

# APPENDIX 2 – Background and History

## Basic Education Finance in the State of Washington

### Constitutional Mandate

The Constitution of the State of Washington is unique in regard to education, with a strong mandate for public education. In Article IX, Section 1 it states,

*“It is the **paramount** duty of the state to make **ample** provision for the **education** of **all** children residing within its borders, without distinction or preference on account of race, color, cast or sex.”<sup>1</sup>*

The meanings of the words “paramount,” “ample,” “education” and “all” have been at the center of policy and legal debates in Washington for the last 30 + years.

### Past Court Decisions and Legislative Action Regarding Basic Education Finance

Beginning in the 1970’s, the interpretation, implications and implementation of the “paramount duty” clause of the Washington Constitution (Article IX, Section I) has been the subject of several court cases, both at the district and Supreme Court levels.

In order to understand the current reform package authorized under ESHB 2261 and SB 6696, it is important to review a timeline of the cumulative effect of several court decisions and corresponding legislative action.

Year	Cases, Legislative Action and Committees
1976	<p><b>“Doran I”</b>  <b>Seattle School District v. State of Washington</b>            After a levy failure in 1976, Seattle School district sued the state alleging that the state was not meeting its constitutional duty to make ample provision for education.</p> <p>Judge Doran found the basic program of education was insufficiently funded by the state. The Legislature was directed to define and fully fund a program of basic education through regular and dependable tax sources and could not rely on local excess levies to fund basic education.</p>
1977	<p><b>Basic Education Act</b>            It defined what is included as “basic education.” A state funding allocation formula was created based on ratios of staff to students.</p> <p><b>Levy Lid Act</b>            It reduced excess property tax levies to 10%, with the exception of a few school districts that are “grandfathered” in at higher levels. The intention was for the grandfathered</p>

Year	Cases, Legislative Action and Committees
	districts to be reduced over a period of four years to insure a “uniform system of public schools;” however this period was extended and the grandfathered school districts remain.
1983	<p data-bbox="285 327 423 352"><b>“Doran II”</b></p> <p data-bbox="285 361 1382 468">Judge Doran made subsequent decisions that expanded and clarified the state’s responsibility for basic education. Categorical programs were included in the state’s responsibilities for basic education:</p> <ul data-bbox="337 476 948 646" style="list-style-type: none"> <li data-bbox="337 476 610 506">• Special Education</li> <li data-bbox="337 522 631 552">• Bilingual Education</li> <li data-bbox="337 569 948 598">• Remediation (Learning Assistance Program)</li> <li data-bbox="337 615 647 644">• Pupil Transportation</li> </ul>
2005	<p data-bbox="285 669 542 699"><b>Washington Learns</b></p> <p data-bbox="285 707 1438 810">The 2005 Legislature created the Washington Learns Steering Committee, which had advisory committees for early learning, K-12, and higher education. Picus and Associates conducted a K-12 funding analysis and recommended a prototypical schools model.</p>
2007	<p data-bbox="285 827 862 856"><b>Joint Task Force on Basic Education Finance</b></p> <p data-bbox="285 865 1474 1079">The 2007 Legislature created the Basic Education Finance Taskforce to review the definition of basic education and develop options for a new funding structure. The taskforce recommended allocating funding to local school districts based on a hypothetical school model that sets funding levels for the required number of teachers and other staff; maintenance, supplies and other operating costs; specialized programs for struggling students, English language learners, and students with disabilities.</p>

**Recent Education Finance Reform – ESHB 2261, SHB 2776 and ESHB 6696**

The 2009 and 2010 legislatures passed three historic K-12 education bills. Engrossed Substitute House Bill 2261 (2009) outlined the prototypical schools funding model and a new pupil transportation funding formula; increased instructional hours; increased high school diploma requirements; added all-day kindergarten to the definition of basic education; and established that the programs shall be fully funded by the 2018-19 school year. Substitute House Bill 2776 (2010) authorized the first steps for implementation of the new funding system beginning in the 2011-12 school year. Engrossed Substitute Senate Bill 6696 (2010) set in motion transformative change in four areas: more rigorous academic standards, improvements in teacher effectiveness and the evaluation system, better use of data to drive improvement in student learning, and intervention in schools with persistently low student learning and graduation rates.

***McCleary v. State of Washington* – 2012 Supreme Court Case**

The Supreme Court of Washington ruled on January 5, 2012 on the *McCleary v. State of Washington* case (Supreme Court Case No. 84362-7) that the State of Washington has failed to meet its duty to fund public schools under Article IX, Section 1 of the State Constitution.

The ruling affirmed that Article IV, Section I, “confers on children in Washington a positive constitutional right to an amply funded education.”<sup>2</sup> Many constitutional rights are negative in their orientation, “framed as negative restrictions on government action,” with the “role of the court to police the outer limits of government powers, relying on the constitutional enumeration of negative rights to set the boundaries.”<sup>3</sup> Conversely, a positive constitutional right, like the right of children within Washington State to receive an amply funded education, uses a different lens “where the court is concerned not with whether the State has done too much, but with whether the State has done enough. Positive constitutional rights do not restrain government action; they require it.”<sup>4</sup>

Additionally, the Court upheld the decision in *Seattle School District* that the duty to provide an amply funded basic education “requires the State to make ample provision for funding a basic education “by means of dependable and regular tax sources.”<sup>5</sup> As such, the court “held that funding a basic education with local levy dollars violates article IX, section 1 because levies are ‘wholly dependent of the electorate,’ are available on only a temporary basis, and rely on the assessed valuation of real property at the local level.”<sup>6</sup> A distinction was made on levies, stipulating that schools could rely on levies to fund programs that serve as an enrichment to basic education.

Moreover, the legislative reform package under ESHB 2261 was noted by the Court to be “promising,” with the belief “if fully funded, will remedy deficiencies in the K-12 funding system.”<sup>7</sup> The Supreme Court has retained jurisdiction in the case in order to monitor the progress the Legislature makes in the implementation of the reforms established in ESHB 2261. The Court opinion discussed the balancing of constitutional responsibilities and powers, noting that “the Legislature’s uniquely constituted fact-finding and opinion gathering processes provide the best forum for addressing difficult policy questions inherent in forming the details of an education system.”<sup>8</sup> The Court does wish to maintain clear divisions between the responsibilities of the judiciary and legislature, affirming “the division of responsibilities between the judiciary and the legislature is evident from our refusal to establish specific guideline for staffing ratios, salaries and individualization of instruction. These considerations, we noted, are better left to legislative discretion as informed by the broad educational concepts under Article IX, Section I.”<sup>9</sup>

The Compensation Technical Working Group concurs with the Supreme Court ruling that Washington has failed to adequately fund basic education, including certificated and classified employee salaries and benefits. The Compensation TWG also believes that the Legislature must respond to the Supreme Court and implement all of the basic education reforms and funding levels through the prototypical schools funding model necessary to provide an ample, equitable and adequate education for all children in Washington.

# Current Allocation Methodology

The current allocation methodology is used solely to determine the amount of state funding to apportion to schools and is not used to determine the configuration of staff at a district or school level, as those decisions are locally determined in response to the needs of students and the community.

## Staffing Level Allocation Methodology

Prior to the 2011-12 school year, basic education staffing level allocations were based on a 1,000 annual average full time equivalent student enrollment:

- 49 certificated instructional staff to 1,000 kindergarten through third grade students
- 46 certificated instructional staff to 1,000 fourth through twelve grade students
- 4 certificated administrative staff to 1,000 K-12 students
- 16.67 classified staff to 1,000 K-12 students

The Washington State Legislature provided an enhancement to these staffing levels up to 53.2 certificated instructional staff to 1,000 K-4 grade students, but cut the enhanced funding in 2010.

As a result of basic education reform, beginning in the 2011-12 school year, staff are now allocated based on a prototypical school model. The prototypical school FTE calculations illustrated are the cost neutral translation from the previous funding formula with no increased FTE levels. SHB 2776 states that the class size for grades K-3 shall be reduced to 17, beginning with schools with the highest percentage of students eligible for free and reduced-price lunches (FRPL), by the 2017-18 school year. During the 2011-13 biennium, K-3 class size in schools with more than 50% of students eligible for FRPL were funded at 24.1.

### Certificated Instructional Staff (CIS)

The CIS allocation was separated out by staffing category. Teachers are allocated based on varying class sizes by grade:

**Exhibit 31: Current Class Sizes Used for Teacher Allocations**

	Grades K-3	Grades 4-6	Grades 7-8	Grades 9-12
Class Size	25.23	27	28.53	28.74

Other certificated instructional staff FTE are allocated according to the following staffing levels:

**Exhibit 32: Current Prototypical Staffing Levels, Other Certificated Instructional Staff**

	<b>Elementary School (400 K-6 students)</b>	<b>Middle School (432 7-8 students)</b>	<b>High School (600 9-12 students)</b>
<b>Teacher Librarians</b>	0.663	0.519	0.523
<b>Guidance Counselors</b>	0.493	1.116	1.909
<b><u>Health &amp; Social Services:</u></b>			
<b>School Nurses</b>	0.076	0.060	0.096
<b>Social Workers</b>	0.042	0.006	0.015
<b>Psychologists</b>	0.017	0.002	0.007

Certificated Administrative Staff (CAS)

The 4 to 1,000 CAS allocation was separated into a prototypical school allocation and a central administration level allocation. Staff units for central administration, including CAS and classified, are determined by applying 5.3 percent to the total number of other staffing units. Principals, assistant principals, and other certificated building level administrators are allocated based on the following:

**Exhibit 33: Current Prototypical Staffing Levels, Building Level Certificated Administrative Staff**

	<b>Elementary School (400 K-6 students)</b>	<b>Middle School (432 7-8 students)</b>	<b>High School (600 9-12 students)</b>
<b>Building Level Administrators</b>	1.253	1.353	1.880

Classified Staff

The 16.67 to 1,000 classified staff allocation was separated into a prototypical school allocation and a district level allocation. Central Office Administration staff are allocated at 5.3% of all other staff; this category is separated into 25.5% central office certificated administrators and 74.5% classified central office administration, including classified administrators and support staff. Additional district level classified staffing units are allocated based on 1,000 K-12 students in the district:

**Exhibit 34: Current Prototypical Staffing Levels, District Classified Staff**

<b>Per 1,000 K-12 Students</b>	
<b>Technology</b>	0.628
<b>Facilities/Maintenance/Grounds</b>	1.813
<b>Warehouse/Laborer/Mechanic</b>	0.332

The allocation for building level classified staff is as follows:

**Exhibit 35: Current Prototypical Staffing Levels, School Classified Staff**

	<b>Elementary School (400 K-6 students)</b>	<b>Middle School (432 7-8 students)</b>	<b>High School (600 9-12 students)</b>
<b>Teaching Assistance</b>	0.936	0.700	0.652
<b>Office Support</b>	2.012	2.325	3.269
<b>Custodians</b>	1.657	1.942	2.965
<b>Student &amp; Staff Safety</b>	0.079	0.092	0.141
<b>Parent Involvement Coordinators</b>	0	0	0

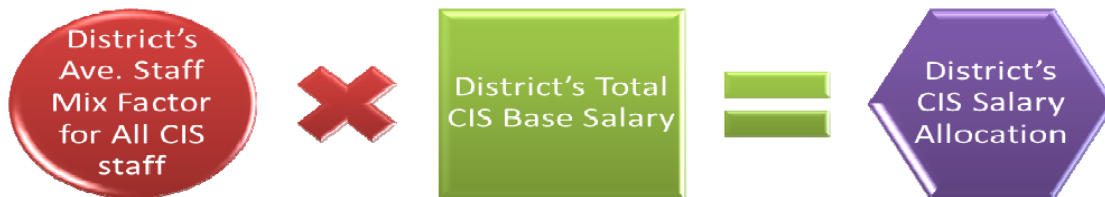
**Salary Allocation Methodology**

Even though staffing levels are distinguished by different job categories, the salary allocation methodologies are made at the CIS, CAS, and classified levels.

Certificated Instructional Staff (CIS)

Salaries for teachers, teacher librarians, counselors, school nurses, social workers, psychologists, occupational therapists, physical therapists, and speech language pathologists are allocated based on the district’s staff mix times the district’s base salary.

**Exhibit 36: Current Salary Allocation Methodology, Certificated Instructional Staff**



# Staff Mix Factor CIS Staff

The staff mix factor recognizes increments over a base of 1.0 for increases in compensation based on years of experience and additional educational degrees and credit hours.

**Exhibit 37: Current Staff Mix, Certificated Instructional Staff**

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.
0	1.00000	1.02701	1.05499	1.08304	1.17303	1.23099	1.19891	1.28891	1.34693
1	1.01346	1.04084	1.06918	1.09846	1.18939	1.24704	1.21224	1.30317	1.36079
2	1.02628	1.05393	1.08257	1.11411	1.20478	1.26303	1.22566	1.31632	1.37458
3	1.03950	1.06741	1.09636	1.12890	1.21940	1.27905	1.23838	1.32881	1.38850
4	1.05246	1.08160	1.11072	1.14439	1.23542	1.29551	1.25171	1.34274	1.40286
5	1.06585	1.09513	1.12454	1.16008	1.25077	1.31206	1.26526	1.35599	1.41728
6	1.07961	1.10825	1.13866	1.17597	1.26623	1.32785	1.27915	1.36942	1.43100
7	1.10379	1.13286	1.16367	1.20301	1.29461	1.35793	1.30517	1.39673	1.46008
8	1.13919	1.16984	1.20138	1.24398	1.33681	1.40246	1.34610	1.43896	1.50458
9		1.20814	1.24125	1.28538	1.38038	1.44826	1.38747	1.48253	1.55041
10			1.28158	1.32891	1.42517	1.49532	1.43104	1.52733	1.59744
11				1.37371	1.47207	1.54362	1.47584	1.57423	1.64574
12				1.41708	1.52023	1.59391	1.52240	1.62236	1.69607
13					1.56956	1.64544	1.57060	1.67169	1.74756
14					1.61913	1.69890	1.62022	1.72451	1.80105
15					1.66126	1.74310	1.66233	1.76934	1.84788
16 or more					1.69447	1.77794	1.69557	1.80472	1.88482

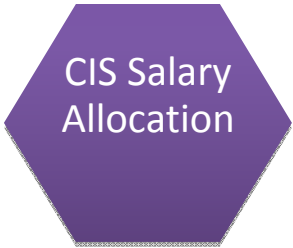
## District's Total CIS Base Salary

The majority of districts receive a base salary allocation of \$33,401 for the 2011-12 and 2012-13 school years. However, there are 12 districts with higher base salary allocations. The state has attempted to equalize the base salary levels, but the higher levels have remained since the Basic Education Act in 1977.

**Exhibit 38: Base Allocation for Grandfathered School Districts, CIS**

District	CIS Base Salary	% Above Lowest
Everett	\$35,058	5.0%
Orondo	\$34,990	4.8%
Northshore	\$34,788	4.2%
Marysville	\$34,687	3.9%
Puyallup	\$34,073	2.0%
Shaw Island	\$34,038	1.9%
Southside	\$33,904	1.5%
Lake Chelan	\$33,892	1.5%
Mukilteo	\$33,799	1.2%
Lopez Island	\$33,763	1.1%
Seattle	\$33,626	0.7%
Oak Harbor	\$33,618	0.6%
283 Other Districts	\$33,401	





For the majority of districts, the result of multiplying the staff mix times the base salary is the following salary allocation model.

**Exhibit 39: Current State Salary Allocation Model**

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

## Certificated Administrative Staff (CAS)

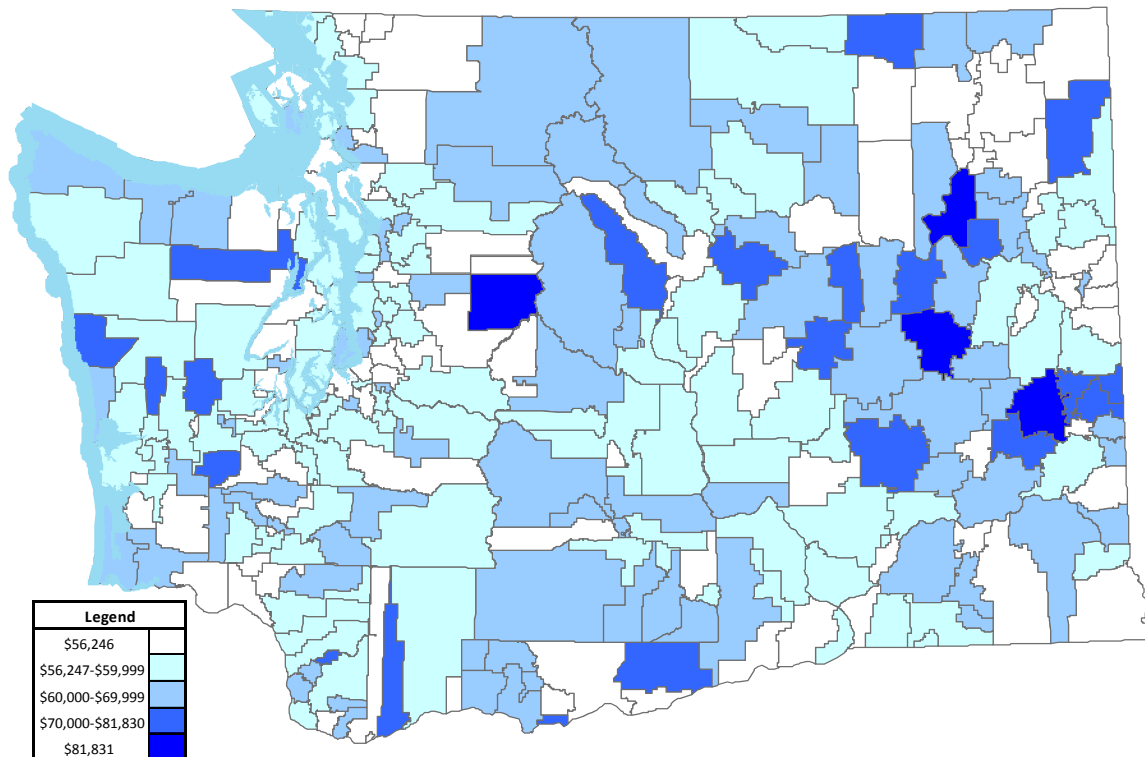
Prior to 1987, CAS were funded using the CIS methodology. In 1987, CAS were removed from the salary schedule and funded at the district average salary level for CAS at that time. The result is varying allocation levels with no geographic pattern to the distribution of salary allocations:

**Exhibit 10: Current State Salary Allocations, Certificated Administrative Staff**

District	CAS Salary Allocation	% Above Lowest
4 Districts	\$81,831	45.5%
24 Districts	\$70,000-\$81,830	24.5% - 45.5%
84 Districts	\$60,000-\$69,999	6.7% - 24.5%
97 Districts	\$56,247-\$59,999	0% - 6.7%
88 Districts	\$56,246	

**Exhibit 11: Map of Current CAS State Salary Allocations**

Distribution of Certificated Administrative Staff Salary Allocations, 2011-12 School Year



## Classified Staff

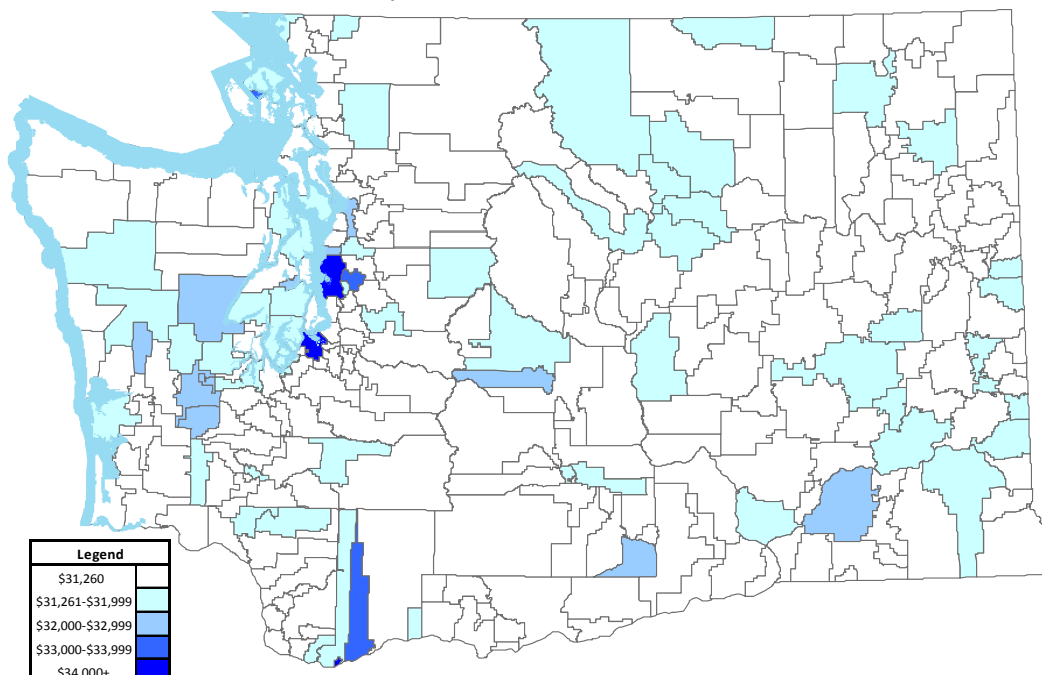
Districts also have varying allocation levels for classified staff with no geographic pattern.

**Exhibit 12: Current State Salary Allocations, Classified Staff**

District	Classified Salary Allocation	% Above Lowest
Seattle	\$36,078	15.4%
Mount Pleasant	\$34,544	10.5%
Tacoma	\$34,290	9.7%
Bellevue	\$33,851	8.3%
Skamania	\$33,285	6.5%
Shaw Island	\$33,088	5.8%
11 Districts	\$32,000 - \$33,000	2.4% - 5.6%
54 Districts	\$31,261 - \$31,999	0% - 2.4%
224 Districts	\$31,260	

**Exhibit 13: Map of Current Classified State Salary Allocations**

Distribution of Classified Staff Salary Allocations, 2011-12 School Year



## **Categorical Program Funding**

The Learning Assistance Program (LAP) provides funding for supplemental instruction and services for underachieving students. The allocations are based on the percent of students in grades K-12 who were eligible for free or reduced price meals in the prior school year. SHB 2776 changed the LAP funding formula from a per pupil amount to provide 1.5156 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 432,128 students were eligible for LAP, which generated funding for 1,746 LAP teachers.<sup>10</sup>

The Transitional Bilingual Instructional Program (TBIP) provides funding for supplemental instruction and services for eligible students whose primary language is other than English. SHB 2776 changed the TBIP funding formula from a per pupil amount to provide 4.7780 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 88,755 students were eligible for TBIP, which generated funding for 1,131 TBIP teachers.<sup>11</sup>

The Highly Capable Program (HiCap) provides funding for accelerated learning and enhanced instruction for highly capable students. The allocations are based on 2.314 percent of each school district's enrollment. SHB 2776 added HiCap to the definition of basic education and changed the funding formula from a per pupil amount to provide 2.1590 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 22,236 students were eligible for HiCap, which generated funding for 128 HiCap teachers<sup>12</sup>

The teachers funded through LAP, TBIP, and HiCap are allocated salaries based on the same methodology described above: district's average staff mix times district's base salary. Because staff funding of these categorical programs are part of the definition of basic education, the recommendations in this report affect salary allocations for all certificated instructional staff.

## **History of Compensation Reform**

Employee salaries and benefits account for \$8.1 billion, 82.7% of total expenditures in the 2010-11 school year.<sup>13</sup> Given the large portion of the education budget provided by the state for the salary allocations for public school employees, compensation has been an integral part of education reform efforts.

### **The Evolution of the State Salary Allocation Model**

Payroll, salary and contract negotiations have remained within the discretion of each local school district, since enacted in 1969 in RCW 28A.405.200: "Every school district by action of its board of directors shall adopt annual salary schedules and reproduce the same by printing, mimeographing or other reasonable method, which shall be the basis for salaries for all certificated employees in the district."<sup>14</sup>

The first state salary allocation model was created in 1979 by the Legislative Evaluation and Accountability Program (LEAP) and has subsequently been referred to as a LEAP Document. The salary allocation model was created using an analysis of 1977-78 negotiated salary schedules for Bellevue, Everett, Mercer Island, Seattle and Spokane School Districts, as compared to the actual salaries, years of experience and education as reported in the 1977-78 S275 Personnel Report from the Office of Superintendent of Public Instruction (OSPI). A staff mix factor was created by a statistical analysis of increases in compensation based on education and years of experience. The staff mix factor recognized increments over a base of 1.0 for increases in compensation based on years of experience and additional educational degrees and credit hours. Each annual increase in experience resulted in a 3.7% increase in salary.

**Exhibit 14: The First State Salary Schedule-1979**

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.	Ph.D+45
0	1.000	1.027	1.055	1.083	1.173	1.231	1.173	1.244	1.305	1.368
1	1.037	1.065	1.094	1.124	1.217	1.276	1.217	1.290	1.353	1.419
2	1.075	1.104	1.134	1.167	1.262	1.323	1.262	1.338	1.403	1.471
3	1.115	1.145	1.176	1.211	1.308	1.372	1.308	1.387	1.455	1.526
4	1.156	1.188	1.220	1.257	1.357	1.423	1.357	1.438	1.509	1.582
5	1.199	1.232	1.265	1.305	1.407	1.476	1.407	1.492	1.564	1.641
6	1.244	1.277	1.312	1.355	1.459	1.530	1.459	1.547	1.622	1.701
7	1.290	1.324	1.360	1.406	1.513	1.587	1.513	1.604	1.683	1.764
8	1.337	1.373	1.410	1.460	1.568	1.646	1.569	1.663	1.745	1.830
9		1.424	1.463	1.515	1.627	1.707	1.627	1.725	1.809	1.897
10			1.517	1.573	1.687	1.770	1.687	1.789	1.876	1.968
11				1.633	1.750	1.835	1.750	1.855	1.945	2.040
12					1.815	1.903	1.815	1.924	2.017	2.116
13					1.882	1.973	1.882	1.995	2.092	2.194
14						2.046	1.951	2.068	2.169	2.275

After the salary allocation model was created, changes to the staff mix factor were made over time by the Legislature. The 1989 Legislature adjusted the staff mix factor to give higher increases to newer teachers and teachers with a Master’s degree, including a provision that beginning in January 1, 1992, BA+90 cannot move to BA+135 but must earn a Master’s degree. In the 1990 Legislature, additional years were added, including a 12<sup>th</sup> year in the BA +45 column, a 14<sup>th</sup> Year in the BA +90 column and 15<sup>th</sup> year in the BA +90 and higher columns.

Additional increases were given to newer teachers by the 1999 Legislature, as well as an additional 16<sup>th</sup> year of experience added to the BA +90 and higher columns. The last change was made by the 2003 Legislature, with increases being provided only to certificated instructional staff in their first seven years. Our current salary allocation model hasn't changed since 2004, maintaining more funding for staff with higher levels of education and experience: individuals with 16 or more years of experience and a Ph.D. earn 88.5% more than an individual with no credits beyond a BA and no years of experience.

### **Efforts to Equalize the Base Salary**

Since the Doran Decision I in 1976, there have been continued efforts to equalize the base salary. In 1981, each school district had a unique authorized percentage salary increase for 1981-82 and 1982-83 specified, depending on the district's relationship to the 1980-82 state average. In 1986, funding was given to increase each certificated employee salary to the minimum base salary level. In addition, districts with average base salaries below the minimum were given funding to raise the average. Districts above the base salary were given less of a salary increase in both 1987 and 2007.

### **Salary Lid Law**

Salary compliance was enacted in 1987 in order to ensure a base minimum salary is paid to certificated instructional staff. Certificated administrative staff and classified staff salaries are not held to the same compliance laws as certificated instructional staff. Previously, in the 1981 Legislature, school district authority to grant compensation increases was limited to amounts specified in the biennial operating budget. The Superintendent of Public Instruction was directed to withhold the amount in excess of the salary compensation lid or 5% of that district's basic education allocation, whichever was less. The 1987 Legislature repealed the law, allowing the Superintendent to impose penalties to districts out of compliance and enacted what is essentially RCW 28A.400.200. Within this statute, Section 2 requires that the minimum salary paid to certificated instructional staff not be less than the state allocated salary for BA +0; and the salary paid to an employee with a master's degree not be less than the state allocated salary for MA+0. Section 3 requires that a district's actual average salary paid to certificated instructional staff not be greater than the district's state allocated salary and Section 4 allows districts to provide supplemental contracts for additional time, responsibilities or incentives (TRI).

### **Cost of Living Adjustments (COLA)**

Prior to 2001, there were no guaranteed cost of living adjustments (COLA) for all teachers. As mentioned earlier, salary increases were targeted to new teachers or districts with lower average salaries. In November 2000, Initiative 732 was passed by voters, which provided an annual cost of living adjustment (COLA) for teachers and other school district employees beginning in the 2001-2002 school year. However, in 2003, the Legislature did not provide a COLA in the 2003-04 and 2004-05 school years and removed language that required the COLA

to be provided to all employees. The 2009 Legislature suspended the COLA in 2009-10 and 2010-11 school years, adding a “catch-up provision” to allow for providing the COLA in the future. Recently, the 2011 Legislature suspended the COLA in the 2011-12 and 2012-13 school years, removing the catch-up provision.

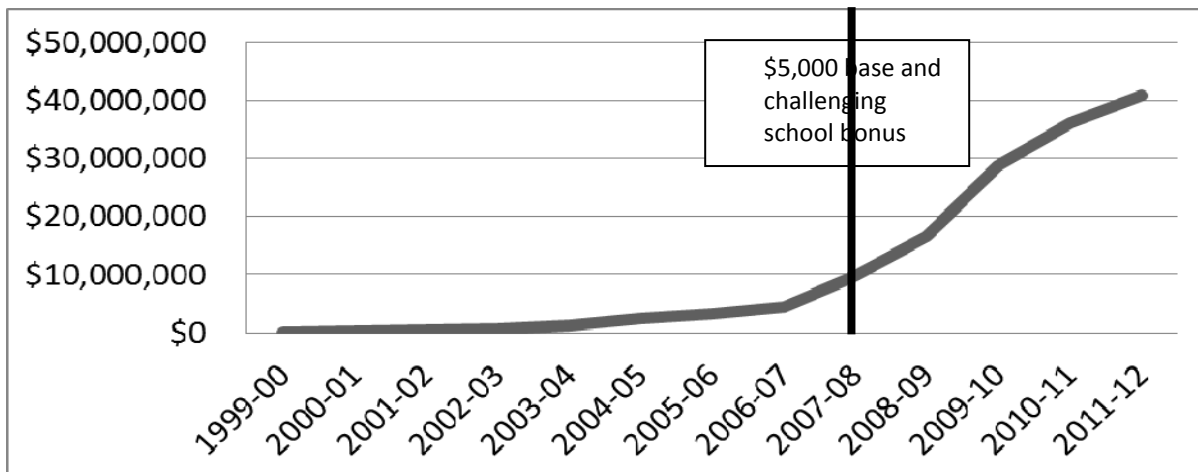
**History of National Board Bonus**

The National Board for Professional Teaching Standards (NBPTS) was developed in 1987 to “advance student learning and achievement by establishing the definitive standards and systems for certifying accomplished educators.” As of 2012, the NBPTS has developed standards for accomplished teaching in 16 subject areas and offers 25 different teaching certificates based on various developmental age groups.<sup>15</sup>

In 2000, the Washington State Legislature provided a one-time 15 percent salary increase to individuals who had received a National Board certificate. From 2001 to 2008, the bonus was provided through budget appropriation at \$3,500. In 2008, HB 2262 passed the legislature, codifying the bonus in statute and increasing the amount to \$5,000. An additional bonus of \$5,000 was provided to individuals working in a “challenging school” defined as a school with a high percentage of students receiving free and reduced price lunches.

In 2009, the base bonus was increased to \$5,090. In 2010, a \$2,000 conditional loan was made available to new applicants. In 2011, bonuses for first year certificate holders were reduced by 60% in the first year only. Exhibit 45 provides a history of the national board appropriations made by the Washington State Legislature. It is estimated that during the 2011-12 school year, 5,648 educators are expected to receive the base bonus and 1,535 educators are expected to receive the additional challenging schools bonus.

**Exhibit 15: History of Appropriations for National Board for Professional Teaching Standards Certification Bonus**



# History of Certification and Expectations for Educator Development

The Compensation Technical Working Group is charged with aligning the salary allocation model to the state expectations for educator development and certification. State expectations for teachers have changed significantly since the adoption of the first salary allocation model in 1979.

Between 1979 and 1987, teachers received a certificate that, after the first 90 days of teaching, allowed them to teach any grade or subject. After one year of experience, the certificate is valid for the life of the teacher; there are no renewal requirements.

In 1987, a second tier certificate, the continuing certificate, and a subject matter endorsement system that limited assignment to the endorsed subject were introduced. Teachers received an endorsed initial certificate upon entry into the profession. Assignment was limited to areas in which the teacher was endorsed. To receive a continuing certificate, teachers must have taught for a minimum of 180 days. In addition, they were required to obtain a master's degree from an accredited university or 45 quarter hours of upper division coursework. In order to maintain the continuing certificate, teachers must complete 150 approved clock hours every five years.

Beginning September 2000, performance-based standards that described desired teaching practice were introduced and the certificate programs were aligned to those standards. New teachers received a residency certificate after completing an approved teacher preparation program. Beginning with the 2012-2013 school year, new teachers will need to pass a classroom-based assessment of teacher effectiveness called the Teacher Performance Assessment before receiving their residency certificate.

Teachers were granted the second tier certificate, the professional certificate, if they completed an approved Professional Certificate (ProCert) program, offered through institutions of higher education. Professional certificates are renewed through completion of 150 approved clock hours.

Beginning September 2010, professional certificates are issued based on the completion of a ProTeach portfolio, which replaced the Professional Certificate program. The ProTeach portfolio measures attainment of professional standards via teacher and student-based evidence. . In order to align with the current salary allocation model and compensate for the teachers' professional growth, ProTeach completers are granted 150 additional clock hours. The Center for Education Data and Research is conducting a study to be completed in 2014 on the relationship between teacher scores on ProTeach and student achievement gains.

Beginning September 2012, professional growth plans, not clock hours, will be phased in as a requirement for the five year renewal of professional certificates. Professional growth planning



requires educators to complete a self-assessment of their growth needs and goals related to certification and context-related benchmarks and formulate plans for professional growth and what will constitute evidence of its acquisition that must be approved via supervisor review. Since 2001, a certificate from the National Board for Professional Teaching Standards (NBPTS) satisfies the requirement for the professional certificate. In order to incorporate the NBPTS certificate process into the salary allocation model, individuals are awarded 45 clock hours for completing the assessment and an additional 45 clock hours upon achieving certification.

As evidenced in the historical changes, the state teacher certification system has evolved from a system with minimal accountability requirements to a system that measured professional development based on credits and clock hours and then to the current focus on performance-based teaching standards and evidence of student learning.

## Past Washington Policy Recommendations Regarding Compensation

In addition to historical changes to the funding mechanics of the salary allocation model, policy recommendations have been made about the compensation structure in Washington.

### Miller Report – 1975

The 1975 Washington State Legislature contracted with Miller and Associates to conduct a study of common school financing and operations. Under the section titled “Other Education Reforms” is an alternative concept for establishing teacher salaries “based upon an emerging educational staffing plan called differentiated staffing.”<sup>16</sup> The alternate plan included classifying beginning teachers as an intern for two years and matching them with a master teacher for guidance. Once teachers became a classroom teacher they would have been able to advance based 25 percent on educational attainment, 25 percent on subject matter knowledge, 25 percent on pedagogic skill, and 25 percent on administrative assessment. The master teacher column would have been limited to 10 percent of teachers in the district and was for “recognizing outstanding performance in the mastery of subject matter skills and pedagogical practices.”<sup>17</sup>

**Exhibit 16 Miller Report-Proposed Salary Allocation Model**

Years of Experience	Intern Teacher	Classroom Teacher				Master Teacher
		I	II	III	IV	
1						
2						
3						
4						
5						
6						

## Washington Learns-2006

The Washington Learns Steering Committee was authorized by the 2005 Legislature through SB 5441. The K-12 Advisory Committee contracted with Lawrence O. Picus and Associates to conduct a K-12 funding analysis. The salary structure in Exhibit 47 was a potential option provided the K-12 Advisory Committee. The progression on the career ladder would be based on a score on a performance evaluation/assessment of teacher that is linked to student learning gains.<sup>18</sup>

**Exhibit 17: Washington Learns-Proposed Salary Allocation Model (Picus & Odden)**

	Step within level	Bachelors w/o NBPTS	Bachelors w/ NBPTS	Masters w/o NBPTS	Masters w/ NBPTS	Masters + 60 Doctorate w/o NBPTS	Masters + 60 Doctorate w/ NBPTS
<b>Entry</b>	1	Xx,xxx		Xx,xxx		Xx,xxx	
	2	Xx,xxx		Xx,xxx		Xx,xxx	
	3	Xx,xxx		Xx,xxx		Xx,xxx	
<b>Emerging Career</b>	1	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
<b>Career</b>	1	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
<b>Master</b>	1	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx

## Joint Task Force on Basic Education-2009

The Joint Task Force on Basic Education Finance was created by the 2007 Legislature through E2SSB 5627. The purpose of the task force was to review the definition of basic education and develop options for a new funding structure, including school employee compensation.<sup>19</sup> They recommended creating a career ladder with residency, professional and master levels; master teachers are those who have earned National Board for Professional Teaching Standards certification. Master teachers would provide mentoring to new teachers and objective, structured peer reviews. The recommended compensation system included bonuses for school-

wide improvement in student achievement, serving in hard to staff positions and schools and a regional labor market adjustment based on comparable occupations. The taskforce also recommended increasing the number of contract days for teachers from 180 to 190 days.

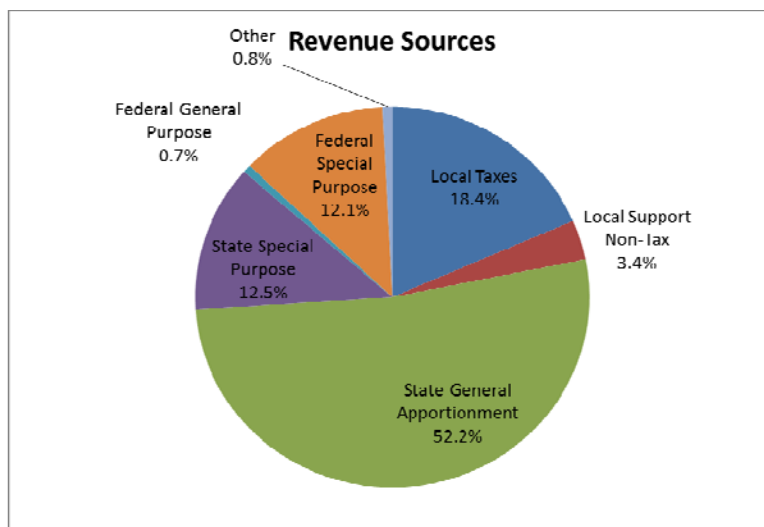
**Exhibit 18: Joint Task Force on Basic Education Finance-Proposed Salary Allocation Model**

Professional Status	Experience (Years)	Base Pay	Mentor Stipend	Peer Reviewer Stipend	Hard to Staff Supplement	School Performance Bonus	Regional Wage Adjustment
Residency	1	\$XX,XXX				\$X,XXX	(by district)
Residency	2	\$XX,XXX				\$X,XXX	(by district)
Residency	3	\$XX,XXX				\$X,XXX	(by district)
Professional	1	\$XX,XXX				\$X,XXX	(by district)
Professional	2	\$XX,XXX				\$X,XXX	(by district)
Professional	3	\$XX,XXX				\$X,XXX	(by district)
Professional	4	\$XX,XXX				\$X,XXX	(by district)
Professional	5	\$XX,XXX				\$X,XXX	(by district)
Professional	6	\$XX,XXX				\$X,XXX	(by district)
Professional	7	\$XX,XXX				\$X,XXX	(by district)
Professional	8+	\$XX,XXX				\$X,XXX	(by district)
Master	1	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	2	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	3	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	4	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	5	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	6+	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)

## Funding Sources

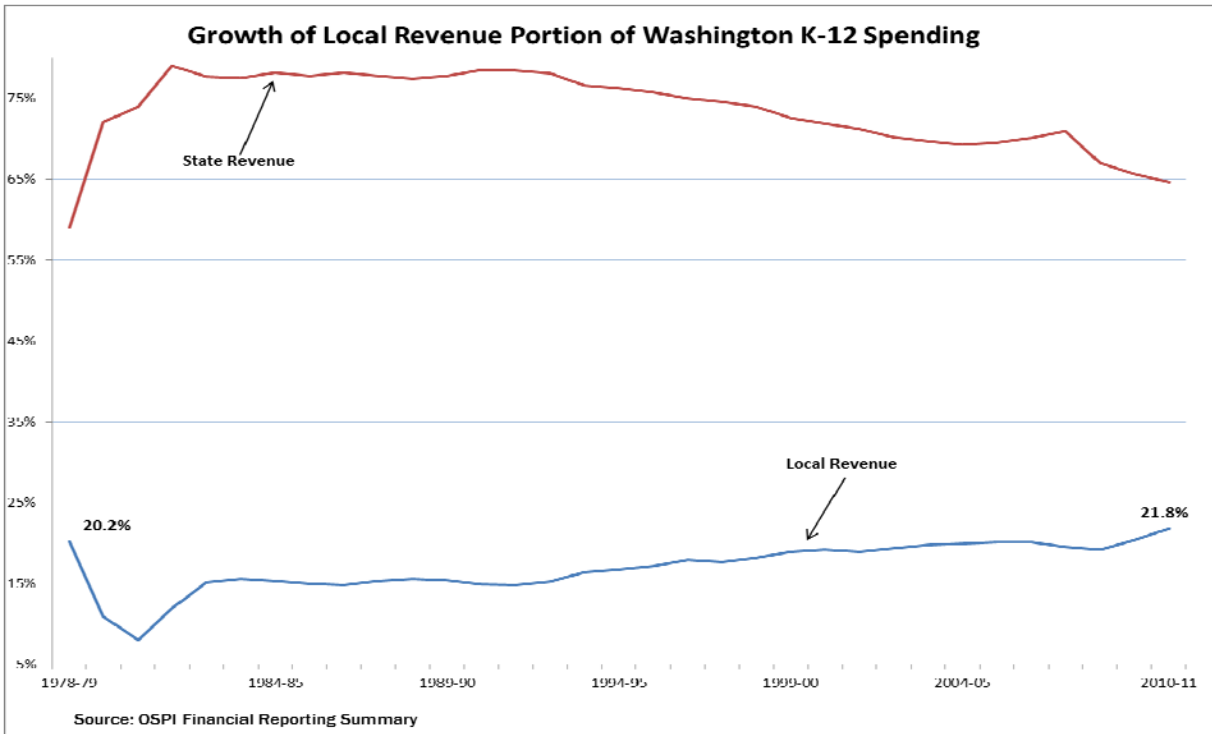
In the 2010-11 school year, local revenue made up 21.8 percent of total K-12 revenue, while state revenue made up 64.7 percent.

**Exhibit 19: Revenue Sources for K-12 Funding**



The proportion of local funding is closely related to the level of state funding. As state funding levels for basic education have declined, local funding has necessarily had to increase in order to make up for the deficit. The proportion of local revenue relied on by school districts is the highest since the Basic Education Act of 1977.

**Exhibit 50: Changes in Local and State Funding for K-12**

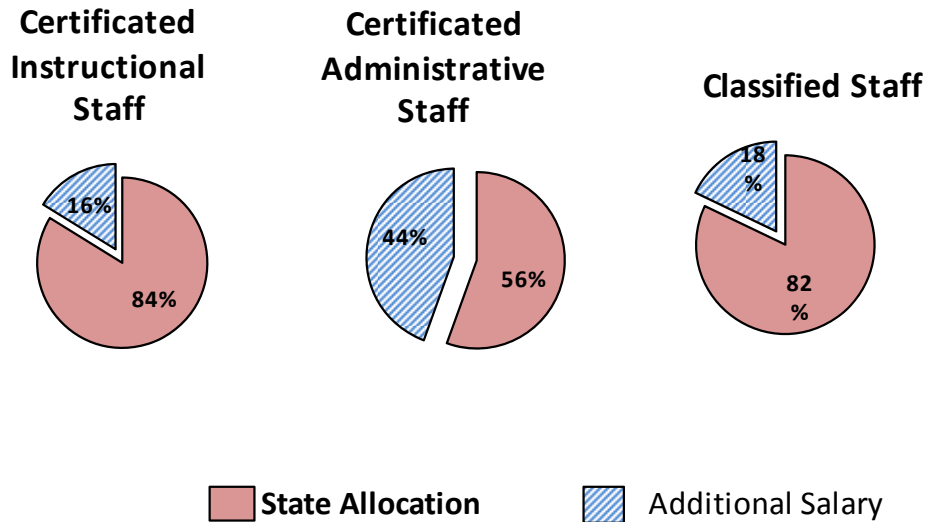


The capacity for districts to raise local funds varies around the state based on a school district’s ability to pass a levy. Maintenance and operations (M&O) levies are authorized under state law for K-12 school districts to levy local property taxes to support schools and district operations. The levy must be approved with a simple majority of local voters, is valid for up to four years and is used in addition to funding school districts receive from the state and federal governments. The majority of school districts have voter-approved levies, with 281 out of 295 districts receiving levy funding from their local tax payers. The Levy and Local Effort Assistance Technical Working Group deferred a decision to specify or recommend a specific adjustment to local levy authority in recognition that “compensation accounts for a significant share of school district expenditures and any substantive compensation changes will dramatically affect the needs and uses of local levy funds.”<sup>20</sup>

Local funding makes up a percentage of the funding of the average salaries for certificated instructional, certificated administrative and classified staff. The amount of average additional salary over the base state allocation is significant, particularly due to the fact that many basic education program responsibilities are being carried out by staff paid in part through local funding which may be more appropriately paid for by the state allocation. Furthermore, both

the capacity of local school districts to pay additional salary in the form of TRI (time, responsibility and incentive) contracts and other supplemental contracts is influenced by their levy lid, tax base and ability to run and pass an excess tax levy to support basic education programs.

**Exhibit 20: Percentage of 2010-11 Average Additional Salary Above State Allocation**



# ENDNOTES

- <sup>1</sup> Washington State Constitution, Article IX-Education, Section 1. Emphasis added. Retrieved March 5, 2012 from <http://www.leg.wa.gov/LawsAndAgencyRules/Pages/constitution.aspx>
- <sup>2</sup> McCleary, et ux., et al. v State of Washington, Case No. 84362-7. January 5, 2012. p. 2, Retrieved January 5, 2012 from: <http://www.courts.wa.gov/opinions/pdf/843627.opn.pdf>
- <sup>3</sup> McCleary, Ibid p. 45
- <sup>4</sup> McCleary, Ibid. p. 45
- <sup>5</sup> McCleary, Ibid, p. 6
- <sup>6</sup> McCleary, Ibid, p. 6
- <sup>7</sup> McCleary, Ibid, p. 3.
- <sup>8</sup> McCleary, Ibid. p. 43
- <sup>9</sup> McCleary, et ux., et al. v State of Washington, Case No. 84362-7. January 5, 2012. p.43, Retrieved January 5, 2012 from: <http://www.courts.wa.gov/opinions/pdf/843627.opn.pdf>
- <sup>10</sup> Special Needs Programs Report State Summary Apportionment for May 31, 2012: <http://www.k12.wa.us/safs/rep/app/1112/00000app.pdf>
- <sup>11</sup> Special Needs, Ibid
- <sup>12</sup> Special Needs, Ibid
- <sup>13</sup> School District and ESD Financial Reporting Summary FY2010-11, page 9: <http://www.k12.wa.us/safs/PUB/FIN/1011/2010-11%20Financial%20Reporting%20Summary.pdf>
- <sup>14</sup> K-12 Compensation-Washington State Context and History. Slide 25 <http://www.k12.wa.us/Compensation/pubdocs/K-12Compensation-WashingtonStateContextandHistory.pdf>
- <sup>15</sup> National Board for Professional Teaching Standards: <http://www.nbpts.org/>
- <sup>16</sup> Miller and Associates, “Common School Financing and Reform”, page 214: <http://www.k12.wa.us/Compensation/pubdocs/MillerandAssociates.pdf>
- <sup>17</sup> Miller and Associates, Ibid, p. 220
- <sup>18</sup> Odden, A., Picus, O., Goetz, M., Mangan, M. & Fermanich, M. (2006). An Evidence-Based Approach to School Finance Adequacy in Washington. Prepared for the K-12 Advisory Committee of Washington Learns.
- <sup>19</sup> Joint Task Force on Basic Education Finance. Retrieved March 8, 2012 from <http://www.leg.wa.gov/JointCommittees/BEF/Pages/default.aspx>

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<sup>20</sup> Levy and Local Effort Assistance Technical Working Group Final Report. Office of Financial Management, Washington State. p.45. Retrieved March 12, 2012 from <http://www.ofm.wa.gov/levy/report/report.pdf>