- Have an acceptable background free of certain crimes.
- Take refresher classes as required.
- Pass a biennial physical examination.
- Hold a valid first aid card.
- Have a valid and current authorization.

About 2,750 drivers are authorized each year. In any given year there are about 9,000 authorized drivers.

During the 2000–2001 school year, it is estimated that 483,086 students were transported by 6,698 buses on 26,537 routes. School buses traveled 90 million miles transporting these students.

D. LOCAL EFFORT ASSISTANCE

In 1987 the Legislature approved payments of State General Fund moneys to match excess General Fund levies in eligible districts. These moneys, known as local effort assistance (LEA), help school districts with above-average tax rates due to low property valuations. The state began making LEA payments to school districts in January 1989.

“Eligible districts” are those districts with a 12 percent levy rate, which exceeds the statewide average 12 percent levy rate. The district 12 percent levy rate is the tax rate needed to collect a levy equal to 12 percent of the district’s levy base.

In determining both district and statewide average 12 percent levy rates, assessed valuations are adjusted to bring property assessments to 100 percent of market value.

The district’s 12 percent levy rate is therefore a **hypothetical** rate and should not be confused with the district’s actual tax rate.

A district’s maximum LEA equals the district’s 12 percent levy amount multiplied by the following ratio (see Figure 11 for an example):

$$\frac{\text{district 12\% levy rate} \text{ minus statewide average 12\% levy rate}}{\text{district 12\% levy rate}}$$

A district must certify an excess levy in order to receive LEA. To receive maximum LEA, a district must certify a levy amount greater than or equal to the district’s share of the 12 percent levy amount (the 12 percent levy amount minus maximum LEA). Districts certifying less than the district’s share of the 12 percent levy amount receive a pro rata portion of maximum LEA. For such districts, LEA equals the certified levy times the state matching ratio for the district. The state matching ratio is calculated as follows:

$$\frac{\text{district 12\% levy rate} \text{ minus statewide average 12\% levy rate}}{\text{statewide average 12\% rate}}$$

In other words, a district whose 12 percent levy rate is twice the statewide average 12 percent levy rate would be matched one-to-one (up to the maximum LEA). If such a district certified a levy equal to or greater than 6 percent of its levy base (adjusted for transfers), the district would receive maximum LEA. If such a district certified a levy equal to less than 6 percent of its levy base (adjusted for transfers), the district would receive an amount equal to the certified levy times the state matching ratio for the district. See Figure 10 for an example of the calculation of maximum LEA.

In calendar year 2001, 210 of the state’s 296 school districts receive LEA allocations totaling \$130.4 million. Eighteen more districts are eligible but did not pass an M&O levy to qualify for state matching money. LEA allocations make up about 1.9 percent of all school district revenues statewide.

LEA allocations are paid into school districts’ General Fund and may be spent on any General Fund program or purpose.

E. LEARNING ASSISTANCE PROGRAM (LAP)

In 1979 the Legislature enacted the “Remediation Assistance Act of 1979” to provide statewide remediation assistance to public school students who are deficient in basic skills achievement. Basic skills means reading, mathematics, and language arts. All students participating in the program must be educationally deprived by consequence of being below grade level in basic skills achievement.

The 1979 act created the statewide remediation assistance program for Grades 2 through 6. In 1984 the Legislature expanded the program to Grades 7 through 9. Finally, in 1987 the Legislature replaced the remediation program with a broader range of program options known as the Learning Assistance Program.

For 2001–02, the Learning Assistance Program allocation is made up of a Grades K–6 component, a Grades 7–9 component, a Grades 10–11 component, and a poverty component. The allocation for all components is based on a rate of \$423.12. The allocation is calculated as follows:

First Component—Grades K–6

The fourth grade test percentage
 -- times --
 the district's total average FTE enrollment for Grades kindergarten through 6 for 2001–02
 -- times --
 the rate of \$423.12 times .92.

Second Component—Grades 7–9

The eighth grade test percentage
 -- times --
 the district's total average FTE enrollment for Grades 7 through 9 for 2001–02
 -- times --
 the rate of \$423.12 times .92.

Third Component—Grades 10–11

The eleventh grade test percentage
 -- times --
 the district's total average FTE enrollment for Grades 10 and 11 for 2001–02
 -- times --
 the rate of \$423.12 times .92.

Fourth Component—Poverty Factor

The district's percentage of free and reduced price lunch minus the state average percentage
 -- times --
 district's total average FTE enrollment for Grades kindergarten through 12 for 2001–02
 -- times --
 the rate of \$423.12 times .223.

The test percentage used in the first three components is the most recent prior five-year average percentage of district students scoring in the bottom quartile of the state basic skills test. However, the number of students scoring in the lowest quartile has been multiplied by 86 percent for the first four years of the fourth and eighth grade tests. The fourth grade test has changed to a third grade test beginning with 1999.

F. BILINGUAL EDUCATION

Bilingual education is the use of two languages as mediums of instruction: English and one other. The non-English language is a bridge, a language the child understands, that can be used while English skills are being acquired.

The Transitional Bilingual Instruction Act of 1979, amended in 1984, provides funding to school districts to implement programs of bilingual education for students who qualify. The funding is intended for those with the greatest need; therefore, not all students who have a primary language other than English may be eligible. However, many students do qualify, especially if they are non-English speaking or almost non-English speaking.

Under the transitional bilingual instructional program, eligible pupils have a primary language other than English and their English language skills are sufficiently deficient or absent to impair learning. Initial assessment must be made by the district to identify eligible pupils. An annual reassessment must be made for a pupil to continue in the program. The student's program eligibility ends whenever the student scores above the 35th percentile in reading and language arts. A student

cannot stay in a bilingual program more than three school years unless English language skills remain below the 35th percentile. The program is administered through chapter 392-160 WAC.

The rate per eligible student is approximately \$709.69 for the 2001–02 school year. For 2000–2001 there were 59,540 eligible bilingual students.

G. EDUCATION REFORM PROGRAMS

The state budget provided \$35.9 million in General Fund—State funding for education reform programs in the 2001–02 state fiscal yea. This includes a variety of components funded to support the state’s four learning goals, raise academic standards, and improve student achievement. Programs funded this biennium are directed toward increasing and improving the skills of both students (for example, Student Learning) and practitioners (for example, National Teacher Certification) by focusing on positive incentives for achievement (for example, School Recognition). Information about some of the programs is printed at the end of this segment. Specifics on the many components of Education Reform and the history of Education Reform in Washington State is available at the Curriculum and Instruction Web site at: <http://www.k12.wa.us/curriculuminstruct/>.

Education Reform Component	School Year 2001-02
Assessment of Student Learning	\$ 11,209,000
Mentor Teacher Assistance	4,695,000
Washington Reading Corps	3,930,000
Readiness to Learn	3,600,000
Meals for Kids	2,500,000
Technology Infrastructure	2,025,000
Mathematics Helping Corps	1,828,000
Superintendent/Principal Mentorships	1,409,000
Paraprofessional Training	1,095,000
Focused Assistance to Schools	1,000,000
Principal Assessment and Mentorships	625,000
Summer Accountability Institutes	500,000
State Leadership for School Improvement	384,000
National Teacher Certification	377,000
Commission on Academic Achievement	322,000
Web Based Instructional Network	130,000
School Recognition	100,000
Performance Improvement Plans	100,000
Second Grade Reading Assessment	71,000

Assessment of Student Learning – For the development and implementation of the Washington Assessment of Student Learning (WASL) .

Mentor Teacher Assistance – Funding for the Teacher Assistance Program is allocated to eligible mentor programs in school districts that match a beginning teacher with an experienced teacher in the district. The allocation to each district is based on the number of beginning teachers.

Washington Reading Corps – Funding for Reading Corps grants is provided to school with significant numbers of students in grades K–6 not performing well on reading assessments. The competitive grants are to be used on proven, research-based programs provided by mentors or tutors and must include pre and post testing to determine the effectiveness of the programs.

Mathematics Helping Corps – Funds were appropriated in the 2001–03 biennium budget to expand the Math Helping Corps based on the dramatic improvement shown by the initial 13 schools provided with assistance in 1999–2000. The 2001–03 appropriation will allow 32 schools to be

provided with expert math teachers to help schools identify barriers to student learning and develop and implement an action plan for improving learning.

Focused Assistance to Schools – Funds were appropriated to the Superintendent of Public Instruction requiring the establishment of educational audits of low-performing schools by OSPI. The school would then enter into a performance agreement with OSPI to implement the recommendations of the audit. Educational audits would include recommendations for best practices and ways to address the identified needs.

H. INSTITUTIONAL EDUCATION

The state funds a 220-day educational program for children in certain institutions. Institutional education moneys are allocated to the school districts, educational service districts, or others that provide the educational program on a monthly basis. Other costs of the institutions are funded from other sources.

The five types of institutions receiving institutional education program moneys are described below:

- **Residential habilitation centers** provide 24-hour-a-day care of children with disabilities, most of whom are profoundly mentally retarded, physically impaired, or severely behaviorally disordered. There are five centers maintained by the Division of Developmental Disabilities and the Division of Mental Health of the Department of Social and Health Services (DSHS).
- **State group homes** provide 24-hour-a-day services for adjudicated youth. There are six group homes maintained by the Division of Juvenile Rehabilitation of DSHS.
- **Institutions for juvenile delinquents** provide 24-hour-a-day diagnosis, confinement, and rehabilitation of juveniles committed by the courts. There are six institutions maintained by the Division of Juvenile Rehabilitation of DSHS.
- **County detention centers** provide 24-hour-a-day treatment and care for juveniles who have been placed under protective custody or have committed a criminal offense. There are 21 centers maintained by county governments.
- **State corrections facilities** provide 24-hour-a-day incarceration of adults and juveniles committed as adults. Institutional education funding is provided for the education of juveniles under 18 years of age. There is one correctional facility operated by the Department of Corrections that house juvenile inmates.

The biennial operating budget requires the Superintendent of Public Instruction to monitor school district expenditure plans for these programs to ensure that the expenditure plans provide for a full 220-day school year.

State funding for each type of institution is provided based on a formula resembling the basic education funding formula. Each full-time equivalent student generates staff units, which in turn generate dollars for salaries, benefits, and other costs of the program. Allocations are paid to the school district operating the educational program in the same manner as the basic education allocation.

The Legislature provided \$19.6 million for institutional education programs in the 2001–02 state fiscal year.

I. LOCAL PROGRAM EDUCATION ENHANCEMENT

Local education program enhancement moneys are provided to school districts to meet educational needs identified by the districts. Allocations for local education program enhancement for 2001–02

are a maximum of \$18.48 per FTE student. The rate is reduced by up to one-fourth for districts not maximizing federal matching funds (Medicaid) for medical services provided through special education programs and for districts not in compliance in filing truancy petitions.

The grants for districts enrolling not more than 100 average annual FTE students and for remote and necessary plants are distributed as follows:

For districts enrolling not more than 60 average FTE students in Grades K–6, the grants are based on 60 FTE students.

For districts enrolling not more than 20 average FTE students in Grades 7 and 8, the grants are based on 20 FTE students.

For districts that have high schools with 60 or fewer FTE students, the grants are based on 60 FTE students.

J. STATE OFFICE (OSPI) – STATEWIDE PROGRAMS

The state budget provides \$17.3 million to the Superintendent of Public Instruction for a variety of statewide programs during the 2001–02 state fiscal year. Most of this money flows through OSPI to school districts and other educational institutions for specific activities that benefit Washington students. The activities are listed in the table below. Three of the activities are described in greater detail.

Activity	Amount
School Safety Funding	6,042,000
ESD Nursing Corps	2,621,000
K-20 Telecommunications	2,000,000
School District Complex Needs Grants	1,683,200
Education Centers Funding	1,377,000
Pacific Science Center	1,135,800
Truancy Petition Funding	750,000
LASER Science Program	617,000
Alternative Certification Routes	25,000

School Safety Funding – School districts are allocated \$6.36 per full-time equivalent student per year. Districts are encouraged to use the funds for school-based comprehensive safe school plans including early prevention and intervention programs, school security monitors, training for staff, and equipment.

ESD Nursing Corps – Funds are provided to staff a corps of nurses housed in the ESDs throughout the state to provide services in the most needy schools not having available nurse services and to provide training for school staff in the provision of health services to students.

Alternative Certification Routes – This appropriation provides funds to create two grant programs: One allows stipends for alternative teacher candidates and teacher mentors; and the other, conditional scholarships that provide forgivable loans to alternative teacher candidates if they teach in Washington public schools. Initial appropriation for 2001-02 was \$25,000 with budgeted appropriation of \$1,975,000 in 2002-03.

K. STATE ADMINISTRATION

The state budget provides a total of \$12.4 million in the 2001–02 fiscal year solely for administrative expenses of OSPI, the State Board of Education, and the Washington Professional Educator Standards Board.

The budget provides \$11.4 million to the Superintendent of Public Instruction for the 2001–02 state fiscal year for core functions of the agency, which include administration of state laws and state funding for schools. Certain grant programs also allow a portion of state funding to be used for administration. However, almost all funding provided for instructional programs such as basic education, special education, bilingual education, etc., flows through to school districts without deduction for OSPI administrative expenses.

The budget provides \$541,000 for the operation and expenses of the State Board of Education and \$431,000 for the operation and expenses of the Washington Professional Educator Standards Board.

L. BETTER SCHOOLS

Better Schools program funds were appropriated in 2000–2001 to provide additional school improvement resources to help students meet the essential academic learning requirements and student assessment performance standards. Allocations to local districts were used to reduce class size in grades K-4, provide additional classroom contract hours for kindergarten, provide before-and-after-school programs, weekend school programs, summer school programs, and intercession opportunities to assist elementary school students. Funds were also used for additional professional development for certificated and classified staff and curriculum development and lesson redesign work. The class size reduction portion of the Better Schools Program was transferred to the Apportionment Program at the beginning of the 2001–02 school year. This funding appears in the enriched funding formula for K–4 students in 2001–02 that increased from 53.2 full-time equivalent teachers per 1000 full-time equivalent K–4 students to 55.4 full-time equivalent teachers per 1000 full-time equivalent K–4 students.

The state appropriation of \$9.0 million provided in the 2001–02 fiscal year represents roughly 20 percent of the 2000–01 school year allocation which is payable in July and August 2001 (the last two months of the school year and the first two months of the new state fiscal year).

M. HIGHLY CAPABLE STUDENTS

In an effort to provide for the realization of each individual's potential, one's right to learn at one's own rate, and individual responsibility for one's own education, programs for students exhibiting high achievement and unique creative thinking have been initiated.

Under this program established by the Legislature in 1984, a highly capable student is defined as a student assessed to have superior intellectual or creative ability as demonstrated by multiple criteria. The ultimate goal of the program is to expand the state support for this program to 3 percent of the student population.

The appropriation for the 2001–02 state fiscal year is \$6.6 million. School districts with highly capable student programs may apply to the Superintendent of Public Instruction and receive funding based on up to 2 percent of the district's total full-time equivalent (FTE) enrollment multiplied by a maximum rate estimated to be approximately \$338.59 in 2001–03.

N. EDUCATIONAL SERVICE DISTRICTS

The state budget provides about \$4.9 million for the 2001–02 state fiscal year for core funding for educational service districts. The core funding is provided for ESD assistance to OSPI and the State Board of Education in administering state laws and collecting information from school districts.

O. TRAFFIC SAFETY

The state traffic safety education program was initiated with the passage of the Driver Education Act of 1963. The act provided financial assistance to public schools when they offered at least a minimal course in traffic safety education to high school youth.

The state budget provides \$3.1 million for traffic safety education for the 2001–02 State fiscal year. Beginning with the 2001–02 school year, state funding is provided only for students who are eligible for free or reduced price lunch. An allocation of \$203.97 is paid for each low-income student successfully completing the traffic safety course.

In the 2000–2001 school year, 47,392 students completed traffic safety education classes. Of these, 11,838 were low-income.

P. SCHOOL FOOD SERVICES

State money is provided by the Legislature for three of the child nutrition programs: National School Lunch, School Breakfast, and the Summer Food Service Programs.

The National School Lunch Program (NSLP) requires a matching effort in state funds. The 2001-02 state fiscal year appropriation of \$3.1 million meets this federal matching requirement. Reimbursement is estimated to be \$.04 (4 cents) per lunch for all lunches served to students participating in the NSLP for the 2001–02 school year.

“Meals for Kids” legislation provides a biennial appropriation of \$5 million or \$2.5 million annually. Each year \$2,279,000 is provided for additional reimbursement for free and reduced-price breakfasts served as a part of the School Breakfast Program. Reimbursement is estimated to be \$.15 per free and reduced-price breakfast during the 2001–02 school year. The remaining \$221,000 is used to provide assistance grants to help public school districts start new lunch and breakfast programs, to increase participation in existing programs, and to improve program quality. Additionally, this money may be used to help Summer Food Service Program (SFSP) sponsors start new programs and/or to increase participation in existing programs.

Since 1997, state money has been provided to supplement the federal reimbursement for the Summer Food Service Program due to rate cuts that resulted from P.L. 104-193. Currently \$100,000 is paid to SFSP renewing sponsors based upon the federal meal dollars paid the prior year.

During 2000–01, 76,247,665 million lunches and 19,138,043 breakfasts were served. On a typical day, 411,492 students had a school lunch and 102,628 students had a school breakfast in the public schools.

Student fees paid for 46 percent of food service program costs, federal revenue and commodities paid for 52 percent, and state revenue paid for 2 percent in 2000–2001.

Q. INITIATIVE 728, THE K–12 STUDENT ACHIEVEMENT ACT

Initiative 728 approved by the voters in November 2000 dedicates state revenues for improving student achievement and for school facilities. The initiative created a new Student Achievement Fund in the state treasury. Moneys from the fund are to be used by school districts to reduce class size, provide extended learning opportunities, expand training for educators, provide pre-kindergarten programs, and improve school facilities to support these reforms. Beginning in 2001, portions of state property tax and state lottery revenues are dedicated to the Student Achievement Fund. The state property tax contributes \$140 per student to the fund. A portion of the state lottery is divided between the Student Achievement Fund and to the education construction fund. For the 2001–02 school year, the state allocates \$193.92 per FTE student to all school districts from the Student Achievement Fund. (FTE students are the prior school year K–12 FTEs.) Beginning in

2004, the state property tax directed to the Student Achievement Fund increases to \$450 per FTE student. Lottery revenues formerly divided between Student Achievement and Education Construction are directed solely to the Education Construction Fund.

School district Student Achievement revenues for the 2001–02 school year total approximately \$184 million.

CHAPTER 6. LOCAL FUNDING FOR MAINTENANCE AND OPERATIONS

Local revenues made up over 19 percent of total school district maintenance and operations (General Fund) revenues for the 2000–2001 school year. Districts differ significantly in their dependence on local funding. Local revenues discussed in this chapter include maintenance and operation levies, timber excise tax, revenues from other districts, and other local receipts.

A. MAINTENANCE AND OPERATION LEVIES

The State Constitution (Article VII, Section 2) gives school districts authority to levy local property taxes provided the voters of the district approve the levy by a 60 percent “Yes” vote in a district-wide levy election. Such local levies are sometimes called “excess levies” because the levy is in excess of the statutory 1 percent limit on property tax. They are also referred to as “special levies” because they require voter approval. School district levies may be of four types: excess General Fund (maintenance and operations or “M&O”), Debt Service Fund levies, Transportation Vehicle Fund levies, and capital project fund levies. Debt service fund levies, Transportation Vehicle Fund levies, and capital project fund levies will be discussed in Chapters 8, 9, and 10. This chapter addresses only General Fund (M&O) levies.

In 2001, 275 of the state’s 296 school districts passed General Fund M&O levies. The average revenue per FTE student statewide was \$1,105. M&O revenues are deposited in the school district’s General Fund. In the 2000–2001 school year M&O levies made up over 15 percent of total school district operating revenues statewide.

Reliance on M&O levies has declined since the 1977 Supreme Court decision in Seattle vs. State of Washington. Before 1977 M&O levies made up as much as 30 percent of school district operating revenues statewide. (See Figures 9.) The failure of Seattle School District’s 1976 levy led to a court case and to the Doran decision requiring the state to fully fund “basic education.” (See Chapter 1.D. for more information about Doran Decision I.)

In response to the court case, the Legislature passed the Basic Education Act in 1977, increasing state support to schools. The same year the Legislature passed the “levy lid law” limiting school district M&O levies.

As a result of the passage of the Basic Education Act and the levy lid law, state funding as a percent of total school district revenues has increased from 51 percent in the 1974–75 school year to almost 72 percent in the 2000–2001 school year. During the same period, General Fund M&O levy revenues as a percent of total operating revenues for the school year declined from 32 percent in the 1974–75 school year to 8 percent in the 1980–81 school year and has gradually increased to slightly over 15 percent in 2000–2001.

The average M&O levy tax rate declined from \$7.10 per \$1,000 for the 1975 collection year to \$1.39 per \$1,000 for the 1981 collection year and stands at \$2.39 in the 2001 collection year.

School district reliance on M&O levies varies widely among districts. Seventeen school districts did not submit a levy for collection in 2001. Four other districts attempted levies for 2001 but failed to gain voter approval. The remaining two hundred seventy-five districts passed levies for 2001.

Voter Approval Process

Local school boards submit levies for initial voter consideration at either a state primary, state general, or on standardized election dates as provided by law. Maintenance and operation levies may be for one through four years. School districts may run a levy only two times in a calendar year. Unsuccessful levies may be resubmitted in subsequent years.

In order to receive voter approval:

- At least 40 percent of the voters in the district voting in the last preceding general election must vote on the issue(s), and the “yes” votes must equal at least 60 percent of those voting on the issue(s).
- If the number of votes cast on the proposition is less than 40 percent of the total votes cast on the issue in such taxing district at the preceding general election, “yes” votes must equal 24 percent of the total votes cast in that preceding general election for the issue to pass.

The Levy Lid

In 1977 when the state assumed additional responsibility for funding schools, the Legislature limited school district M&O levy authority by passing the levy lid law (RCW 84.52.0531). This law sets the maximum amount of a school district’s M&O levy for a calendar year. This maximum levy is also known as the district’s “levy authority.”

The original 1977 levy lid law, which took effect in 1979, sought to limit excess General Fund levy revenue to 10 percent of the school district’s state basic education allocation for the school year prior to the levy collection year. The 1977 law allowed local levies to make up for less than 100 percent state funding of basic education during the 1978–79 school year. The law also contained a “grandfather clause” which permitted districts that historically relied heavily on M&O levies to exceed the 10 percent limit. The law provided for gradual reduction of grandfathered levy authority and elimination by 1982.

Since 1977, the Legislature has amended the levy lid law as follows:

In 1979 Legislature expanded the “levy base” on which the 10 percent levy lid was calculated effective with levies collected in 1981. State categorical funding, such as allocations for transportation and special education, were added to basic education allocations in determining the base on which the 10 percent levy amount is calculated.

The 1979 amendments also provided that effective with 1981 levy collections, transfers of levy authority would occur between school districts for nonresident students served in interdistrict cooperatives and for high school students residing in a school district not operating a high school and attending school in another district.

In 1981 the Legislature modified the grandfather provision in the levy lid law. The 1981 amendments temporarily froze the levy amounts for 1983 collections at the 1982 level and provided for a gradual seven-step phase out of grandfathered levy authority percentage from 1984 to 1990, at which time all M&O levies would be limited to 10 percent of the prior year’s state and local funding.

In 1985 the Legislature once again revised the timetable for phasing out grandfathered levy authority. Levy lid percentages were temporarily frozen at 1985 levels for 1986 through 1988 collection and a five-year phase out was implemented beginning in 1989 and ending in 1993, when all districts would be at 10 percent.

In 1987 the Legislature modified the levy lid for 1988 collections and thereafter by:

- Expanding the levy base to include selected federal revenues and state block grant revenues.
- Expanding the levy base by multiplying the prior school year's revenue in the levy base by the percentage increase in state basic education allocations per pupil between the prior and current school years.
- Increasing all districts' levy authority percentage to at least 20 percent of their levy base.
- Changing the reduction of grandfathered levy authority for those districts with levy authority percentages over 20 percent from a five-year phase out of levy authority to 10 percent to having levy authority reduction occur only when the Legislature provides increases in state funding known as "levy reduction funds."
- Implementing a new program providing state matching money known as "local effort assistance" for M&O levies in eligible school districts beginning with 1989 levy collections.
- Reducing school district levy authority by the maximum possible amount of a school district's local effort assistance for the school year effective with 1989 levy collections.

In 1988 the Legislature revised the meaning of levy reduction funds effective with 1989 levy collections.

In 1989 the Legislature again revised the meaning of levy reduction funds to require that they be identified as such by the Legislature in the biennial operating budget. This was effective with 1989 levy collections and thereafter.

In 1992 the Legislature expanded the levy base for levies collected in 1993 and thereafter by dividing the percentage increase in state basic education allocations per pupil by 55 percent.

In 1993 the Legislature increased the levy authority percentage by 4 percent for the 1994 and 1995 collection years. This resulted in a minimum levy authority percentage of 24 percent. After 1995 the percentage was to revert to the 1993 figure with a 20 percent minimum.

In 1995 the Legislature extended the 4 percent increase to the levy authority percentage for the 1996 and 1997 collection years. After 1997 the percentage was to revert to the 1993 percentage. For levies for 1998 collection and thereafter, the amount submitted to the voters was to be calculated consistent with the levy limitation.

In 1997 the Legislature reduced the 4 percent increase to the levy authority percent to 2 percent for the 1998 collection year. For levies for the 1999 collection year and thereafter, the percentage was restored to the 4 percent increase. Also, the limitation of the dollar amount submitted to the voters for approval was repealed. Note this repeal only impacts the amount that voters can approve. The repeal does not allow districts to collect levy amounts that are in excess of the levy lid.

Under the current law, a school district's levy lid equals:

$$\text{(Levy Base x Levy Authority Percentage)} \pm \text{Transfers} - \text{Maximum LEA}$$

A district's **levy base** includes most state and federal revenues for the prior school year (e.g., 2000–2001 revenues make up the 2002 levy base). This base is further increased by the percentage increase in state basic education funding per pupil between the prior and current school years (e.g., between 2000–2001 and 2001–02 for the 2002 levy base) and divided by 55 percent.

All districts have a **levy authority percentage** of at least 24 percent of their levy base. For levies collected in 2000, 91 districts have levy authority between 24 percent and 34 percent. Levy authority percentages above 24 percent could be reduced if the Legislature enhances the state funding and designates such increases as levy reduction funds. Levy authority is reduced one dollar for each dollar of levy reduction funds. The district's levy authority percentage is permanently reduced by an equivalent amount.

Levy authority **transfers** are made for students residing in one school district but served by another district. The resident district's levy authority is increased and the serving district's levy authority is reduced by these transfers. Transfers protect taxpayers in serving districts from subsidizing the education of students from sending districts. Transfers also allow resident districts to raise money for payments to serving districts for any locally funded costs.

Finally, levy authority is reduced by a district's **maximum local effort assistance (LEA)**. See Chapter 5 for more information about LEA. (See Figure 10 for a sample calculation of levy authority and local effort assistance.)

B. TIMBER EXCISE TAX

The state-collected timber excise tax is imposed on all timber harvested from state, federal, or privately owned land. The tax rate on public timber is 5 percent of the harvest value, and all revenue goes to the State General Fund. The tax on private timber is composed of a 4 percent county tax and a 1 percent state tax for a combined rate of 5 percent of harvest value. The 4 percent county tax is distributed quarterly to local taxing districts, including schools.

Distributions to local school districts are based on a timber assessed value (TAV) formula. A TAV is calculated annually by the Department of Revenue for each county. County treasurers, in turn, compute a TAV for each school district. In order to receive timber excise tax revenues, a school district must have a TAV and a property tax special levy.

C. REVENUES FROM OTHER DISTRICTS

State law promotes cooperation among school districts. This cooperation often involves payments between districts for the programs and services that are provided.

Nonhigh Participation

Forty-eight school districts do not offer a high school program. The high school age students in these "nonhigh" districts attend school in neighboring high school districts. The high school districts report the enrollment of the nonhigh student, and receive all state monies generated by that enrollment. The nonhigh district makes a payment to the neighboring high school districts designed to cover the additional local costs of educating the nonhigh students. This payment protects the high school district's taxpayers from subsidizing the education of the nonhigh students attending school in the high school district.

The Superintendent of Public Instruction calculates the amount payable by the nonhigh district based on the excess maintenance and operations levy per pupil in the high school district. If the high school district has no levy, no payment is required.

Nonhigh payments are made in two installments per year at about the same time as property tax collections for the year. The first payment, made in May, is 50 percent of the amount due for the year based on estimated nonhigh enrollment. The second payment, made in November, is based on actual nonhigh enrollment for the school year just ended. For example, the November 2001 payment is the actual amount due for the 2000–2001 school year minus the May 2001 payment, which was based on estimated 2000–2001 enrollment.

Calculation of payments to high school districts from nonhigh districts that will occur during FY 2001–02 can be estimated as follows:

$$\begin{array}{r}
 \text{November 2001 Payment} \\
 \text{Actual 2001 high school district certified levy} \\
 \text{-- divided by --} \\
 \text{Actual FY 2000–2001 high school district resident FTE enrollment} \\
 \text{-- times --}
 \end{array}$$

Actual FY 2000–2001 enrollment from nonhigh district
 -- minus --
 50 percent of the estimated payment for FY 2000–2001 (amount paid in May 2001)

May 2002 Payment

Estimated 2002 high school district certified levy
 -- divided by --
 Estimated FY 2001–02 high school district resident FTE enrollment
 -- times --
 Estimated FY 2001–02 FTE enrollment from nonhigh district
 -- times 50 percent --

A high school district may elect to assess a smaller nonhigh payment. The high school district cannot assess a higher amount without the consent of the nonhigh district board of directors.

To facilitate nonhigh payments, the nonhigh district's levy lid is increased and the high school district's levy lid is decreased by the same amount. The additional levy authority is intended to permit the nonhigh district to collect local levy money for the nonhigh payment.

Interdistrict Cooperatives

Some districts cooperate in providing special education, vocational, or alternative education programs. These interdistrict cooperative arrangements often involve payments between districts.

Except for special education, the district providing the program reports any nonresident students and generally receives state moneys generated by these students. For special education the resident district receives the state special education moneys generated by their students. However, the resident district may request that these special education moneys be paid directly to the serving district.

Costs of serving nonresident students that are not covered by state or federal funding are typically billed to the district in which students reside pursuant to an interdistrict agreement. In the case of a resident district receiving state special education moneys for students served by another district, the agreement would also provide for billing the resident district for these moneys.

D. OTHER LOCAL RECEIPTS

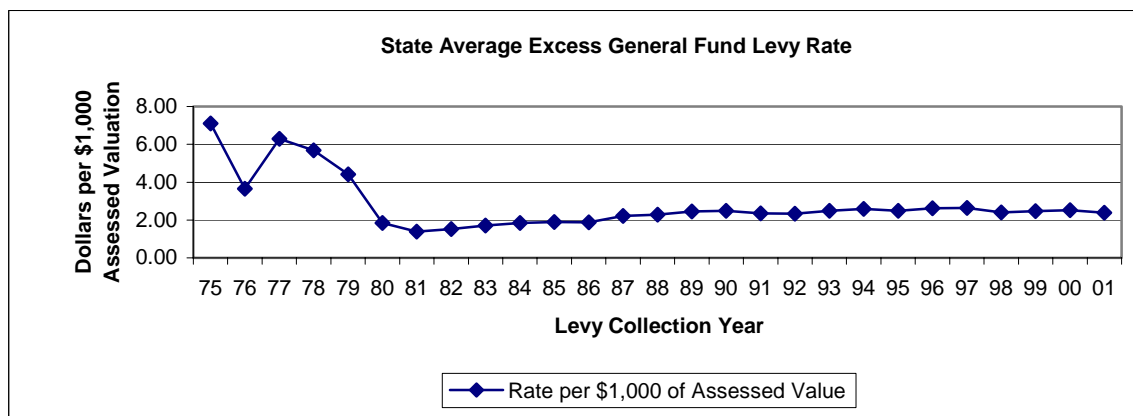
Other local receipts include student fees and tuition, investment earnings, grants, gifts, donations, lunch reimbursement, sale of supplies and materials, fines, and insurance recoveries.

**Figure 9 – History of Certified Excess General Fund Levies
1975–2001 Collections**

Collection Year	ALL DISTRICTS					
	Special Levy Assessed Value	Certified Levy	FTE Students*	Assessed Value/FTE	Levy Rate \$/1000	Levy Per Student
1975	\$42,102,530,625	\$299,119,863	757,254	\$55,599	\$7.10	\$395
1976	45,720,451,776	167,401,902	755,255	60,536	3.66	222
1977	51,628,300,300	325,308,505	751,132	68,734	6.30	433
1978	60,171,788,507	341,997,043	748,984	80,338	5.68	457
1979	66,943,834,225	295,017,156	741,443	90,289	4.41	398
1980	77,465,689,190	142,858,449	760,771	101,825	1.84	188
1981	109,298,621,831	152,100,918	728,187	150,097	1.39	209
1982	122,632,338,299	186,986,494	720,156	170,286	1.52	260
1983	145,240,878,794	247,743,267	707,920	205,166	1.71	350
1984	140,517,105,886	260,477,644	705,421	199,196	1.85	369
1985	146,530,580,778	278,243,779	708,535	206,808	1.90	393
1986	151,665,001,214	283,900,278	702,682	215,837	1.87	404
1987	157,914,216,520	349,857,531	709,081	222,703	2.22	493
1988	161,389,416,037	369,752,484	720,878	223,879	2.29	513
1989	170,640,469,002	418,518,182	734,062	232,461	2.45	570
1990	178,122,370,184	441,531,571	748,639	237,928	2.48	590
1991	217,088,939,734	510,251,620	768,639	282,433	2.35	664
1992	234,446,716,042	547,403,154	795,710	294,638	2.33	688
1993	259,662,868,081	643,946,581	823,400	315,354	2.48	782
1994	275,587,971,827	710,784,442	850,098	324,184	2.58	836
1995	295,748,277,143	735,351,127	868,720	340,441	2.49	846
1996	309,961,781,124	812,709,036	886,176	349,775	2.62	917
1997	326,501,379,600	862,880,332	903,719	361,286	2.64	955
1998	347,549,016,191	832,987,308	923,432	376,367	2.40	902
1999	373,370,987,239	922,972,370	936,390	398,734	2.47	986
2000	401,891,342,161	1,011,793,800	946,345	424,677	2.52	1,069
2001	438,809,026,285	1,048,450,507	948,445	462,662	2.39	1,105

* FTE students for 1975–85 are October full-time equivalent (FTE) students for the prior year.

Beginning in 1986, FTE students are annual average resident FTE students for the school year ending in the prior calendar year.



Source: Report SPI 1061.

Figure 10 – Sample District – Illustrating 2002 Levy Authority and Local Effort Assistance

2002 LEVY AUTHORITY

A. 2000–2001 State and Federal Allocations.	\$2,423,729	(Selected state and federal revenues)
B. % Increase in Basic Ed Funding.	4.00%	(2000–2001 to 2001–02 increase)
C. 2002 Excess Levy Base.	2,600,000	(A x (1 + (B/ .55)))
D. Levy Authority Percentage	24%	(1993 percent + 4%)
E. Levy Authority Before Transfers	624,000	(D x E)
F. Transfers for Nonhigh and Nonresident Students	-36,000	(Serving district negative, sending district positive)
G. Levy Authority After Transfers	588,000	(E + F)
H. Maximum 2002 Local Effort Assistance.	147,000	(g of 2001 local effort assistance)
I. 2002 Levy Authority	441,000	(G - H)

2002 LOCAL EFFORT ASSISTANCE (LEA)

a. District 12% Levy Amount	294,000	((G ÷ D) x 0.12)
b. 2000 Assessed Valuation for 2001 Levies	90,000,000	(From county assessor(s))
c. 2000 County-Indicated Ratio	90%	(From Department of Revenue)
d. 2000 Adjusted Assessed Valuation for 1999 Levies	100,000,000	(b ÷ c)
e. District 12% Levy Rate	2.94	((a ÷ d) x 1000) (\$/1000)
f. 2002 Statewide Average 12% Levy Rate	1.47	(SPI calculation) (\$/1000)
g. 2002 Maximum LEA	147,000	((e - f) ÷ e) x a)
h. Certified Levy Needed to Qualify for Maximum LEA	147,000	(a - g)
i. State Matching Ratio	1:1	((e - f) ÷ f)
j. Voter Approved Levy	200,000	(Ballot Amount)
k. Certified M&O Levy	200,000	(Certified in November 2001)
l. LEA Payable in 2002 Calendar Year.	147,000	(If k > h then g, otherwise (i x k))

ANNOTATION FOR SAMPLE DISTRICT**Item**

- A. Most district 2000–2001 state and federal revenues are included in the levy base.
- B. The biennial operating budget specifies the percent increase in basic education funding.
- D. All districts have levy authority percentages of at least 24 percent for 2002. Ninety districts have “grandfathered” levy authority percentages between 24 percent and 34 percent.
- F. Levy authority is transferred from the serving district to the resident district for nonhigh students and interdistrict cooperative students. No transfer is made for Choice students.
- G. Note that levy authority transfers affect the 12 percent levy amount. Levy authority after transfers is used in calculating the 12 percent levy amount.
 - b. Adjusted assessed valuations are for the year before the year of the levy being matched (e.g., 2000 assessed valuations for levies collected in 2001 are used in determining 12 percent levy rates for 2002). The 2000 assessed valuations and county-indicated ratios will be available in spring 2002.
 - c. The county-indicated ratio reflects the ratio of property assessments in a county to 100 percent of market value. If the school district is located in more than one county, the assessed valuation in each county must be adjusted separately using property valuation and indicated ratios from each county.
 - e. The district 12 percent levy rate is a hypothetical rate, not an actual tax rate assessed for the school district.
 - f. The Superintendent of Public Instruction calculates the statewide average 12 percent levy rate to be used for 2002 levies in September of 2001. The rate for 2002 levies is \$1.331.
 - j. Note that voter approval is required only for the district’s share. The amount of LEA receivable is not to be included in the district’s voter approved levy.
 - l. Note that LEA payments are based on actual certified levies. If the sample district certifies a levy of \$147,000 or more, the district would qualify for maximum LEA of \$147,000.

Rules governing levy authority and LEA calculations are codified in chapter 392-139 WAC.

CHAPTER 7. FEDERAL FUNDING FOR MAINTENANCE AND OPERATIONS

Revenues from federal sources made up over 8 percent of school district General Fund revenue in the 2000–2001 school year.

Sources of federal revenues for the 2000–2001 school year are shown below:

<u>2000–2001 School Year Revenues</u>	<u>Dollars in Millions</u>	<u>Percentage of Total</u>
School Food Services and USDA Commodities	\$ 118.6	21.5%
Improving America’s School Act, Title I	112.6	20.4%
Special Education, Supplemental	97.4	17.6%
Special Purpose-Direct	68.0	12.3%
Special Purpose-OSPI	44.4	8.0%
Federal Impact Aid (Public Law 81-874)	39.6	7.2%
Migrant Education	13.1	2.4%
Head Start	12.6	2.3%
Federal Forests	12.4	2.2%
Vocational Education	7.8	1.4%
Targeted Assistance	6.7	1.2%
Special Education, Medicaid	5.8	1.0%
Eisenhower Professional Development	4.1	.7%
Indian Education	2.5	.5%
Bilingual	2.2	.4%
Other Federal Revenues	5.0	.9%
Total	\$ 552.8	100.0%

A. SCHOOL FOOD SERVICES AND USDA COMMODITIES

In 1946 the National Lunch Act under Public Law 79-396 established the National School Lunch Program (NSLP) as an integral part of the educational system. The objective of the 1946 act is “to safeguard the health and well-being of the nation’s children and to encourage the domestic consumption of nutritious agricultural commodities and other foods.” The NSLP provides assistance to school districts through cash grants and food donations to serve nutritious lunches to schoolchildren.

The Child Nutrition Act of 1966 under Public Law 89-642 recognized the relationship between food and good nutrition and the capacity of children to develop and learn. It also gave school districts under this program the capability to provide free or reduced price lunches to children who are determined to be eligible for this assistance. The charge for reduced price lunch may not exceed \$.40; the charge for reduced price breakfast may not exceed \$.30.

The School Breakfast Program (SBP) was also authorized by the Child Nutrition Act to help meet the daily dietary needs of children. Schools are encouraged to see that all children have access to a meal at the beginning of each school day.

In addition, the Special Milk Program, which had been functioning since 1954 under a separate authorization, was extended and made part of the Child Nutrition Act of 1966. The Special Milk Program’s purpose is to encourage the consumption of fluid milk by schoolchildren where the lunch and breakfast programs are not available. Schools that have split period kindergarten classes may participate in this program if these children do not have access to a breakfast or lunch at school.

Two other programs that school districts may benefit from are the Summer Food Service Program (SFSP) and the Child and Adult Care Food Program (CACFP). The SFSP is the only child nutrition program that specifically targets low-income children. Schools with 50 percent of their students eligible for low-income meals may participate in this program in the summer and offer meal service

at no charge to all children age 18 and under; or, they may continue the NSLP for their enrolled students. The CACFP offers schools the opportunity to provide meal service to children 12 years of age and under who are in a child care center or a before- or after-school program.

The after-school snack program was introduced in 1998–99. The first full year of operation was the 1999–2000 school year.

School districts received \$104.9 million during the 2000–2001 school year for meals served under the NSLP and SBP. In addition, districts received USDA commodities valued at \$13.7 million.

B. IMPROVING AMERICA'S SCHOOL ACT

In 1994, the President signed into law the Improving America's Schools Act (IASA) under Public Law 103-382. Title I. Principal themes of this legislation are to promote access to quality education for educationally deprived students and excellence in education for the nation as a whole. Title I of this act amends the Elementary and Secondary Education Act (ESEA) of 1965 to include many new and reauthorized federal education programs. One of these programs is Title I of the IASA, which reauthorizes programs previously contained in Chapter 1 of the Elementary and Secondary Schools Improvement Amendments (ESSIA) of 1988. Part A of Title I provides financial assistance through state educational agencies to local educational agencies. This assistance is to meet the special educational needs of educationally deprived children in school attendance areas with high concentrations of children from low-income families and of children in local institutions for neglected or delinquent children. This program is administered through chapter 392-163 WAC.

Title I, Part A provides basic grants for financial assistance to school districts to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state content standards and to meet the challenging state performance standards developed for all children. These grants provide extra help in readiness, reading, mathematics and language arts. A total of \$112.6 million will be provided to school districts during the 2001–02 school year. The program is administered through chapter 392-163 WAC.

C. SPECIAL EDUCATION, SUPPLEMENTAL (IDEA, PART B, STATE)

The federal Individuals with Disabilities Education Act Amendments of 1997 under Public Law 105-17 cites as its purpose "... (a) To ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services to meet their unique needs and prepare them for employment and independent living; (b) To ensure that the rights of children with disabilities and their parents are protected; (c) To assist states, localities, educational service agencies, and federal agencies to provide for the education of all children with disabilities; and (d) To assess and ensure the effectiveness of efforts to educate children with disabilities."

Federal funding supplements state funding for special education. Federal special education program funding totaled \$97.4 million in the 2000–2001 school year. This program is administered through chapter 392-172 WAC.

D. SPECIAL PURPOSE–DIRECT

Revenue from special purpose direct grants does not flow through OSPI but goes directly to the district. Districts apply directly to the federal government for these grants that may be competitive. Examples of these types of grants are Medicaid Administrative Match, certain U. S. Department of Education grants and 21st Century Community Learning Center grants.

E. SPECIAL PURPOSE—OSPI

Revenue from many federal sources that is distributed through OSPI is recorded as Special Purpose Grants through OSPI by school districts. Examples of these programs are:

Class Size Reduction—Public Law 106-113 authorized the federal Class Size Reduction Program which allocated funds to school districts to improve student achievement and ensure that all young children receive more individual attention by additional qualified teachers to the workforce to reduce class size in grades K–3. Funds may be spent for supervision, teaching, or professional development for supervision, teaching, or professional development. Grant amounts are determined based on poverty level and district size.

Emergency Immigrant Education—Funds were available under the Emergency Education Program to assist school districts that experienced unexpected large increases in their student population due to immigration. Students qualifying are those ages 3–21, not born in the United States, and not attending one or more schools in any one or more states for more than three academic years. A qualifying district must have immigrant student enrollment equaling 500 students or three percent of the total number of students enrolled district-wide.

Reading Excellence Act—\$2 million in competitive two year, K–3 Tutorial Assistance Grants was awarded to elementary schools in 2000–2001. The purpose of the K–3 Tutorial Assistance Grants was to improve the capacity of schools to have every student reading well by third grade. Funds could be used for before and after school or weekend programs or summer reading tutorial camps.

A total of \$44.4 million was distributed through OSPI to school districts in 2000–2001.

F. FEDERAL IMPACT AID

After the Second World War, Congress realized that local districts' ability to generate revenue from property taxes for support of public schools is often severely reduced by federal acquisition of property, such as federal Indian reservation and military reservation. Such property is nontaxable. This inability to generate revenue due to federal ownership, combined with the financial burden of an increased military and Native American student population, imposed a severe hardship on thousands of school districts nationwide.

Congress resolved this issue with the passage of Public Law 81-874 (Now Title VIII of the Elementary and Secondary Education Act of 1965), School Assistance in Federally Affected Areas for Maintenance and Operation.

In 1994, Congress reauthorized impact aid and modified sections of the program. School districts can receive funding from just one of the program's sections or from more than one section. The sections of impact aid are:

Section 8002—Payments for property. Enacted in the original legislation in 1950, this section reimburses school districts for the loss of taxable land to the federal government. The payment is in lieu of the taxes that would normally be paid by the private land owner and is not based on the presence of children residing on the property.

Section 8003 (b)—Basic support payment. Provides basic support for a number of different types of federally connected children, including those who have a parent in the uniformed services, reside on Indian lands, live or have parents who work on federal property, and live in federally subsidized low-rent housing projects.

Section 8003 (d)—Disability payments. Indian land and military students with disabilities are eligible to receive additional funding to be used in accordance with the Individuals with Disabilities Education Act (IDEA).

Section 8003 (f)—Heavily impacted districts (affects about 20 districts nationally). Eligible districts include those that (1) are highly impacted with federal students and have a higher than average tax rate; (2) have a below average spending rate per pupil when compared to similar districts.

Section 8006—Increased military dependents. This section provides payments to districts that experience an increase in ADA of at least 10 percent or 100 students from the preceding year. Designed by Congress in 1994, Section 8006 addresses the problems associated with base closure and realignment.

Section 8007—Construction payments. Section 8007 addresses the construction and maintenance needs of certain districts. Payments are based on a separate appropriations amount divided by the number of eligible students.

Though the impact aid program has been modified through the 1994 reauthorization, the basic principle remains the same: Impact aid dollars go directly into a school district's General Fund to be used as the local school board sees fit. To be eligible for basic support payments (Section 8003), a school district must have at least 400 federally connected students or these students must comprise at least 3 percent of the average daily attendance (ADA).

Approximately 60 Washington school districts received federal impact aid totaling \$38.3 million during the 1999–2000 school year.

G. MIGRANT EDUCATION

Title I, Part C Education of Migrant Children provides for the establishment and improvement of programs to meet the special educational needs of children of migratory agricultural workers or migratory fishers who have moved from one school district to another during the past 12 months to obtain temporary or seasonal employment in agriculture, fishing, or related food-processing activities. A total of \$14.3 million will be provided to school districts during the 2001–02 school year. Approximately 24,000 school age children received academic assistance from the Migrant Education Program in 2000–2001. The program is administered through chapter 392-164 WAC.

H. HEAD START PROGRAM

Head start is authorized by the community opportunities, accountability, and training and educational services act of 1998 to provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children and to involve parents in activities with their children so that the children will attain overall social competence. A total of \$12.6 million was provided to school districts by the federal government for these programs during the 2000–2001 school year. This program is administered by the Office of Trade and Economic Development.

I. FEDERAL FORESTS

Over 21 percent of all Washington State land is in national forests. These lands are exempt from local property tax. The federal governments share a portion of the revenues from the management of these lands with public schools, universities, community colleges and state institutions. The majority of the revenues are derived from the harvest of timber. Current statutes require county commissioners to distribute the proceeds from national forests between schools and roads in their counties. The division between schools and roads is legally specified at not less than 50 percent for the schools, based on prorated enrollment of the districts in which timber was cut the previous year.

Beginning in school year 2001–02, counties can choose to receive an allocation based on the average timber payment for the three highest years 1986–1999.

In school year 2000–2001, proceeds amounted to \$12.4 million. The amount of such funds varies greatly from year to year, depending upon the harvesting activities in the federal forestlands within the various counties.

J. VOCATIONAL EDUCATION

The 1998 Carl D. Perkins Vocational and Technical Education Act amendments under Public Law 105-800, assists states to further develop the academic, vocational and technical skills of vocational students through high standards, link secondary and postsecondary vocational programs, increase flexibility in the administration and use of federal funds, disseminate national research about vocational and technical education, and provide professional development and technical assistance to vocational educators.

A total of \$7.8 million was provided to school districts and skills centers for vocational programs during the 2000–2001 school year.

The Workforce Training and Education Coordinating Board allocates federal vocational education moneys to the Superintendent of Public Instruction for distribution to school districts for vocational-secondary and skills center programs.

K. TARGETED ASSISTANCE

Targeted Assistance funding provides services to eligible students who are most at risk of failing to meet the state's performance standards and the district's learning goals. Schools must determine which students are most at risk and target service to those identified students. Each Targeted Assistance school is required to have a school plan that addresses: such areas as effective and researched practices, greatest need criteria, grade levels and subject areas to be served, coordination with basic education to support learning goals for identified students, extended time activities, professional development activities, and activities promoting parent involvement.

L. SPECIAL EDUCATION, MEDICAID

Federal Medicaid reimbursement is paid through OSPI to districts for medical services provided to Medicaid eligible students. These services are for special education students or students who are being evaluated for potential special education eligibility. The rate of reimbursement is based on the district's level of participation (i.e. billing on potential billable students).

The school districts must claim reimbursement from the state. The state retains a portion for the state as well as a portion of the federal allocation. School districts may receive up to 50% of the federal portion of Medicaid after administrative fees are deducted.

A total of \$6.7 million was paid to districts in 2000–2001.

M. TITLE II, EISENHOWER PROFESSIONAL DEVELOPMENT

The Eisenhower Professional Development Program provides funds to allow educational staff to participate in focused, strategically planned professional development activities to better assist all students in reaching the state's challenging standards and the essential learnings, particularly in math and science. The Eisenhower program has an emphasis on incorporating effective strategies for serving the historically underserved and underrepresented populations.

Approximately 85 percent of all local school districts participate in the program. Nationally, over 1,300 institutions of higher education conduct program activities. Private nonpublic school teachers and other educators may also participate on an equitable basis in the program.

A total of approximately \$5.5 million will be provided to school districts during the 2001–02 school year.

N. INDIAN EDUCATION PROGRAMS

The Indian Education programs under both the Johnson-O'Malley Act of Public Law 93-638, and Title IX, Part A (Indian Education Act), are authorized by the Elementary and Secondary Education Act of 1965, as amended by the Improving America's Schools Act of 1994. They provide for the development and implementation of elementary and secondary school programs designed to meet the special educational and culturally related academic needs of American Indian/Alaska Native children.

Title IX funds in the amount of \$2.5 million were provided in direct grants to school districts for Indian education in 2000–2001. Johnson-O'Malley funds are now allocated directly to federally recognized tribes through the tribal priority allocation system as a part of their block grant payment. Tribes may choose to subcontract with local school districts to provide services for eligible Indian children or provide services through the tribe.

O. BILINGUAL (TITLE VII)

Funds for Bilingual Education are provided through federal grants received from the federal agency by school districts for developing and providing services to children with limited proficiency in understanding, speaking, reading, and/or writing English. Bilingual instruction programs include a system of instruction that uses two languages, one of which is English, as a means of instruction to achieve competency in English. Funding priority is given to early elementary grades. Funding is limited to three school years of bilingual instruction for each eligible student within the district but may be extended if a student fails to demonstrate improvement in language skills adequate to remove the impairment of learning when taught only in English.

Bilingual programs received \$2.2 million in the 2000–2001 school year.

P. OTHER FEDERAL REVENUES

Federal funding is also provided for several other specialized purposes. The majority of these are direct grants made by the federal government to school districts. Revenue received from the federal government for the Summer Food Service Program or any federal agency for community services is recorded by the district as Other Community Service revenue.

In 2000–2001, \$2.1 million was recorded as Other Community Service revenue.

SECTION III. FUNDING OTHER SCHOOL DISTRICT FUNCTIONS

Chapter 8. School Construction and Other Capital Projects

Chapter 9. Purchase of School Buses

Chapter 10. Associated Student Body and Trust Funds

This section deals with specialized activities that are not accounted for in each school district's General Fund. School districts are required to account for these activities separately because they are not recurring operating costs of the district or because funding for the activities must be kept separate.

CHAPTER 8. SCHOOL CONSTRUCTION AND OTHER CAPITAL PROJECTS

The cost of constructing or remodeling school buildings or acquiring certain other school property is accounted for in the school district's Capital Projects Fund. If the school district sells bonds to finance school construction or remodeling, the bond proceeds are deposited in the school district's Capital Projects Fund. Property taxes collected for payment of principal and interest on the bonds are deposited in the school district's Debt Service Fund.

A. CAPITAL PROJECTS

School districts may use the Capital Projects Fund to account for the purchase or improvement of school sites; the construction of new facilities; remodeling or modernization of existing buildings; and for initial expenditures for new buildings for the purchase of library books, textbooks, and reference books. Capital projects are budgeted as needed, virtually annually, in large or growing districts. In smaller districts and those with stable enrollments, this fund is often dormant.

The decision to purchase sites or construct facilities is entirely within the authority of the local district board of directors.

Moneys accrue to the Capital Projects Fund from local revenues and miscellaneous sources and, in addition, the state provides matching funds for many projects.

a. State Revenues

The State Board of Education administers the school construction assistance program under statutory authority and chapters 180-25 through 180-33 WAC. For the 2001–03 biennium, \$590 million is appropriated for the school construction assistance program.

Prior to 1965, the state revenues were derived from bond issues authorized by the Legislature, which were amortized from proceeds accruing from the sales tax, cigarette tax, motor vehicle excise tax, etc. Since 1965, the revenues have come from a constitutionally dedicated source, the Common School Construction Fund. These revenues have come from the sale of renewable resources, primarily timber, from state school lands set aside to fund education by the Enabling Act of 1889. The 1965 funding change allows the sale of bond issues when there are insufficient funds in the Common School Construction Fund to meet authorized appropriations. Such bonds are not a general obligation of the state, but are payable solely from interest earned on the Permanent Common School Fund.

The amount of state aid to which a district is entitled is determined according to a statutory formula. The formula establishes a relationship between the adjusted assessed valuation per pupil in the individual district and the statewide adjusted assessed valuation per pupil, thus in effect measuring the district's wealth per pupil. The resulting distribution pattern provides state assistance on building projects from a hypothetical maximum of 100 percent of the cost in the least wealthy districts to a low of 20 percent in the wealthiest districts. Additional percentage points to a maximum of 20 percent are provided to districts that have experienced growth during the latest three-year period computed as 1 percent additional for each 1 percent of growth. Beginning in 1990, additional revenue sources such as State General Fund appropriations to the school construction fund by the state legislature, general obligation bonds, common school property transfer transactions, and the Education Savings Account (created in 1997) transfers to the school construction fund have been added.

State assistance is based on a maximum matchable area per student. This area varies by grade level and other factors. State assistance is also based on a maximum area cost allowance. This maximum area cost allowance is calculated by OSPI from construction costs and projected into the

future. The formula for state school construction assistance is set forth in statute and is designed to provide the average district with 50 percent state aid.

Districts qualify for state aid on two bases. The first is need, as expressed by unhoused pupils (usually resulting from enrollment growth). If a district can document a need based on program or facility condition and the facility is at least 20 years old (30 years old for buildings completed after January 1, 1993), it can also qualify for assistance on a modernization project. Second, districts must have authorized, by bond issue or a building fund excess levy, other capital revenue sources, or a combination of revenue sources, sufficient local funding to cover their share of the cost of the project(s).

If state aid is insufficient to meet all local school district requests, a priority system is imposed. A priority system was imposed in 1984 and amended in 1991. The priority system for the funding of school construction projects after June 30, 1992, is stated in WAC 180-27-500 through 180-27-535.

The key element of the system is that it uses a single scale of values and ranks both growth-related projects (new buildings and additions needed to expand capacity) and condition-related projects (modernization, replacement of condemned facilities, and new construction in lieu of modernization) within the same system.

The total possible points that can be received by a growth-related project are 90 while 75 are the maximum a condition-related project can receive. The point difference reflects the judgment of the Washington State Board of Education regarding the relative overall severity of capacity problems versus condition problems.

Growth-Related New Schools

Projects eligible due to projected unhoused students can receive up to 90 points, 65 of which are related to factors unique to that type of project. These are:

The projected percentage of students unhoused, based on enrollment projections by the Office of Superintendent of Public Instruction for Grades K–8 and 9–12 five years in the future and using current SBE space factors. If the projected percentage of unhoused students is equal to or greater than 40 percent, 55 points are awarded. If the projected district percentage students unhoused is less than 5 percent, a minimum of 15 points is awarded. If the projected percent unhoused is between 5 percent and 40 percent, then the 40 remaining points (55-15) are proportionately awarded.

The mid-range projection, based on OSPI-projected enrollment three years in the future, provides up to 5 points for a project. The project's point score is first multiplied by the percentage relationship between the 55 points in the unhoused factor and the 5 points in this factor ($5/55 = .091$). This produces the maximum points a project can be awarded in this category. The actual points are determined by the relationship between the district's unhoused percentage three years in the future and its unhoused percentage five years in the future.

The number of years unhoused provides 1 point per year (up to a maximum of 5 points) that a district has had an unhoused condition in the applicable grade category in the past five years.

Modernization or Replacement of Existing School Facilities

Projects eligible due to age, condition, or condemnation can receive up to 75 points, 50 of which are related to factors unique to that type of project. These are:

Health and safety factors award up to 20 points based on a site evaluation of safety and code factors. Up to 16 points are awarded based on the applicable score on the building condition evaluation form (BCEF) and up to 4 points for failing to meet seismic code and presence of asbestos.

Building condition as rated on the BCEF provides up to 30 points. If the building condition score is 31 or less (indicating “poor” condition), then the maximum 30 points are awarded to the project. If the condition score is 91 or more (indicating no significant problems), then no points are awarded. If the condition score is between these extremes, the points are awarded proportionately.

A cost/benefit factor is used to modify the condition score if the proposed project does not correct the problem in the most cost-effective way. If the condition score is less than 40 on the BCEF, up to 10 points are deducted from the condition score if a modernization is proposed on the basis that new construction replacing the old facility would be the most appropriate approach. Similarly, up to 10 points are deducted if the condition score is greater than 60 and new construction is proposed rather than modernization.

All projects receive up to 25 points from three factors:

The type of space resulting from the project allocates from 4 to 10 points. Space used for scheduled instruction and libraries (classrooms, laboratories, PE teaching space, libraries and learning resource centers) is rated at 10 points. Space used in support of instruction (assembly, student services, office space, and classroom/lab service and support) is accorded 7 points while cafeteria/food service, spectator seating, covered play areas, and general support space is counted at 4 points. The total value is calculated based on the proportion of the different space types in the project.

Local priority provides 5 points for the district’s first priority project, 4 for its second and so on until zero for its sixth and lower priorities.

Joint funding for projects in cooperation with other local government entities or private donors awards 5 points. Impact fees and federal construction support funds are not included. In order to receive the points, the joint funding must equal at least 25 percent of project costs of \$1 million or less and increases on a sliding scale to \$500,000 for projects costing \$10 million and over.

Modified school calendar or schedule provides 5 points for districts that have adopted a modified school calendar or schedule that enables more students to use school buildings each year over what the current state capacity standards at WAC 180-27-035 recognize for state assistance purposes. The modified calendar or schedule must utilize either extended school day or additional days for instruction in the year.

The priority system provides a system for weighing the relative importance of eligible projects consistent with the policy judgments of the State Board of Education. It provides an opportunity for modernization projects and new construction in lieu of modernization to compete with projects needed to meet growing enrollments. It also rates condemnation- based projects based on the condition of the building and health and safety factors. The system aids in the collection of auditable space inventory data from all districts requesting projects and rewards efforts to gain participating funding from other local sources.

If a school district meets the eligibility requirements for new construction or modernization, it receives approval by the State Board of Education and proceeds with the project. The Superintendent of Public Instruction monitors the process. Additional information on the process can be found in the *School Facilities Manual* on the OSPI Facilities Web site at: <http://www.k12.wa.us/facilities/>.

If there is a shortfall of moneys accrued to the Common School Construction Fund, the State Board of Education under current rules can impose a moratorium on cooperatively funded school construction projects.

At any time local voters authorize funds, the district may construct any facilities it desires without State Board of Education approval and without state support.

b. Local Revenues

These are derived from three major sources:

Sale of Bonds

In recent years, the sale of bonds has been the primary source of funding. Bond issues authorized at a special or regular election must have at least 60 percent of the voters casting ballots. A further qualification requires that there must be a 40 percent voter turnout based upon the number of votes cast in the most recent state General Election. Such bonds are amortized by an annual levy over a period of years, which is authorized at the time the issue is approved and set each year by county authorities.

Additional authority to contract indebtedness is authorized in RCW 28A.530.080. This allows districts the ability to incur debt without a vote of the qualified electors of the district. They may issue bonds, notes, or other evidence of indebtedness, which shall be sold in accordance with chapter 39.46 RCW.

The statutory limit for school district voted and nonvoted debt is 5 percent as follows:

- 0.375 percent without a vote of the people.
- 2.5 percent with a vote of the people—to include the 0.375 percent.
- 2.5 percent with a vote of the people if this added 2.5 percent is used for capital outlay.

Approval of Excess Capital Projects Fund Levies

An excess levy for a school district's Capital Projects Fund is subject to the same requirements for passage as an excess levy for the district's General Fund. Capital projects fund levies have a six-year limitation.

Interest on Investments

The most common minor revenue source available to the Capital Projects Fund is interest earned from investing building fund moneys. Following the sale of a bond issue, there is often a period of time before payments must be made to contractors. It is permissible for districts to invest these funds in U.S. government securities with interest accruing to the Capital Projects Fund.

c. Other Revenues

Federal Aid

From 1950 to 1994, districts that qualified for impact aid maintenance and operation assistance may have also qualified for capital construction needs through Public Law 81-815. Said public law was repealed in 1994 by the Improving America's School Act (IASA). The impact aid provision of IASA continues to provide for some construction assistance.

Insurance Settlements

Settlements received by a school district for fire damages or other losses are placed in the district's Capital Projects Fund.

Sale of School Property

Whenever a school building or site is sold, the money is either deposited in the Capital Projects Fund or used to reduce bonded indebtedness.

Gifts

On occasion, school districts receive gifts for their Capital Projects Fund.

Developer Fees

One-time developer (impact) fees paid to local government on residential developments to help offset facility needs may be placed in the district's Capital Projects Fund.

The cost of constructing or remodeling school buildings or acquiring certain other school property is accounted for in the school district's Capital Projects Fund. If the school district sells bonds to finance school construction or remodeling, the bond proceeds are deposited in the school district's Capital Projects Fund. Property taxes collected for payment of principal and interest on the bonds are deposited in the school district's Debt Service Fund.

Public School Districts
Figure 11 – State Summary – Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2001

Revenues	
Local	\$ 292,257,417
State	166,222,420
Federal	8,792,133
Other	1,769,117
Total Revenues	469,041,087
Expenditures	
Capital Outlay:	
Sites	61,458,534
Building	762,156,439
Equipment	76,027,252
Energy	2,659,972
Debt Service	
Principal	2,566,119
Interest and Other	5,058,618
Total Expenditures	909,926,934
Excess of Revenues Over (Under) Expenditures	(440,885,847)
Other Financing Sources (Uses)	
Bond Sales	482,283,604
Long-Term Financing	11,521,411
Operating Transfers In	9,293,588
Operating Transfers Out	(5,169,501)
Other	15,508,721
Total Other Financing Sources (Uses)	513,437,823
Revenues and Other Financing Sources Over (Under) Expenditures	72,551,976
Fund Balance at September 1, 2000	1,435,648,648
Correction of Prior Year Errors and Other Restatements	132,168
Residual Equity Transfers	(100,000)
Fund Balance at August 31, 2001	\$ 1,508,232,792

Source: SPI Report F-196, Annual Financial Statement for School Districts.

Other Sources

Receipts derived from federal forestlands or state forestlands may be placed in the school district's Capital Projects Fund. Under certain circumstances, various other local resources may become available to the Capital Projects Fund.

B. DEBT SERVICE FUND

When voters of a school district authorize a bond issue to finance a capital project, they also authorize the levy of property taxes to pay interest and repay the principal over the life of the bond (which is often 20–30 years). RCW 28A.320.330 creates the school district Debt Service Fund for accounting for tax proceeds and disbursements for this purpose.

Prior to each tax collection year, school district and county officials determine the levy amount and tax rate needed for payments of principal and interest. Property taxes collected for this purpose are deposited with the county treasurer in the school district's Debt Service Fund. Disbursements are made by the county treasurer or fiscal agent; school district warrants are not issued from this fund.

The Attorney General has ruled that it is improper to levy excessive taxes to retire bonds in advance of the redemption schedule.

Revenues and expenditures from the Debt Service Fund are shown in Figure 12.

Public School Districts
Figure 12 – State Summary – Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2001

Revenues	
Local	589,364,049
State	5,982,584
Federal	42,496
Total Revenues	595,389,129
Expenditures	
Debt Service	
Principal	302,747,575
Interest and Other	287,326,431
Total Expenditures	590,074,006
Excess of Revenues Over (Under) Expenditures	5,315,123
Other Financing Sources (Uses)	
Bond Sales	2,500,980
Operating Transfers In	16,558,670
Operating Transfers Out	(18,641,472)
Refunding Bond Sales	22,061,566
Refunding Bond Payment	(8,520,334)
Total Other Financing Sources (Uses)	13,959,410
Revenues and Other Financing Sources Over (Under) Expenditures	19,274,533
Fund Balance at September 1, 2000	280,825,859
Correction of Prior Year Errors and Other Restatements	(4,970,398)
Residual Equity Transfers	(180,768)
Fund Balance at August 31, 2001	294,949,226

Source: SPI Report F-196, Annual Financial Statement for School Districts.

CHAPTER 9. PURCHASE OF SCHOOL BUSES

Most school districts purchase and operate their own school buses. Fifteen districts contract with private operators to provide pupil transportation.

A. TRANSPORTATION VEHICLE FUND

School districts have a Transportation Vehicle Fund, authorized by RCW 28A.160.130, to account for purchases of pupil transportation vehicles (school buses). (The cost of operating and maintaining school buses is accounted for in the school district's General Fund. See Chapter 5.C.) Figure 13 provides a summary of 2000–2001 revenues and expenditures for the Transportation Vehicle Fund.

B. SOURCES OF REVENUE TO THE TRANSPORTATION VEHICLE FUND

Transportation vehicle fund revenues are from state funding, local levies, and transfers from other funds. School districts may also finance bus purchases.

The state funding formula for transportation equipment is defined in chapter 392-142 WAC, Transportation—Replacement and Depreciation Allocation. State funding provides annual payments based on depreciation and replacement costs over the scheduled lifetime of buses owned by the school district. Scheduled lifetimes of buses range from 8 to 18 years depending on the type of bus. State funding provides \$19.6 million for transportation equipment in the 2001–02 school year. This is in addition to state funding for transportation operations. (See Chapter 5.C. for a description of state funding of pupil transportation operating costs.)

School districts may levy a local property tax for deposit in the Transportation Vehicle Fund. Levies may be for one or two years. Authority for such levies is found in Article VII, Section 2 of the State Constitution and RCW 84.52.053. Levies must receive a 60 percent yes vote and satisfy the same validation requirement as maintenance and operation levies. (See Chapter 6.A. for a description of maintenance and operation levies.) In 2000, eight districts submitted Transportation Vehicle Fund levies totaling \$7.4 million. Seven districts passed levies totaling \$7.3 million for collection in 2001 through 2003. During the 2000–2001 school year, local levies provided \$3.8 million in revenue to the Transportation Vehicle Fund.

Transfers from other funds provided \$7.6 million in revenue to the Transportation Vehicle Fund in the 2000–2001 school year.

C. PAYMENTS TO CONTRACTING DISTRICTS

School districts that contract with private operators of school buses receive state payments in lieu of depreciation payments for district-owned buses. Such payments are deposited in the district's General Fund to assist with the payment of the capital cost of the contractor's services. State payments in lieu of depreciation totaled \$5.8 million in the 2000–2001 school year.

Public School Districts
Figure 13 – State Summary – Transportation Vehicle Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2001

Revenues	
Local	\$ 7,190,980
State	17,075,430
Other	262,007
Total Revenues	24,528,417
Expenditures	
Capital Outlay:	
Transportation Equipment	30,366,081
Debt Service:	
Principal	1,061,097
Interest and Other	148,289
Total Expenditures	31,575,467
Excess of Revenues Over (Under) Expenditures	(7,047,050)
Other Financing Sources (Uses)	
Bond Sales	4,454,317
Long-Term Financing	449,286
Operating Transfers In	7,646,568
Operating Transfers Out	(3,805,062)
Other	104,748
Total Other Financing Sources (Uses)	8,849,857
Revenues and Other Financing Sources Over (Under) Expenditures	1,802,807
Fund Balance at September 1, 2000	46,174,349
Correction of Prior Year Errors and Other Restatements	3,051
Residual Equity Transfers	
Fund Balance at August 31, 2001	\$ 47,980,207

Source: SPI Report F-196, Annual Financial Statement for School Districts.

CHAPTER 10. ASSOCIATED STUDENT BODY AND TRUST FUNDS

Separate funds are used to account for certain other school district functions.

A. ASSOCIATED STUDENT BODY ACTIVITIES

RCW 28A.325.030 creates “a fund on deposit with each county treasurer for each school district of the county having an associated student body as defined in RCW 28A.325.020.” The fund is financed by fees from students and nonstudents attending optional noncredit extracurricular events of the district and donations and fundraisers.

The board of directors of the school district approves the budgets for the associated student body. Accounting records are maintained for each associated student body and provide separate accounting when there is more than one associated student body. Disbursements are made with the approval of the associated student body and board of directors of the school district and are paid by warrant.

In the 2000–2001 school year school districts reported \$110.8 million in revenues to the Associated Student Body Fund. Figure 14 provides a summary of 2000–2001 revenues and expenditures for the Associated Student Body Fund.

B. TRUST FUNDS

School districts use Trust Funds to account for and to provide a means of reporting moneys or other assets donated to school districts for scholarship, student aid, charitable, and other like uses under RCW 28A.320.020 and WAC 392-138-100. The authority to use the resources comes from the donor who specifies a use or range of allowed uses for assets to be held in trust and, accordingly, the school board has the authority to determine use of the assets only within the confines of the original trust agreement.

There are two types of Trust Funds. An expendable Trust Fund is established when both the principal and the earnings of the trust can be spent. A nonexpendable Trust Fund is established when only the earnings of the trust may be spent and the principal must be maintained intact.

Public School Districts
Figure 14 – State Summary – Associated Student Body Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2001

Revenues	
General Student Body	\$ 54,281,022
Athletics	17,604,243
Classes	8,809,172
Clubs	28,812,178
Private Moneys	1,373,393
Total Revenues	110,880,008
Expenditures	
General Student Body	41,841,409
Athletics	25,186,679
Classes	8,662,039
Clubs	31,176,465
Private Moneys	1,271,251
Total Expenditures	108,137,843
Excess of Revenues Over (Under) Expenditures	2,742,165
Fund Balance at September 1, 2000	55,042,088
Correction of Prior Year Errors and Other Restatements	(12,755)
Fund Balance at August 31, 2001	\$ 57,771,498

Source: SPI Report F-196, Annual Financial Statement for School Districts.

SECTION IV.SCHOOL STATISTICS AND HISTORY

Chapter 11. History of School Personnel and Compensation

Chapter 12. School Enrollment

Chapter 13. School District General Fund Revenues and Expenditures

Chapter 14. History of Education in Washington

This section provides statistical and historical information regarding school district personnel, enrollment, and revenues and expenditures. Information shown here is through the 2000–2001 school year.

CHAPTER 11. HISTORY OF SCHOOL PERSONNEL AND COMPENSATION

For state funding purposes, school employees are identified as either “certificated” or “classified” personnel.

Certificated personnel are those employed in a position for which a certificate issued by the State Board of Education is required. The State Board issues certificates for teachers, administrators, vocational instructors, and educational staff associates. Educational staff associates include counselors, school nurses, occupational therapists, physical therapists, psychologists, social workers, reading resource specialists, and communication disorders specialists. Beginning in the 1987–88 school year, state funding formulas distinguish between certificated instructional staff (teachers, vocational instructors, and educational staff associates) and certificated administrative staff.

Classified personnel include all school district personnel other than certificated personnel. Classified personnel include instructional aides, office/clerical workers, crafts/trades workers, bus drivers, and many directors and supervisors (other than superintendents and deputy/assistant superintendents).

A. COMPENSATION LEGISLATION

Every school district board of directors has the responsibility of determining salaries and compensation for its employees. This is influenced, but not controlled, by state law and state salary allocations. State policy determines salary allocations to the school districts. Local collective bargaining and employment contracts determine how much any employee is paid. However, state law limits salaries paid to certificated instructional staff as described below.

RCW 28A.400.200(2) requires that the minimum salary paid to certificated instructional staff shall not be less than the state allocated salary for an employee with a baccalaureate degree and zero years of service; and the salary paid to an employee with a masters degree shall not be less than the state allocated salary for an employee with a masters degree and zero years of service.

The state salary lid law, RCW 28A.400.200(3), requires that a district’s actual average salary paid to basic education and special education certificated instructional employees shall not be greater than the district’s state allocated salary for formula staff units. This salary limit applies to the base contract salaries, which do not include supplemental pay for additional time, responsibilities, and incentives. The salary lid law does not apply to classified staff or certificated administrative staff of the school district.

References to salary increases authorized by the Legislature contained in this chapter refer to increases in state allocated salaries, which are applied to state formula staff units in the various funding formulas (basic education, special education, etc.). Actual salary increases paid to school employees are determined locally, as described above. This section references significant legislative changes to the funding formula for the years 1991–2001. Information prior to 1991 can be found in earlier editions of *Organization and Financing of Washington Public Schools* posted on the OSPI School Apportionment and Financial Services Web site at: <http://www.k12.wa.us/safs/>.

The 1991 Legislature

For 1991–92, certificated instructional staff unit salaries were increased by 4 percent, including the 34 school districts still above the state salary allocation schedule. Minimum salary levels for certificated instructional staff were increased to \$20,801 when the highest degree was a bachelor’s and \$24,939 for a master’s. A further increase of 3.547 percent was authorized for the 1992–93 school year.

LEAP Document 1R was revised to LEAP Document 1A in order to return a value of 1.00 to the upper left-hand corner of the table.

Certificated administrative staff units received an increase of 4 percent of the 1990–91 state-recognized average salary for certificated administrative staff for 1991–92. This was \$1,872 per funded staff unit. A further increase of 3.547 percent was authorized for the 1992–93 school year.

Classified staff units received an increase of 4 percent of the 1990–91 state-recognized average salary for classified staff. This was \$853 per funded staff unit. A further increase of 3.547 percent was authorized for the 1992–93 school year.

The 1992 Legislature

The 1992 Legislature reduced the increase provided for all staff units for 1992–93 from 3.547 percent to 3 percent.

The 1993 Legislature

The 1993 Legislature did not grant any salary increases for 1993–94 and 1994–95. Also the Legislature encouraged districts not to grant salary increases to administrative employees who earned more than \$45,000 a year. Allocated administrative salaries were reduced by 10 percent.

The 1995 Legislature

For 1995–96, certificated instructional staff unit salaries were increased by 4 percent, including the 34 school districts still above the state salary allocation schedule. Minimum salary levels for certificated instructional staff were increased to \$22,282 when the highest degree was a bachelor's and \$26,715 for a master's.

Certificated administrative staff units received an increase of 4 percent for 1995–96. However, the increase was applied to the 1994–95 district-recognized average salary for certificated administrative staff after that salary had been reduced by multiplying it by .951. This is a net 1.095 percent decrease from 1994–95 allocation salaries.

Classified staff units received an increase of 4 percent of the 1994–95 district-recognized average salary for classified staff.

No salary increases were provided for 1996–97.

The 1997 Legislature

For 1997–98, certificated instructional staff units, certificated administrative staff units, and classified staff units all increased by 3 percent, including the 34 school districts still above the state salary allocation schedule.

No salary increases were provided for 1998–99.

The 1999 Legislature

For 1999–2000, LEAP Document 1A was revised to LEAP Document 1S (see Figure 7, Chapter 5). Certificated instructional staff unit salary increases ranged from 12.05 percent in the zero years of service cells in the salary schedule to 4.72 percent in the years six through 15 cells. The 34 "grandfathered" school districts continued their allocation above the state salary allocation schedule. In addition, a "16 years of service" row was added to the salary schedule.

The increase included funding for three additional contract days. The days were provided for activities related to improving student learning consistent with education reform implementation. If fewer than three days were added to the district's base contract for these activities, the salary allocation was reduced accordingly.

Certificated administrative units and classified staff units received an increase of 3 percent for 1999–2000.

For 2000–2001, certificated instructional staff units, certificated administrative staff units, and classified staff units all received 3 percent increases.

The 2001 Legislature

In November 2000, Washington State voters approved Initiative 732. Initiative 732 provides cost-of-living salary adjustments to school employees based on the Puget Sound area consumer price index as determined by the U. S. Department of Labor, Bureau of Labor Statistics. Previously, the legislature determined state allocated salary increases in the state operating budget. The state allocated increases greatly influenced, but did not dictate, salaries set by school districts in the collective bargaining process.

The Initiative 732 cost-of-living adjustment for the 2001–02 school year was 3.7 percent. The state budget funded this increase for all state-funded formula staff units. State funding was not provided for salary increases for federally funded or locally funded staff.

School employee advocates filed a lawsuit to require the state to fund the cost of living adjustment for all school employees, including those supported by federal and local revenues. On December 8, 2001, the Thurston County Superior Court ruled that the state was obligated to fund only the state-funded staff, but that other employees of the district must also receive the salary adjustment. This ruling has been appealed to the Washington State Supreme Court.

**Figure 15 – K–12 Salary Allocation Schedule for Certificated Instructional Staff
1997–99 School Year**

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA+90		
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	OR PHD
0	22,950	23,570	24,212	24,855	26,920	28,251	27,516	29,581	30,912
1	23,702	24,342	25,005	25,690	27,816	29,165	28,351	30,477	31,825
2	24,469	25,129	25,812	26,563	28,725	30,115	29,224	31,386	32,774
3	25,275	25,955	26,657	27,450	29,650	31,100	30,111	32,311	33,761
4	26,095	26,818	27,540	28,375	30,632	32,123	31,036	33,293	34,783
5	26,953	27,695	28,437	29,336	31,629	33,180	31,996	34,290	35,840
6	27,847	28,586	29,370	30,333	32,661	34,250	32,994	35,322	36,911
7	28,756	29,513	30,316	31,341	33,727	35,377	34,002	36,388	38,038
8	29,678	30,477	31,299	32,408	34,827	36,537	35,069	37,488	39,198
9		31,475	32,337	33,487	35,962	37,730	36,147	38,623	40,391
10			33,388	34,621	37,129	38,956	37,282	39,790	41,617
11				35,788	38,351	40,214	38,449	41,012	42,875
12				36,918	39,605	41,525	39,662	42,266	44,186
13					40,890	42,867	40,917	43,551	45,528
14					42,182	44,260	42,210	44,927	46,921
15					43,279	45,411	43,307	46,095	48,141

Source: Substitute House Bill 2259.

**Figure 16 – K–12 Salary Allocation Schedule for Certificated Instructional Staff
1999–2000 School Year**

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA+90		
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	OR PHD
0	25,716	26,410	27,130	27,850	30,165	31,656	30,831	33,146	34,637
1	26,062	26,765	27,494	28,248	30,586	32,068	31,174	33,511	34,994
2	26,649	27,367	28,111	28,930	31,284	32,797	31,827	34,181	35,694
3	27,527	28,267	29,033	29,895	32,291	33,871	32,794	35,189	36,769
4	28,146	28,927	29,705	30,605	33,040	34,647	33,476	35,910	37,518
5	28,790	29,581	30,375	31,334	33,785	35,440	34,176	36,627	38,282
6	29,161	29,935	30,756	31,765	34,203	35,866	34,551	36,989	38,653
7	30,113	30,906	31,747	32,820	35,319	37,047	35,607	38,105	39,833
8	31,079	31,915	32,776	33,938	36,471	38,261	36,724	39,257	41,048
9		32,960	33,863	35,067	37,659	39,511	37,853	40,446	42,297
10			34,964	36,255	38,881	40,795	39,042	41,668	43,581
11				37,477	40,161	42,112	40,264	42,948	44,899
12				38,660	41,474	43,485	41,534	44,261	46,271
13					42,820	44,890	42,848	45,607	47,677
14					44,173	46,349	44,202	47,047	49,136
15					45,322	47,554	45,351	48,270	50,413
16					46,228	48,505	46,258	49,236	51,421

Source: Engrossed Substitute Senate Bill 5180 and Chapter 309, Laws of 1999

**Figure 17 – K–12 Salary Allocation Schedule for Certificated Instructional Staff
2000–2001 School Year**

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA+90		
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	OR PHD
0	26,487	27,203	27,943	28,686	31,070	32,605	31,756	34,140	35,676
1	26,843	27,568	28,319	29,095	31,503	33,030	32,109	34,517	36,044
2	27,448	28,189	28,954	29,798	32,223	33,781	32,782	35,207	36,765
3	28,352	29,115	29,904	30,792	33,260	34,887	33,778	36,245	37,872
4	28,991	29,794	30,596	31,524	34,031	35,687	34,480	36,988	38,643
5	29,653	30,469	31,286	32,274	34,798	36,503	35,202	37,726	39,431
6	30,036	30,833	31,679	32,718	35,229	36,942	35,588	38,099	39,813
7	31,017	31,833	32,699	33,805	36,378	38,158	36,675	39,249	41,028
8	32,011	32,873	33,759	34,956	37,565	39,409	37,826	40,435	42,279
9		33,949	34,879	36,119	38,789	40,696	38,989	41,659	43,566
10			36,013	37,343	40,048	42,018	40,213	42,918	44,889
11				38,601	41,366	43,375	41,471	44,236	46,246
12				39,820	42,718	44,789	42,780	45,589	47,659
13					44,105	46,237	44,134	46,975	49,107
14					45,498	47,739	45,528	48,459	50,610
15					46,681	48,981	46,711	49,719	51,926
16					47,615	49,960	47,645	50,713	52,964

Source: Engrossed House Bill 2487 and Chapter 1, Laws of 2000, 2nd Special Session.

**Figure 18 – K–12 Salary Allocation Schedule for Certificated Instructional Staff
2001–02 School Year**

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA+90		
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	OR PHD
0	27,467	28,209	28,977	29,746	32,219	33,811	32,931	35,403	36,996
1	27,836	28,588	29,366	30,171	32,668	34,252	33,297	35,793	37,377
2	28,464	29,231	30,025	30,900	33,414	35,030	33,995	36,509	38,124
3	29,401	30,192	31,009	31,931	34,490	36,177	35,027	37,585	39,273
4	30,063	30,896	31,727	32,689	35,290	37,007	35,755	38,355	40,072
5	30,750	31,595	32,443	33,468	36,085	37,853	36,503	39,121	40,889
6	31,147	31,974	32,850	33,928	36,531	38,308	36,904	39,508	41,285
7	32,164	33,010	33,909	35,055	37,724	39,569	38,031	40,700	42,546
8	33,195	34,088	35,008	36,248	38,954	40,867	39,225	41,930	43,843
9		35,205	36,169	37,455	40,223	42,201	40,430	43,200	45,177
10			37,344	38,724	41,529	43,572	41,700	44,505	46,549
11				40,029	42,895	44,979	43,005	45,872	47,956
12				41,293	44,298	46,446	44,362	47,275	49,422
13					45,736	47,947	45,766	48,712	50,923
14					47,181	49,505	47,212	50,251	52,481
15					48,408	50,792	48,439	51,557	53,846
16					49,376	51,808	49,407	52,589	54,923

Source: Chapter 7, Laws of 2001, 2nd Special Session

B. PERSONNEL STAFFING HISTORY**Pupil-Teacher Ratios**

As education receives more and more national attention, pupil-teacher ratios also receive increasing scrutiny. The Legislature has made efforts in recent years to improve Washington State's pupil-teacher ratios. Pupil-teacher ratios are expressed "20 pupils per teacher" or simply 20:1. School finance in this state, however, works with what is called the teacher-pupil ratio. The teacher-pupil ratio, which is equivalent to the example above, is written "50 teachers per 1000 pupils" or simply 50:1000. The rest of this section will show, for clarity, both methods of expressing the same ratio.

Prior to the 1986–87 school year, the basic education funding formula provided for 50 certificated staff per 1000 full-time equivalent (FTE) pupils. This included certificated instructional staff and certificated administrative staff, although these groups were not yet defined in law. Between 1987 and 1990, ratios were established for certificated administrative, certificated instructional, and classified staff and the K–3 funding formula was enriched.

The 1991 Legislature further increased the K–3 formula staff ratio by 2 to a maximum of 54.3:1000 (18.42:1). Districts with actual K–3 staffing ratios less than 54.3:1000 and greater than 49:1000 were funded at their actual K–3 ratio. Districts with actual K–3 ratios of less than 49:1000 were funded at the statutory minimum of 49:1000. Under certain circumstances, up to 1.3 of the 54.3 funding ratio could be used to increase classified instructional assistants. See Chapter 5.A.a. for a more complete discussion.

The 1999 Legislature revised the funding ratio for K–3 into a funding ratio for K–4. Beginning in the 1999–2000 school year, school districts were allocated up to 53.2 certificated instructional staff per 1000 FTE K–4 students.

The 2000 Legislature funded a new Better Schools program for the 2000–2001 school year. This provided for an additional 2.2 certificated instructional staff units per 1000 K–4 students to supplement the basic education certificated staffing allocations. This additional staffing could also be provided under a supplemental contract for additional classroom contact hours beyond the normal school day.

The 2001 Legislature rolled funding for Better Schools into the funding for basic education. Beginning in the 2001–02 school year, school districts were allocated up to 55.4 certificated instructional staff per 1000 K–4 students.

Initiative 728, K–12 2000 Student Achievement Act, was approved by Washington State voters in November 2000 and took effect in the 2001–02 school year. Initiative 728 provided additional funding for improving student learning. The initiative identifies six allowable uses of the money including reducing class size by hiring additional teachers and providing extended learning opportunities for struggling students. Each school district determines how Initiative 728 funding can best be used to improve student learning. In the 2001–02 school year, the majority of Initiative 728 funding is being used to further reduce class size.

See Figure 23 for information about staff ratios.

Other Personnel Staffing History

The tables presented in this section are intended to provide a statistical overview of personnel in the common schools for the past ten years. Certificated and classified employees of school districts are reported annually on the S-275 reporting process. Personnel information, contract data, and assignment information are reported for every employee in the district as of October 1 of each year. S-275 personnel data are used by OSPI to calculate staff mix factors and staffing ratios used for calculating state funding. Further information is available in prior issues of this handbook or under Personnel Summary Reports on the OSPI School Apportionment and Financial Services Web site at: <http://www.k12.wa.us/safs/>.

The sources for Figures 19 through 23 are as follows:

All Certificated Staff

1991–92 through 2000–2001, SPI Report S-275 History Files

All Administrative Certificated Staff

1991–92 through 2000–2001, SPI Report S-275 History Files

All Instructional Certificated Staff

1991–92 through 2000–2001, SPI Report S-275 History Files

Basic Education Certificated Staff

1991–92 through 2000–2001, SPI Report S-275 History Files

Classified Staff

1991–92 through 2000–2001, SPI Report S-275 History Files.

Figure 19 – Historical Comparison of Statewide School District Personnel Salaries, Annualized Average Salaries, and Per Capita Income

SCHOOL YEAR	ANNUALIZED AVERAGE SALARY		WASH. AVERAGE PER CAPITA INCOME	AVERAGE SALARY AS A % OF AVERAGE INCOME		ADJUSTED TO CONSTANT 2000–2001 DOLLARS			
	ALL CERTIFICATED	ALL CLASSIFIED		ALL CERTIFICATED	ALL CLASSIFIED	SCHOOL YEAR CPI-U	ALL CERTIFICATED	ALL CLASSIFIED	PER CAPITA INCOME
1977–78	17,032	10,952	8,813	193%	124%	63.7	47,039	30,247	24,340
1978–79	18,336	11,807	9,840	186%	120%	70.1	45,971	29,602	24,670
1979–80	19,877	12,732	10,725	185%	119%	79.1	44,166	28,290	23,831
1980–81	22,430	14,040	11,630	193%	121%	88.1	44,784	28,032	23,220
1981–82	24,158	15,233	12,024	201%	127%	94.6	44,887	28,304	22,341
1982–83	24,681	15,440	12,685	195%	122%	98.6	44,029	27,543	22,629
1983–84	25,667	16,249	13,447	191%	121%	102.5	44,045	27,883	23,075
1984–85	26,806	17,099	14,096	190%	121%	106.4	44,313	28,266	23,302
1985–86	27,562	17,505	14,884	185%	118%	109.0	44,462	28,238	24,010
1986–87	28,673	A 18,038	A 15,568	184%	116%	112.4	44,868	28,226	24,361
1987–88	29,683	A 18,732	A 16,360	181%	114%	116.8	44,673	28,192	24,622
1988–89	30,756	A 19,577	A 17,558	175%	111%	122.1	44,279	28,185	25,278
1989–90	32,085	A 20,518	A 19,201	167%	107%	128.5	43,892	28,069	26,267
1990–91	34,826	A 21,560	A 20,063	174%	107%	134.5	45,540	28,193	26,235
1991–92	36,665	22,715	21,391	173%	107%	139.0	46,370	28,727	27,053
1992–93	37,698	23,562	21,945	173%	108%	143.2	46,289	28,931	26,946
1993–94	37,777	23,837	22,643	168%	106%	147.1	45,166	28,500	26,950
1994–95	38,100	24,042	23,636	163%	108%	151.1	44,337	27,977	27,403
1995–96	39,900	B 25,092	24,822	161%	101%	155.5	45,117	28,373	28,024
1996–97	39,868	B 25,314	26,289	152%	96%	159.4	43,978	27,924	28,989
1997–98	40,914	B 26,332	27,927	147%	94%	162.3	44,335	28,534	30,380
1998–99	40,900	B 26,662	29,819	137%	89%	165.5	43,454	28,327	31,681
1999–00	43,359	B 27,735	31,376	138%	88%	170.4	44,733	28,614	32,370
2000–01	44,588	B 28,896	32,276	138%	90%	175.8	44,588	28,896	32,276

SALARY NOTES

A Includes vocational-technical institutes.
 B Includes contractor staff.

ABBREVIATIONS

CPI-U = Consumer Price Index - Urban U.S.

SOURCES

1976–87 from Washington State 1991 Data Book, OFM.
 1988–95 from Economic and Revenue Forecast, Nov. 1998 REV.

PER CAPITA INCOME NOTES

Per capita income is influenced by the increase in two income families.

Figure 20 – Historical Comparison of Statewide School District Personnel Full-Time Equivalents and Annualized Average Salaries

SCHOOL YEAR	CERTIFICATED STAFF										CLASSIFIED STAFF TOTAL	
	ADMINISTRATION				INSTRUCTIONAL				TOTAL			
	CENTRAL		UNIT		TEACHERS		ESAs					
	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY
1976–77	1,052.9	\$25,272	2,239.6	\$23,035	33,640.6	\$14,921	3,427.6	\$16,798	40,360.6	\$15,801	18,692.5	\$10,225
1977–78	1,059.4	\$27,187	2,204.4	\$25,013	34,596.2	\$16,114	3,296.9	\$18,098	41,157.0	\$17,032	19,591.8	\$10,952
1978–79	1,072.0	\$29,333	2,271.8	\$26,842	34,895.5	\$17,357	3,398.2	\$19,229	41,637.5	\$18,336	20,147.5	\$11,807
1979–80	1,112.9	\$31,774	2,275.1	\$29,166	35,499.3	\$18,820	3,518.8	\$20,773	42,406.1	\$19,877	21,013.2	\$12,732
1980–81	1,136.5	\$35,307	2,304.2	\$32,721	35,599.7	\$21,267	3,677.9	\$23,255	42,719.0	\$22,430	21,402.3	\$14,040
1981–82	1,003.0	\$38,252	2,246.7	\$35,193	35,004.2	\$22,954	3,605.9	\$25,045	41,859.7	\$24,158	19,520.1	\$15,233
1982–83	909.3	\$39,311	2,190.0	\$35,746	34,117.0	\$23,485	3,470.3	\$25,622	40,686.0	\$24,681	18,962.8	\$15,440
1983–84	940.7	\$41,409	2,191.5	\$37,350	34,889.5	\$24,420	3,596.5	\$26,506	41,634.0	\$25,667	19,690.0	\$16,249
1984–85	967.6	\$43,395	2,276.9	\$38,902	35,727.1	\$25,505	3,736.8	\$27,728	42,735.0	\$26,806	20,465.0	\$17,099
1985–86	992.2	\$44,697	2,255.5	\$40,349	36,199.5	\$26,210	3,822.7	\$28,377	43,292.0	\$27,562	20,959.0	\$17,505
1986–87	1,007.8	\$46,883	2,186.0	\$42,354	37,126.9	\$27,285	3,995.3	\$29,503	44,321.0	\$28,673	21,590.0	\$18,038
1987–88	995.9	\$49,579	2,224.2	\$44,572	37,948.5	\$28,217	4,060.9	\$30,343	45,236.4	\$29,683	22,430.0	\$18,732
1988–89	1,022.0	\$52,049	2,266.0	\$46,720	38,818.0	\$29,199	4,193.0	\$31,331	46,338.0	\$30,756	23,489.0	\$19,577
1989–90	1,047.0	\$54,772	2,251.0	\$49,563	40,337.0	\$30,457	4,419.0	\$32,618	48,111.0	\$32,085	24,283.0	\$20,518
1990–91	1055.6	\$59,220	2,334.1	\$53,376	41,918.6	\$33,079	4,627.0	\$35,674	49,996.9	\$34,826	25,791.0	\$21,560
1991–92	1,058.0	\$63,128	2,316.7	\$56,755	42,923.9	\$34,824	4,839.1	\$37,544	51,209.2	\$36,665	26,681.4	\$22,715
1992–93	1,046.5	\$65,585	2,397.1	\$59,293	44,328.9	\$35,761	5,035.2	\$38,598	52,955.4	\$37,698	28,249.9	\$23,562
1993–94	1,022.2	\$65,998	2,420.4	\$59,660	45,456.2	\$35,863	5,293.2	\$38,695	54,343.4	\$37,777	29,399.4	\$23,837
1994–95	1,032.9	\$66,811	2,462.2	\$60,360	46,346.5	\$36,149	5,547.2	\$39,058	55,563.3	\$38,100	30,485.6	\$24,042
1995–96	1,008.0	\$70,400	2,492.3	\$63,805	46,899.9	\$37,851	5,599.6	\$40,820	56,171.4	\$39,900	30,712.8	\$25,092
1996–97	1,017.1	\$71,378	2,561.9	\$64,276	48,212.6	\$37,812	5,695.7	\$40,649	57,673.0	\$39,868	31,757.4	\$25,314
1997–98	1,051.0	\$73,636	2,596.5	\$66,598	49,015.0	\$38,761	5,822.6	\$41,573	58,658.7	\$40,914	32,678.4	\$26,332
1998–99	1,059.3	\$74,495	2,621.4	\$67,314	49,597.6	\$38,693	6,009.3	\$41,600	59,457.9	\$40,900	33,118.7	\$26,662
1999–00	1,075.8	\$78,183	2,658.2	\$70,892	50,238.6	\$41,047	6,346.7	\$44,132	60,488.0	\$43,359	34,195.9	\$27,735
2000–01	1,088.5	\$81,494	2,673.2	\$73,864	50,855.1	\$42,143	6,341.9	\$45,427	61,138.8	\$44,588	34,765.3	\$28,896
I	Superintendent	Elementary Principal	Elementary Teacher	Library Media Specialist	Central Administration	Director/Supervisor						
N	Assistant/Deputy Supt.	Elementary Vice Principal	Secondary Teacher	Counselor	Unit Administration	Aides						
C	Other Administrators	Secondary Principal	Other Teacher	Physical/Occup. Therapist	Classroom Teachers	Crafts/Trades						
L		Secondary Vice Principal		Social Worker	Educational Staff Assoc.	Laborers						
U		Other Unit Administrators		Speech Path. or Audiologist	Duty 51 Extracurricular	Office/Clerical						
D				Psychologist		Operators						
E				Nurse		Professional						
S				Reading Resource Spec.		Service Workers						

Figure 21 – Historical Comparison of Statewide School District Personnel for All Programs and Basic Education Programs										
ALL PROGRAMS	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01
All Certificated										
FTE staff	51,209.0	52,955.0	54,343.0	55,563.0	56,171.0	57,673.0	58,658.7	59,457.9	60,488.0	61,138.8
Annualized base salary	\$ 36,665	\$ 37,698	\$ 37,777	\$ 38,100	\$ 39,900	\$ 39,868	\$ 40,914	\$ 40,900	\$ 43,359	\$ 44,588
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.696	1.688	1.695	1.701	1.713	1.711	1.710	1.707	NA	NA
Avg. LEAP 1S mix	NA	NA	NA	NA	NA	NA	NA	NA	1.616	1.612
Derived base	\$ 21,618	\$ 22,329	\$ 22,292	\$ 22,395	\$ 23,295	\$ 23,297	\$ 23,923	\$ 23,955	\$ 26,827	\$ 27,668
Administrative Certs										
FTE staff	3,375.0	3,444.0	3,443.0	3,495.0	3,500.0	3,579.0	3,647.5	3,680.8	3,733.9	3,761.7
Annualized base salary	\$ 58,753	\$ 61,205	\$ 61,542	\$ 62,267	\$ 65,705	\$ 66,294	\$ 68,626	\$ 69,381	\$ 72,993	\$ 76,072
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.948	1.950	1.953	1.956	1.958	1.958	1.951	1.950	NA	NA
Avg. LEAP 1S mix	NA	NA	NA	NA	NA	NA	NA	NA	1.841	1.830
Derived base	\$ 30,155	\$ 31,392	\$ 31,507	\$ 31,832	\$ 33,560	\$ 33,858	\$ 35,177	\$ 35,587	\$ 39,649	\$ 41,577
Instructional Certs										
FTE staff	47,763.0	49,364.0	50,749.0	51,894.0	52,499.0	53,908.3	54,837.6	55,606.9	56,585.3	57,197.0
Annualized base salary	\$ 35,100	\$ 36,050	\$ 36,158	\$ 36,460	\$ 38,168	\$ 38,112	\$ 39,059	\$ 39,007	\$ 41,393	\$ 42,507
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.678	1.670	1.677	1.684	1.696	1.695	1.694	1.691	NA	NA
Avg. LEAP 1S mix	NA	NA	NA	NA	NA	NA	NA	NA	1.601	1.597
Derived base	\$ 20,916	\$ 21,590	\$ 21,564	\$ 21,655	\$ 22,503	\$ 22,490	\$ 23,057	\$ 23,064	\$ 25,852	\$ 26,618
Avg. supplemental	\$ 2,665	\$ 2,845	\$ 2,937	\$ 2,557	\$ 2,614	\$ 2,741	\$ 3,090	\$ 3,072	\$ 3,237	\$ 3,529
All Classified										
FTE staff	26,681.0	28,250.0	29,399.0	30,486.0	30,712.8	31,757.4	32,678.4	33,118.7	34,195.9	34,765.3
Annualized base salary	\$ 22,715	\$ 23,562	\$ 23,837	\$ 24,042	\$ 25,092	\$ 25,314	\$ 26,332	\$ 26,662	\$ 27,735	\$ 28,896
BASIC EDUCATION PROGRAMS										
All Certificated										
FTE staff	43,448.0	44,833.0	45,874.0	46,830.0	48,787.5	50,057.0	50,645.6	51,025.6	51,459.7	51,218.5
Annualized base salary	\$ 36,953	\$ 37,959	\$ 38,040	\$ 38,362	\$ 40,132	\$ 40,126	\$ 41,189	\$ 41,153	\$ 43,653	\$ 45,030
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.705	1.695	1.702	1.708	1.719	1.718	1.717	1.713	1.622	1.622
Derived base	\$ 21,676	\$ 22,389	\$ 22,353	\$ 22,458	\$ 23,344	\$ 23,352	\$ 23,986	\$ 24,025	\$ 26,911	\$ 27,768
Administrative Certs										
FTE staff	3,056.0	3,115.0	3,125.0	3,186.0	3,208.3	3,277.6	3,336.8	3,368.4	3,409.6	3,414.7
Annualized base salary	\$ 59,064	\$ 61,574	\$ 61,887	\$ 62,576	\$ 66,040	\$ 66,639	\$ 68,951	\$ 69,732	\$ 73,383	\$ 76,546
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.950	1.952	1.954	1.956	1.957	1.958	1.949	1.948	1.839	1.827
Derived base	\$ 30,286	\$ 31,543	\$ 31,670	\$ 31,993	\$ 33,749	\$ 34,036	\$ 35,375	\$ 35,795	\$ 39,909	\$ 41,891
Instructional Certs										
FTE staff	40,328.0	41,582.0	42,609.0	43,482.0	45,420.0	46,608.0	47,150.4	47,501.4	47,903.3	47,642.0
Annualized base salary	\$ 35,272	\$ 36,182	\$ 36,283	\$ 36,575	\$ 38,291	\$ 38,257	\$ 39,213	\$ 39,120	\$ 41,524	\$ 42,760
Average LEAP 1 mix	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Avg. LEAP 1A mix	1.686	1.676	1.683	1.690	1.702	1.701	1.701	1.696	1.606	1.607
Derived base	\$ 20,919	\$ 21,589	\$ 21,560	\$ 21,647	\$ 22,497	\$ 22,486	\$ 23,058	\$ 23,063	\$ 25,848	\$ 26,614
All Classified										
FTE staff	15,448.0	16,012.0	16,387.0	16,752.0	17,053.0	17,558.0	18,126.6	18,339.4	18,872.8	18,843.2
Annualized base salary	\$ 23,826	\$ 24,769	\$ 25,117	\$ 25,469	\$ 26,541	\$ 26,773	\$ 27,868	\$ 28,207	\$ 29,443	\$ 30,766

Figure 22 – LEAP 1A Placement 2000–2001 All School District Certificated Instructional Staff FTE

YEARS OF SERVICE	TOTAL	BA + 0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	PHD or MA+90
0	2,232	1,011	63	45	186	139	0	476	211	102
1	2,861	1,160	198	83	286	201	0	517	291	126
2	2,743	744	339	165	279	227	0	520	324	143
3	2,625	423	328	207	315	242	2	575	348	186
4	2,454	190	276	183	368	246	3	603	393	192
5	2,177	82	174	168	365	211	5	573	393	207
6	2,109	62	105	120	374	212	2	545	416	274
7	2,032	36	65	89	361	230	4	509	448	289
8	2,130	37	42	60	425	252	11	463	509	332
9	2,010	17	16	65	390	235	28	401	507	351
10	2,021	13	16	46	394	254	37	350	477	435
11	2,052	7	14	31	339	303	54	289	538	478
12	1,775	8	8	30	349	252	49	196	486	397
13	1,754	5	12	15	293	244	52	172	473	490
14	1,699	6	6	12	253	307	56	135	431	494
15	1,607	3	5	14	228	316	50	105	397	490
16	1,688	4	5	11	206	327	69	103	396	569
17	1,552	2	2	18	145	313	79	87	369	538
18	1,474	4	4	13	123	297	78	76	297	584
19	1,413	1	1	4	129	321	94	59	285	518
20	1,474	2	1	4	104	294	100	66	324	579
21	1,595	3	2	6	107	282	157	75	321	644
22	1,515	1	1	4	93	275	162	63	269	646
23	1,498	1	2	8	70	277	197	46	242	656
24	1,489	2	3	3	75	284	198	49	226	649
25	1,377	0	0	1	56	269	184	45	203	618
26	1,431	1	2	3	66	262	238	32	178	649
27	1,357	1	3	2	61	233	225	44	182	606
28	1,199	1	3	6	49	209	223	22	174	512
29	1,112	1	1	5	40	202	226	30	138	469
30	755	0	1	3	26	113	176	24	77	335
31	578	0	1	3	20	93	117	14	57	272
32	399	0	1	0	15	74	90	13	51	155
33	314	0	1	3	14	58	71	12	28	127
34	239	0	0	1	7	40	45	8	33	105
35+	455	0	2	1	28	61	97	15	68	181
TOTAL	57,196	3,829	1,703	1,430	6,638	8,152	3,178	7,311	10,557	14,397

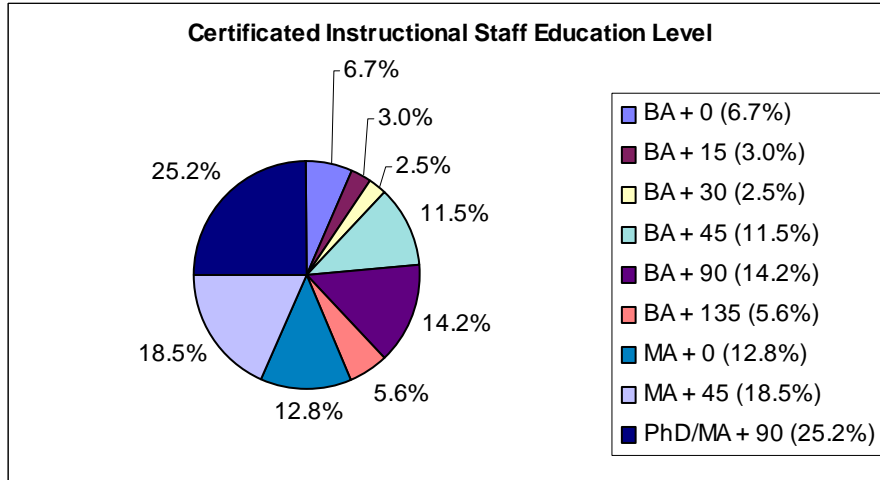


Figure 23 – Historical Comparison of Statewide School District Staff Ratios K–12, K–3, and K–4 Staff Per 1,000 Enrolled Students

SY	Avg Ann Enroll. P-223*	All Education Programs						K-12 Basic Education Programs				K-3 Basic Education Programs			K-4 Basic Education Programs					
		Certificated Staff					Class Total Staff	Ann. Enroll. 1191E	Report T-165B*			Report T-165A**			Report T-165A**					
		Admin. Cent.	Unit	Instr. Teach.	ESAs	Total Staff			Admin.	Instr.	Total	Class. Total	K-3	Cert. Instr.	Instr. Assts.	K-4	Cert. Instr.	Instr. Assts.		
76-77	744,362	1.41	3.01	45.19	4.61	54.22	25.11													
77-78	742,085	1.43	2.97	46.62	4.44	55.46	26.40													
78-79	734,917	1.46	3.09	47.48	4.62	56.66	27.41	735,076				50.65	15.95							
79-80	729,450	1.53	3.12	48.67	4.82	58.13	28.81	729,519				51.53	16.99							
80-81	722,623	1.57	3.19	49.26	5.09	59.12	29.62													
81-82	712,769	1.41	3.15	49.11	5.06	58.73	27.39	712,872				50.26	16.98							
82-83	701,777	1.30	3.12	48.62	4.94	57.98	27.02	701,875				49.61	16.82							
83-84	699,622	1.35	3.13	49.87	5.14	59.48	28.14	699,693				51.64	17.51							
84-85	702,550	1.38	3.24	50.85	5.32	60.79	29.13	702,681				52.45	17.91							
85-86	708,949	1.40	3.18	51.06	5.39	61.04	29.56	709,089				52.46	17.99							
86-87	720,744	1.40	3.03	51.51	5.54	61.49	29.96	698,961	4.08	49.14	53.22	18.75								
87-88	733,872	1.36	3.03	51.71	5.53	61.63	30.56	711,281	4.04	49.32	53.36	18.90								
88-89	748,417	1.37	3.03	51.87	5.60	61.91	31.38	724,228	4.02	49.55	53.57	19.11								
89-90	768,356	1.36	2.93	52.50	5.75	62.62	31.60	742,995	3.95	50.38	54.33	19.11	236,508	50.95						
90-91	795,736	1.33	2.93	52.68	5.81	62.83	32.41	768,602	3.93	50.62	54.55	19.31	242,034	52.44	2.91					
91-92	823,040	1.29	2.81	52.15	5.88	62.22	32.42	794,542	3.85	50.76	54.61	19.44	246,036	53.95	3.11					
92-93	849,759	1.23	2.82	52.17	5.93	62.23	33.23	819,338	3.80	50.75	54.55	19.54	248,455	54.32	3.19					
93-94	865,796	1.18	2.80	52.50	6.11	62.68	33.94	833,854	3.75	51.10	54.85	19.65	249,103	54.27	3.13					
94-95	882,097	1.13	2.83	53.06	6.31	62.87	34.56	847,966	3.76	51.28	55.04	19.75	250,070	54.60	3.24					
95-96	899,083	1.12	2.77	52.16	6.23	62.48	34.16	899,083	3.57	50.52	54.09	18.97	258,670	55.23	3.43					
96-97	917,504	1.11	2.79	52.53	6.21	62.84	34.60	917,504	3.57	50.80	54.37	19.05	264,358	55.39	3.48					
97-98	929,914	1.13	2.79	52.71	6.26	63.08	35.14	929,914	3.59	50.70	54.29	19.41	267,841	55.22	2.95					
98-99	938,974	1.13	2.79	52.82	6.40	63.32	35.27	938,974	3.59	50.59	54.18	19.53	268,575	55.36	2.91					
99-00	940,395	1.14	2.83	53.42	6.75	64.32	36.36	940,395	3.63	50.94	54.57	19.96	-	-	-	341,412	53.79	2.76		
00-01	942,323	1.16	2.84	53.97	6.73	64.88	36.89	942,323	3.62	50.56	54.18	20.00	-	-	-	335,785	53.78	2.66		

*Beginning in 1986–87, enrollment figures include P-240 enrollment and exclude special education program student FTEs. For 1988–89 through 1992–93, enrollment figures further exclude learning center program FTE. Beginning in 1993–94, former learning center enrollment and staff FTE were no longer reported in program 56 and so no longer required adjustment for calculation of these ratios. Also beginning in 1993–94, enrollment figures exclude Running Start program FTE. Beginning in 1995–96, enrollment figures exclude program FTE for University of Washington and direct-funded technical colleges. Enrollment figures for the same period are the enrollments used for apportionment purposes. Only staff assigned to basic education are used in the computation of the ratios. Staff counts used in the ratios for 1978–86 include the basic education portion of special education program staff time.

**Source: SPI Form 1159. This measurement is made pursuant to chapter 392–140 WAC. Enrollment periods used in the calculation of these ratios may be selected by school districts and may differ among school districts.

***Beginning in 1999–2000, enhanced staffing for kindergarten through third grade was expanded to also include fourth grade.

CHAPTER 12. SCHOOL ENROLLMENT

A. ENROLLMENT HISTORY

Washington public school enrollment declined from 1970 through 1984, reaching a low of about 700,000 full-time equivalent (FTE) students in the 1983–84 school year. Since then enrollment has grown by 35.8 percent, reaching 951,043 FTE students in the 2000–2001 school year. Additional growth of 0.5 percent is expected in the 2001–02 school year. Some major factors that affect enrollment growth:

- Demographics - The annual number of births per year in Washington has generally increased from year to year since the 1970s (Although certain individual years did show decreases). As a result, kindergarten and first grade students are entering in greater numbers than high school seniors are leaving the school system. This dynamic is pushing total enrollment upward.
- Immigration - More families are moving into Washington State than are moving out. New families moving to this state bring new children that must be educated.

The tables presented in this chapter are intended to provide a statistical overview of pupils over the past decade.

Figure 24 shows average headcount enrollments for 1991–92 through 2000–2001 as reported by school districts on Form P-223 and as shown on SPI Report 1251H. Average headcount enrollment is the average number of individual students enrolled on the nine monthly count dates of the school year (September–May).

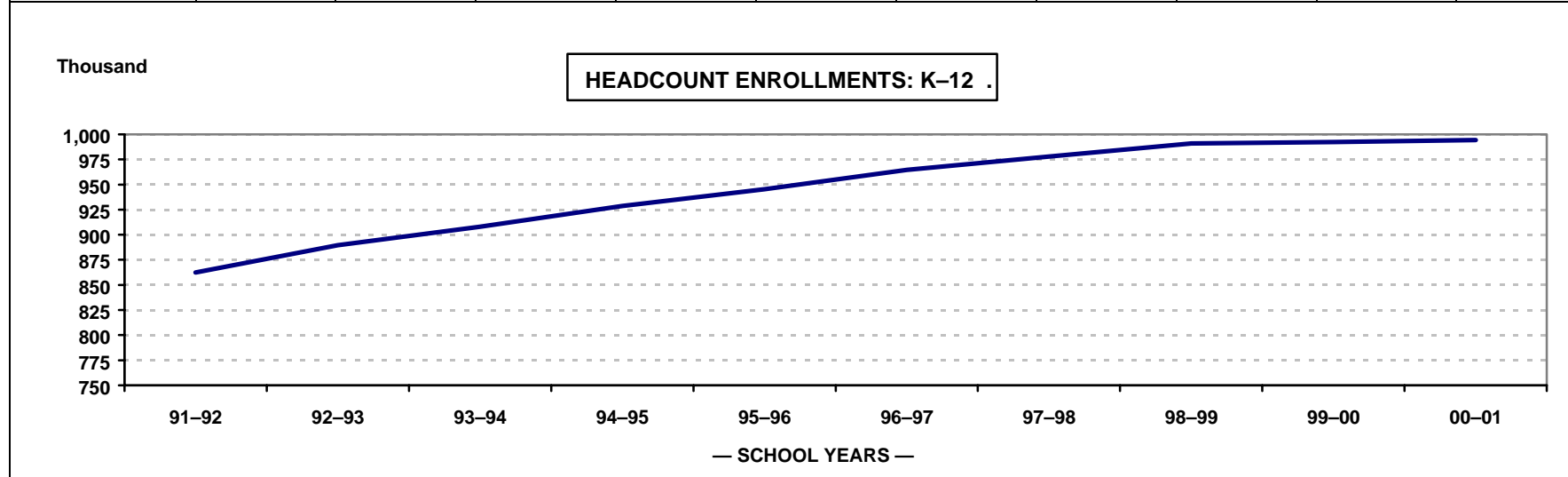
Figure 25 shows average full-time equivalent (FTE) students for 1991–92 through 2000–2001 as reported by school districts on Form P-223 and shown on SPI Report 1251. Kindergarten students are counted as a maximum of one-half of an FTE. First through third grade students enrolled for 20 hours per week or more and fourth through twelfth grade students enrolled for 25 hours per week or more are counted as one FTE. Other enrollments reflect state funded summer school and ancillary services provided to private school or home school students.

Figure 26 shows special education enrollment by age category for 1991–92 through 2000–2001 as reported on Form P-223H. Average special education enrollment is the average number of individual students in each category on eight count dates (October through May) from SPI Report 1735T.

Figure 27 shows private school enrollments from 1991–92 through 2000–2001.

Figure 24 – Historical Comparison of Statewide School District Enrollments Average Annual Headcount

GRADE	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
			(restated)		(restated)	(restated)	(restated)	(restated)		
KINDERGARTEN	69,094	69,078	69,624	71,648	73,700	73,514	72,948	71,264	68,551	68,487
1	73,298	74,102	73,206	73,742	75,872	78,182	77,941	77,935	75,837	73,601
2	71,894	73,431	73,875	73,184	73,745	76,107	78,290	77,490	77,153	75,420
3	72,938	73,561	74,366	74,662	73,886	74,751	76,848	78,848	77,801	77,938
4	72,569	74,295	74,346	75,039	75,282	74,728	75,382	77,460	79,041	78,419
5	71,084	73,874	75,151	74,942	75,707	76,096	75,476	75,956	77,806	79,784
6	69,152	71,977	74,220	75,446	75,433	76,463	76,711	76,071	76,302	78,550
7	66,697	70,418	72,611	74,877	75,788	76,148	77,259	77,678	76,539	77,104
8	62,742	66,901	70,070	72,281	74,645	75,668	76,192	77,140	77,191	76,725
9	65,846	67,543	70,737	74,231	77,199	80,494	82,181	83,780	84,916	85,670
10	58,807	63,411	64,442	67,859	71,455	74,135	76,581	77,499	78,366	78,642
11	55,392	56,698	60,415	60,956	63,905	67,041	68,742	70,801	71,553	72,662
12	52,910	54,391	54,954	57,666	58,664	61,314	63,265	64,812	66,879	66,855
SUMMARY										
KINDERGARTEN	69,094	69,078	69,624	71,648	73,700	73,514	72,948	71,264	68,551	68,487
GR. 1-3	218,130	221,094	221,447	221,588	223,504	229,041	233,079	234,275	230,791	226,960
GR. 4-6	212,805	220,146	223,717	225,427	226,425	227,287	227,569	229,487	233,149	236,753
GR. 7-8	129,439	137,319	142,681	147,158	150,434	151,815	153,451	154,818	153,730	153,829
GR. 9-12	232,955	242,043	250,548	260,712	271,224	282,984	290,770	296,962	301,714	303,829
RUNNING START			1,499	2,136	2,574	3,178	3,565	4,035	4,435	4,570
TOTAL	862,423	889,680	909,516	928,669	947,861	967,819	981,382	990,841	992,370	994,428

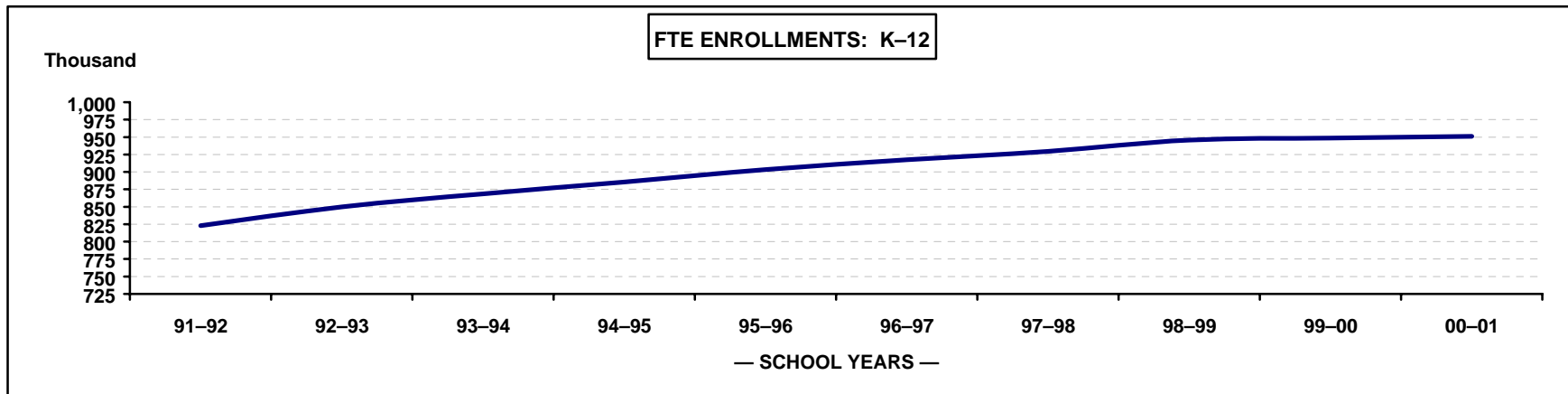


Footnote: Certain years, as noted, have been restated to consistently include the Running Start enrollments in the total amounts.

Source: SPI Form P-223, Monthly Report of School District Enrollment Eligible for Basic Support.

Figure 25 – Historical Comparison of Statewide School District Enrollments Average Annual FTE Enrollment

GRADE	1991–92	1992–93	1993–94	1994–95	1995–96 (restated)	1996–97 (restated)	1997–98 (restated)	1998–99 (restated)	1999–00 (restated)	2000–01 (restated)
KINDERGARTEN	34,560	34,555	34,815	35,815	36,843	36,751	36,430	35,612	34,236	34,212
1	73,286	74,087	73,134	73,663	75,822	78,105	77,795	77,829	75,692	73,490
2	71,881	73,399	73,791	73,070	73,679	76,032	78,145	77,391	76,980	75,295
3	72,921	73,530	74,285	74,538	73,801	74,675	76,673	78,747	77,648	77,799
4	72,547	74,253	74,246	74,903	75,187	74,641	75,227	77,311	78,854	78,284
5	71,044	73,820	75,043	74,793	75,581	75,991	75,303	75,775	77,589	79,599
6	69,100	71,904	74,082	75,240	75,272	76,285	76,468	75,813	76,060	78,321
7	66,597	70,287	72,397	74,589	75,521	75,861	76,908	77,330	76,201	76,803
8	62,631	66,714	69,810	71,921	74,321	75,330	75,800	76,707	76,718	76,317
9	65,532	67,189	70,255	73,631	76,482	79,730	81,394	82,980	84,094	84,803
10	58,408	62,981	63,934	67,242	70,665	73,277	75,705	76,649	77,404	77,689
11	54,078	55,253	58,514	58,843	61,522	64,257	65,656	67,424	68,034	68,832
12	50,455	51,787	51,490	53,666	54,305	56,505	58,101	59,258	60,983	60,954
SUMMARY										
KINDERGARTEN	34,560	34,555	34,815	35,815	36,843	36,751	36,430	35,612	34,236	34,212
GR. 1–3	218,088	221,016	221,210	221,271	223,302	228,812	232,612	233,967	230,319	226,583
GR. 4–6	212,691	219,977	223,371	224,936	226,040	226,917	226,998	228,900	232,504	236,205
GR. 7–8	129,228	137,001	142,207	146,510	149,842	151,191	152,708	154,038	152,919	153,120
GR. 9–12	228,473	237,210	244,193	253,382	262,974	273,768	280,856	286,311	290,515	292,278
RUNNING START *			2,850	3,695	4,452	5,510	6,251	7,002	7,467	7,938
OTHER ENROLLMENTS *					735	518	579	548	525	707
TOTAL	823,040	849,759	868,646	885,609	904,288	923,467	936,434	946,378	948,485	951,043

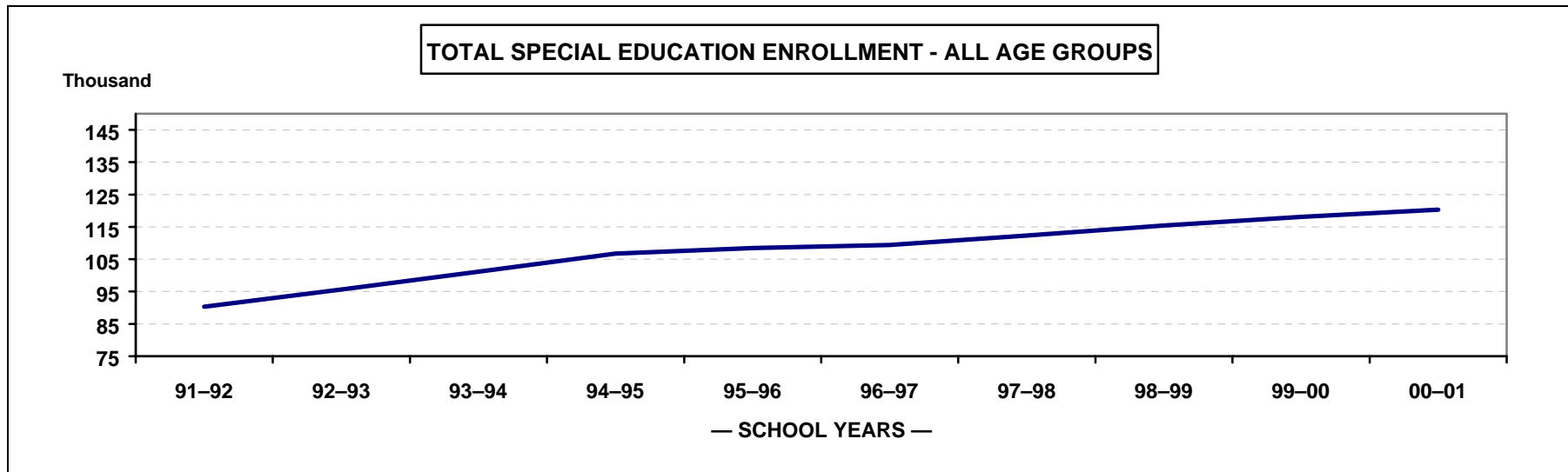


Footnote: Certain years, as noted, have been restated to include Other Enrollments. Other Enrollment includes enrollment in summer school, ancillary services and the University of Washington. Prior to 1995–96 these were not reported on the P-223. Running Start was included in Grades 11 and 12 counts on the P-223 prior to 1993–94.

Source: SPI Form P-223, Monthly Report of School District Enrollment Eligible for Basic Support.

Figure 26 – Historical Comparison of Statewide School District Enrollments Average Special Education Program Headcount Enrollment

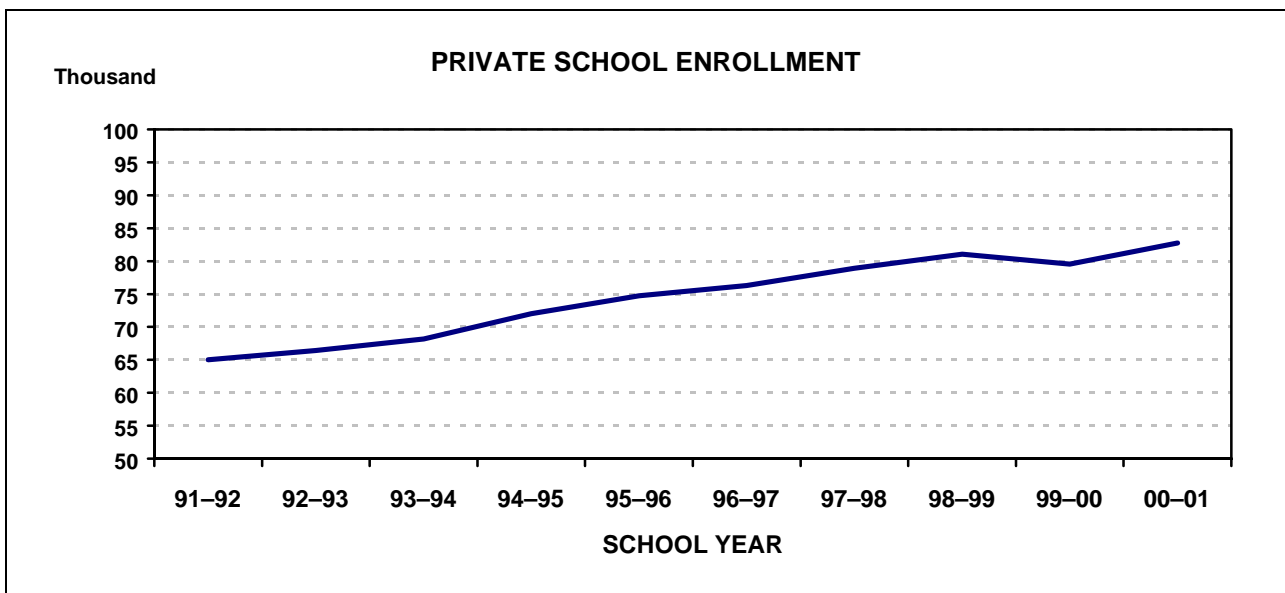
	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01
AGE 0–2	1,107	1,320	1,671	1,951	1,761	1,691	1,733	1,793	1,887	1,966
AGE 3–21	89,195	94,285	99,469	104,806	106,666	107,749	110,575	113,633	116,215	118,333
TOTAL	90,303	95,605	101,139	106,757	108,426	109,440	112,308	115,425	118,102	120,299



Source: SPI Form P-223H, Monthly Report of School District Special Education Enrollment.

**Figure 27 – Approved Private School and Student Enrollment
Ten Year History (1991–2001)**

Total Approved Private Schools And Student Enrollments By Year		
Year	Schools	Enrollment
1991–92	419	65,038
1992–93	428	66,438
1993–94	439	68,182
1994–95	458	72,032
1995–96	455	74,709
1996–97	470	76,306
1997–98	465	78,926
1998–99	468	81,048
1999–00	498	79,543
2000–01	493	82,729



Source: SPI Form P-105B School Enrollment Report - Private School.

B. CHOICE ENROLLMENT

In 1990 the Legislature passed the Student Enrollment Options law (Chapter 9, Laws of 1990 1st extraordinary session), also known as the Choice law. The chief elements of the Choice law are:

Interdistrict Choice which facilitates transfers of students between school districts.

Intradistrict Choice which requires districts to adopt policies regarding transfers between schools within the district.

Running Start which permits students to attend a community or technical college and simultaneously earn high school and college credit.

7th and 8th Grade Choice which permits seventh and eighth grade students to earn high school credit for qualifying courses.

The Choice law also requires school districts to publicize student enrollment options.

With the exception of 7th and 8th grade Choice, the enrollment options existed in some form before the passage of the Choice law. Many districts allowed interdistrict and/or intradistrict transfers. Several districts allowed students to fulfill high school graduation requirements by taking selected community college courses.

The Choice law broadens these options. It requires all districts to adopt interdistrict and intradistrict transfer policies and makes it more difficult to deny the release of a student to another district. It allows students to gain high school credit for most community college and technical college courses. And it gives greater publicity to the enrollment options. Beginning with 1993–94, it prohibits school districts from charging a transfer fee or tuition.

The Superintendent of Public Instruction does not collect data on transfers between schools or districts or community college credit.

The Choice laws are codified within RCW 28A.225.

CHAPTER 13. SCHOOL DISTRICT GENERAL FUND REVENUES AND EXPENDITURES

This chapter presents several figures displaying summaries of General Fund revenues and expenditures as reported on the school district's annual financial statement, the F-196. Summaries for the 2000–2001 fiscal school year cover the period September 1, 2000 through August 31, 2001.

Figure 28 shows expenditures for all funds. Note that General Fund expenditures make up over 80% of all school district expenditures. The General Fund is used for the day-to-day maintenance and operations of the districts. The other funds are used for special purposes such as school construction and remodeling (Capital Projects) and Associated Student Body activities. Expenditures for the other funds are discussed in Chapters 8, 9, and 10.

All 296 school districts and nine ESDs submit their annual financial statement to the Office of Superintendent of Public Instruction after the close of the school year. Revenue and expenditure reports are summarized and consolidated in the *Financial Reporting Summary* published each year by OSPI. The publication is available on the School Apportionment and Financial Services Web site under "Publications" at <http://www.k12.wa.us/safs/>. District-to-district comparisons are available in the publication. Most comparisons are made by grouping districts of similar enrollment sizes based on the number of full-time equivalent students. The *Financial Reporting Summary* is particularly useful to districts during budget preparation and provides information to individuals and groups interested in the financial operations of school districts and ESDs in the state of Washington.

PUBLIC SCHOOL DISTRICTS
Figure 28 – Expenditures by Fund
2000–2001 School Year

Fund	Dollars	% of Total	\$ Per Student FTE
General Fund	\$6,695,579,338	80.3%	\$6,945
Capital Projects Fund			
Building	762,156,439	9.2%	790
Equipment	76,027,252	0.9%	79
Sites	61,458,534	0.7%	64
Energy	2,659,972	0.0%	3
Debt Principal	2,566,119	0.0%	3
Bond	3,953,677	0.1%	4
Interest and Other	1,104,942	0.0%	1
Total Fund Expenditures	909,926,935	10.9%	944
Debt Service Fund			
Interest	287,326,431	3.4%	298
Principal	302,747,575	3.7%	314
Total Fund Expenditures	590,074,006	7.1%	612
Transportation Vehicle Fund			
Equipment	30,366,080	0.4%	32
Debt Principal	1,061,097	0.0%	1
Interest and Other	148,290	0.0%	0
Total Fund Expenditures	31,575,467	0.4%	33
Associated Student Body Fund	108,137,843	1.3%	112
Trust Funds	2,034,263	0.0%	2
Total Expenditures All Funds	\$8,337,327,852	100.0%	\$8,648

Source: SPI Report F-196 Annual Financial Statements for School Districts.

Figure 28 displays a summarized total of all district funds for the 2000–2001 school year. A fund is defined as a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations. Total average annual FTE pupil enrollment for 2000–2001 was used to calculate the dollars per FTE pupil calculation.

PUBLIC SCHOOL DISTRICTS
Figure 29 – General Fund Expenditures by Program
2000–2001 School Year

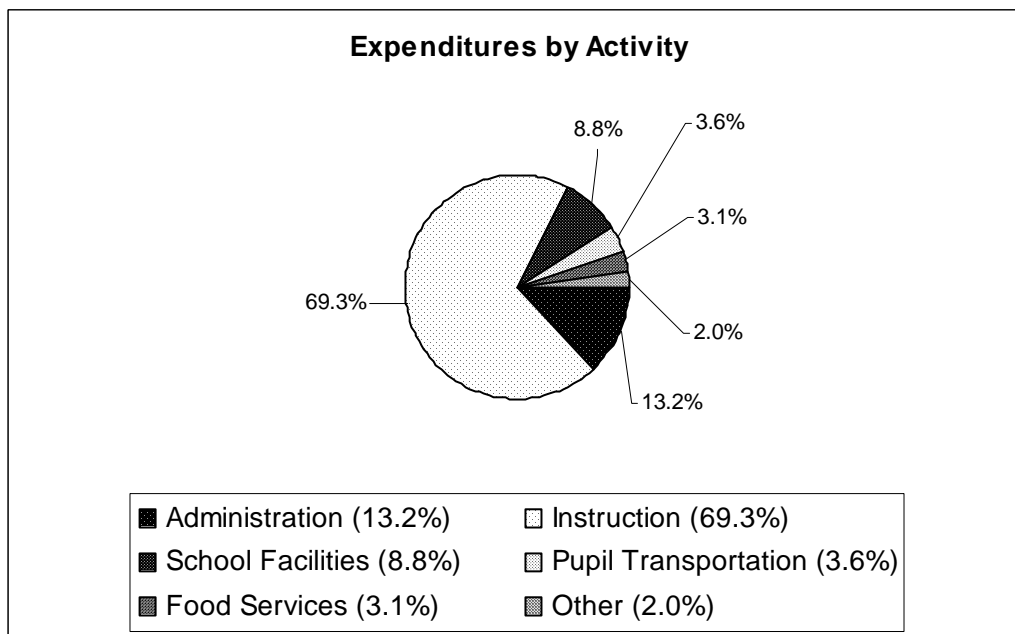
Direct Program Fund	Dollars	% of Total	\$ Per Student FTE
Basic Instruction	\$3,741,485,628	55.9%	\$3,881
Special Education	633,378,777	9.4%	657
Vocational/Skills Center	245,203,139	3.6%	254
Pupil Transportation	266,295,510	4.0%	276
Food Services	224,783,428	3.4%	233
Compensatory Education			
Remediation	110,463,689	1.6%	116
Learning Assistance	73,539,208	1.1%	76
Bilingual Education	57,356,070	0.9%	59
Special and Pilot Institutions	38,377,076	0.6%	40
All Others	16,869,480	0.2%	17
All Others	44,606,883	0.7%	46
Total Compensatory Education	341,212,406	5.1%	354
Other Instruction			
Local Education Program Enhancement	36,341,764	0.5%	38
Traffic Safety Education	15,286,420	0.2%	16
Highly Capable	11,091,523	0.2%	12
Better Schools	57,766,698	0.9%	60
All Other	133,880,063	2.0%	138
Total Other Instruction	254,366,468	3.8%	264
Community Support	37,757,238	0.6%	39
Other Support Services	951,096,744	14.2%	987
Total Expenditures All Programs	\$6,695,579,338	100.0%	\$6,945

Source: SPI Report F-196 Annual Financial Statements for School Districts.

Figure 29 presents a summarized comparison of district student expenditures by program for the 2000–2001 school year. The expenditure amount per FTE pupil is based upon total statewide FTE pupil enrollment and not the enrollment in the individual programs. Programs of expenditures describe the categories that are directly involved in the instruction and education of students.

PUBLIC SCHOOL DISTRICTS
Figure 30 – General Fund Expenditures by Activity
2000–2001 School Year

Activity	Dollars	% of Total	\$ Per Student FTE
Administration*	\$ 881,390,703	13.2%	\$ 914
Instruction	4,635,037,005	69.3%	4,808
School Facilities	591,520,292	8.8%	614
Pupil Transportation	238,108,053	3.6%	247
Food Services	209,043,260	3.1%	217
Other	140,480,025	2.0%	145
Total Expenditures	\$6,695,579,338	100.0%	\$6,945



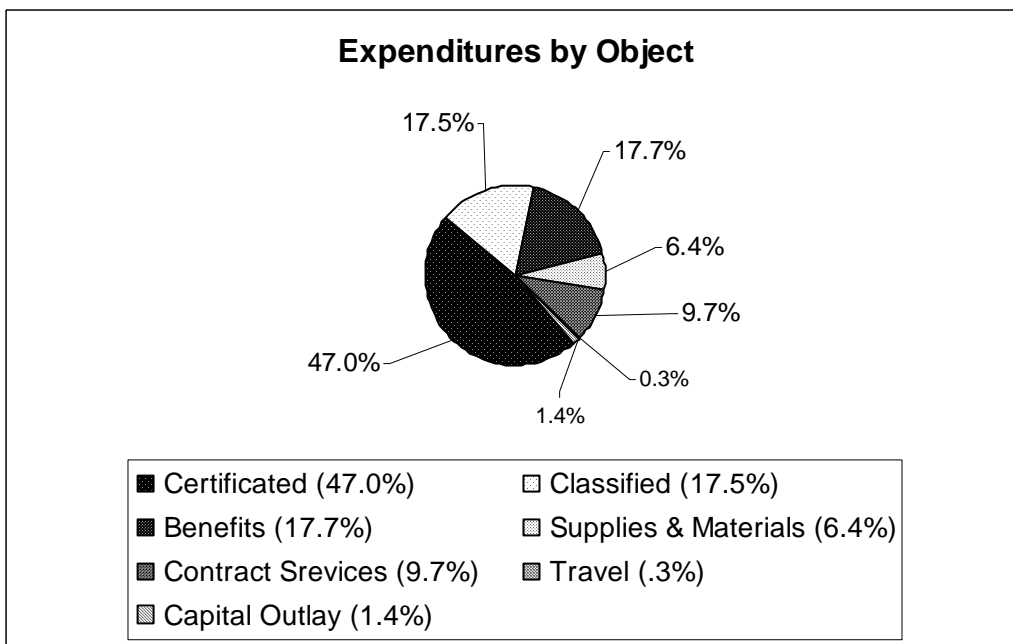
Source: SPI Report F-196 Annual Financial Statements for School Districts.

Figure 30 presents a summarized comparison of district expenditures by activity. Activities categorize district expenditures by a functional area.

* Administration expenditures include building principals and the supervision of the food services, transportation, and the grounds and maintenance activities.

PUBLIC SCHOOL DISTRICTS
Figure 31 – General Fund Expenditures by Object
2000–2001 School Year

Object	Dollars	% of Total	\$ Per Student FTE
Certificated Salaries	\$3,144,041,037	47.0%	\$3,261
Classified Salaries	1,168,749,788	17.5%	1,212
Benefits	1,186,056,078	17.7%	1,230
Supplies & Materials	430,643,535	6.4%	447
Contract Services	647,949,221	9.7%	672
Travel	22,785,624	0.3%	24
Capital Outlay	95,354,055	1.4%	99
Total Expenditures	\$6,695,579,338	100.0%	\$6,945



Source: SPI Report F-196 Annual Financial Statements for School Districts.

Figure 31 presents a summarized comparison of district student expenditures by object. Objects of expenditures describe the general nature of the goods or services required to accomplish the objectives of the program and activity.

PUBLIC SCHOOL DISTRICTS
Figure 32 – State Summary – General Fund
2000–2001 School Year
Statement Of Revenues, Expenditures, And Changes In Fund Balance
For The Fiscal Year Ended August 31, 2001

Revenues	
Local	\$1,294,104,819
State	4,843,231,642
Federal	552,810,228
Other	45,899,135
Total Revenues	6,736,045,824
Expenditures	
Regular Instruction	3,707,913,360
Special Ed Instruction	630,270,030
Vocational Education	214,258,611
Skills Center Instruction	19,778,538
Compensatory Education	391,305,207
Other Instructional Programs	185,195,595
Community Services	37,184,457
Support Services	1,411,390,004
Capital Outlay	95,354,055
Principal	2,320,280
Interest and Other	609,202
Total Expenditures	6,695,579,339
Excess of Revenues Over (Under) Expenditures	40,466,485
Other Financing Sources (Uses)	
Bond Sales	130,026
Long-Term Financing	2,191,360
Operating Transfers Out	(22,046,301)
Other	836,859
Total Other Financing Sources (Uses)	(18,888,056)
Revenues and Other Financing Sources Over (Under) Expenditures	21,578,429
Fund Balance at September 1, 2000	445,806,569
Correction of Prior Year Errors and Other Restatements	(724,654)
Residual Equity Transfers	180,768
Fund Balance at August 31, 2001	\$466,841,112

Source: SPI Report F-196, Annual Financial Statement for School Districts

Figure 32 includes capital expenditures for all areas under the line item "Capital Outlay".

PUBLIC SCHOOL DISTRICTS
Figure 33 – School District General Fund Revenue Ten Year History
Sources Of Revenue By Percent

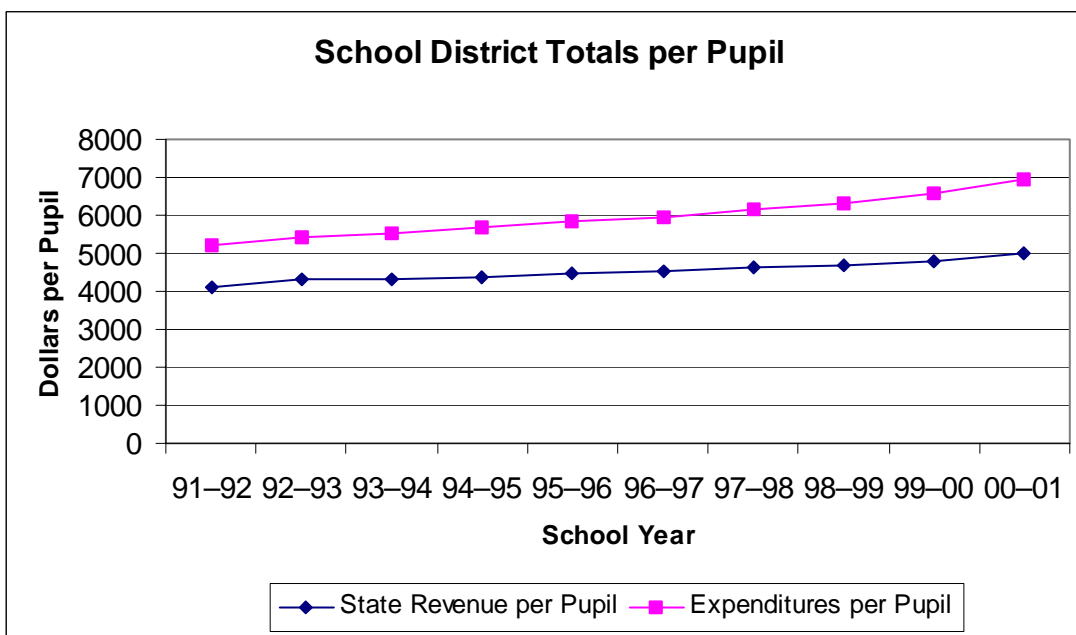
School Year	Local Taxes	State Revenue	Federal Revenue	Local Fees and Other Revenue
1991–92	11.89%	78.46%	5.98%	3.67%
1992–93	12.47%	78.08%	5.98%	3.47%
1993–94	13.60%	76.61%	6.22%	3.57%
1994–95	13.78%	76.28%	6.29%	3.65%
1995–96	14.12%	75.76%	6.18%	3.94%
1996–97	14.70%	75.00%	6.32%	3.98%
1997–98	14.35%	74.71%	6.83%	4.11%
1998–99	15.91%	73.95%	7.12%	3.02%
1999–00	15.16%	72.58%	7.71%	4.55%
2000–01	15.22%	71.87%	8.20%	4.71%

Source: SPI Report F-196 Annual Financial Statements for School Districts

PUBLIC SCHOOL DISTRICTS

Figure 34 – Historical Comparison of Statewide School District General Fund Revenues and Expenditures Per Pupil

School Year	Total FTE Enrollment	Total Revenue Per FTE Pupil	State Revenue Per FTE Pupil	Total Expenditures Per FTE Pupil
1991–92	836,827	\$5,241	\$4,112	\$5,196
1992–93	860,764	5,500	4,294	5,417
1993–94	880,700	5,601	4,291	5,532
1994–95	899,203	5,750	4,386	5,702
1995–96	917,652	5,902	4,472	5,845
1996–97	936,395	6,019	4,514	5,953
1997–98	949,349	6,186	4,611	6,169
1998–99	959,541	6,318	4,672	6,292
1999–00	961,449	6,616	4,802	6,586
2000–01	964,037	\$6,987	\$5,024	\$6,945



Sources: SPI Form F-196, Annual Financial Statement for School Districts
 SPI Form P-223 plus enrollment reported in programs for preschool special education, vocational technical institutes through 1990–91, and state institutions.

Figure 34 presents a 10 year comparison of total revenues and state revenues per pupil with total expenditures per pupil.

CHAPTER 14. HISTORY OF EDUCATION IN WASHINGTON

A. FIRST SCHOOLS

The first known school in the Oregon Country was taught during the winter of 1832–33 at Fort Vancouver by John Ball, a graduate of Dartmouth College, who had come west with Nathaniel Wyeth, a Boston merchant who attempted to build a fur-trading and salmon fishing business in Oregon. Ball agreed to teach the children of the fort, including the son of Dr. John McLoughlin, the fort's factor. His class contained mostly Indian and part Indian children of several different tribes.¹

About the time that John Ball began his school at Fort Vancouver, a Spokane Indian, Spokane Garry, started a school among his people near Spokane Falls within the present city limits of Spokane. The school structure was 20 by 50 feet and made of poles over which were stretched tule or reed mats. In 1825 young Garry had been taken to the Red River Valley by Sir George Simpson, governor-general of the Hudson's Bay Company. Garry spent five years there studying both English and French in addition to the Christian religion. On his return to Spokane, he began to preach and teach among the Indians.²

Other schools, conducted by missionaries, lasted for a period of some ten years, but none of these early schools, except those at Fort Vancouver and Willamette, continued after 1847. In November 1852, the first school for white children on Puget Sound was opened in his home in Olympia by the postmaster, A. W. Moore. Three such schools were in existence north of the Columbia River by the end of 1853.

B. ESTABLISHMENT OF COMMON SCHOOL SYSTEM

The common school system of the State of Washington dates from the passage in 1854 of the basic common school law of Washington Territory by the first territorial Legislature. This law was enacted in response to a stirring address to the Legislature by Governor Isaac I. Stevens, first territorial governor, urging that special attention be given to public education. It provided for the formation of school districts by action of the county superintendent, created the offices of school director and county superintendent and prescribed the duties of these officers, authorized the levying of a school district tax by vote of the electors, and created the Permanent School Fund.

C. EARLY ADMINISTRATION OF COMMON SCHOOLS

Although the first territorial Legislature established the offices of county superintendent and of directors of school districts, it failed to provide for a chief school administrative officer for the territory. During the next 18 years, except for the one year—1861–62—the highest school administrative office in the territory was that of the county superintendent. No qualifications were required of this official. The term was one year; the salary set at \$25 (increase possible); and the duties were to visit schools, to examine persons wishing to teach, to divide the inhabited part of the county into school districts, and to continue to make such divisions as the need arose.

In 1861 the Legislature established the office of Territorial Superintendent of the Common Schools and appointed B. C. Lippincott of Olympia as superintendent for a term of three years. His duties were to collect information about the schools, to make an annual report of such information to the Legislature, and to make recommendations for improvements. His report, made in 1862, showed 53 schools in the territory and more than 2,000 children between 4 and 21 years.³

¹ Bolton, Frederick E. and Bibb, Thomas W. *History of Education in Washington*. U.S. Bulletin No. 9. Washington D.C.: U.S. Government Printing Office, 1935. pp. 33–35.

² *Ibid* p. 41.

³ Washington Territory. "Report of the Territorial Superintendent of Common Schools." House Territorial Journal for 1861. Olympia, Washington: State Printing Plant.

The territorial superintendent of schools was removed from office and the office itself abolished in 1862 because of Lippincott's recommendation against the establishment at that time of a territorial university. In 1871 the Legislature created the office of Territorial Superintendent of Public Instruction, the superintendent to be elected for a term of two years by the two houses of the Legislature in joint session. Nelson Rounds, who had just resigned as president of Willamette University, was appointed superintendent. Except for Lippincott's report in 1861, little is known about the schools of the territory until Rounds made his report in 1872.

Since no provision had been made by law for the maintenance of the territorial superintendent's office. Rounds and his successors maintained their offices in their homes. As a result, six towns served at times as the Territory's school center—Olympia, Goldendale, Waitsburg, Port Townsend, Garfield, and Ellensburg.

Establishment of Territorial Board of Education

The Legislature established the Territorial Board of Education in 1877. The board consisted of the Territorial Superintendent of Public Instruction and one person from each of the three judicial districts to be appointed for a term of two years by the Governor with the approval of the Legislature. The chief duties of this board were to adopt textbooks and to prepare a course of study for the common schools. The composition and duties of this board remained practically unchanged until statehood in 1889.

D. GROWTH AND DEVELOPMENT OF COMMON SCHOOLS DURING TERRITORIAL PERIOD

The Legislature in 1854 established three months as the minimum length of the school term, but reports of the superintendents indicate this was extended until, when Washington became a state in 1889, the term ranged from three to eight months with an average of four and one-half months.⁴

Other noteworthy developments during the territorial period were (1) establishment of graded schools (made mandatory in 1877 for towns having 500 or more pupils), (2) beginning of the movement for the uniting of school districts for purposes of improving educational services, and (3) extension of the powers and duties of boards of directors of school districts to permit more expeditious and effective operation of schools. Authority of the board to employ a superintendent of schools for the district and to levy a specified local district tax with authorization of the voters were established by law prior to statehood.

E. FINANCIAL SUPPORT OF COMMON SCHOOLS 1854 TO 1956

Support During Territorial Period

Common school support has been recognized as the joint responsibility of the territory or state, the county, and the local district since enactment of the first school law by the Territorial Legislature of 1854. The question at issue throughout the years has been the measure of responsibility of each unit.

In establishing the Permanent School Fund, the 1854 Legislature provided that the interest from the fund should be divided annually among the school districts of the territory on the basis of the number of census children in each district. The support accruing to local districts from this source was relatively small throughout the territorial period because the amount of the Permanent School Fund was extremely limited. The law of 1854 also provided that each board of county commissioners should levy a two-mill county property tax, the proceeds to make up a county school fund to be used for matching on a fifty-fifty basis the funds raised by local district taxation. To be eligible for county matching funds, a school district had to operate a school for three months during

⁴ Washington Territory. Superintendent of Public Instruction. *Ninth Report of Superintendent of Public Instruction, 1889*. Tacoma, Washington: Puget Sound Printing Company, 1889. pp. 33–35.

each school year. Although this early law governing school support was modified from time to time, no adequate provision was made for the support of schools in all districts during the entire territorial period. Only those districts that had a substantial per-pupil valuation found it possible to maintain schools for six months or more during each year.

State Support Since Statehood

The principles on which state financial support of education are based may be found in Sections 1 and 2 of Article IX of the State Constitution: first, that it is “the paramount duty of the State to make ample provision for the education of all children residing within its borders;” and second that there shall be “a uniform system of public schools.” In accordance with these principles, when Washington became a state it continued apportioning the interest from the Permanent School Fund to the districts. In 1895 the Barefoot School Boy Law was enacted by the Legislature providing for an annual state tax which, when added to the interest of the Permanent School Fund, would equal \$6 per annum for each child of school age residing in the state.

The amount of state support was increased later by the Legislature from \$6 to \$8 for each census child; later still to \$10; and, in 1920, to \$20. Subsequent to 1920 the following increases in the amount of state support were made by legislative acts: in 1933, to 25 cents for each day of attendance credit computed in the manner prescribed by law or \$45 per annum; in 1945, to 30 cents per day or \$54 per annum; and in 1953, to 40 cents per day or \$72 per annum.

In addition, the 1937 Legislature adopted a special equalization plan whereby the relatively poor districts were given additional state funds to supplement their resources to approximately the state average. Furthermore, since 1943 the state has provided supplemental allotments to districts where special conditions, such as necessarily small classes in the small schools, call for the expenditure of additional funds to maintain reasonable standards of school service.

County Support Since Statehood

The first state legislature made provision for the continuance of county support for schools by increasing the territorial county school levy from 2 mills to a millage that should be not less than 4 mills nor more than 10.⁵ This more than doubled county school support. In 1909 the county fund was changed to equal the state's \$10 for each census-counted child.

When state school support was changed in 1933 to the attendance day basis, the amount of county support was also changed to 5 cents for each day of attendance credit. This amount was changed from time to time until 1949 when it was fixed at 10 cents for each day of attendance credit, but the county property tax as the source of the revenue was eliminated. The necessary funds were paid to the counties from the proceeds of the statewide motor vehicle tax. Finally, in 1951, the amount of county support was fixed at 17 cents for each day of attendance credit, the funds to be derived from a 1 percent excise tax on the sale of real estate within each county supplemented by allotments from the proceeds of the statewide motor vehicle tax to make up the deficiency, if any, in receipts from the real estate excise tax.

Local District Support Since Statehood

From the date of admission of the state into the Union until 1951, boards of directors of school districts possessed almost uniformly the power to authorize a 10 mill school district tax levy without a vote of the electors. In 1951, this levy was fixed by law at 12 mills; in 1953, at 14 mills. Any levy in excess thereof has required authorization by the voters. In addition, the tax limitation law now in effect provides that no excess levy may be made unless approved by a three-fifths majority at an election in which the number of persons voting on the proposition equals or exceeds 40 percent of the number of votes cast in the school district at the last general election in the district.

⁵ Laws of Washington, 1889–90. p. 374, sec. 52.

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