

# Proposed Increased Funding for Schools Beginning; Fiscal Impact Shown for 2013-14 SY based on 2012-13 SY Enrollment

## Summary of Budget Proposals and Associated Revenue vs. Cost

Revenue that is Cost Neutral (OSD will likely have the flexibility to spend what we receive)

Revenue Enhancement (OSD is already largely spending this amount from the levy)

Revenue with a Cost (it will cost more for OSD to implement these policies)

Revenue Reduction

	Issue	Notes	Governor Gregoire	Governor Inslee	Senate	House Committee Proposed
	Misc. Highlights		<ul style="list-style-type: none"> <li>\$1.7 B increase for K-12, combined enrollment-driven funding and enhancements.</li> <li>Suspend I-732 for upcoming biennium.</li> <li>Restore furlough salary reductions (1.9%/3%).</li> <li>\$209 M for pupil transportation.</li> </ul>	<ul style="list-style-type: none"> <li>\$1.2 B increase for K-12, combined enrollment-driven funding and enhancements.</li> <li>Suspend I-732 for upcoming biennium.</li> <li>Restore furlough salary reductions (1.9%/3%).</li> <li>\$197 M for pupil transportation.</li> <li>\$98 M in 2014-15 to increase instructional hours in grades 7-12 by 80 hours.</li> </ul>	<ul style="list-style-type: none"> <li>\$1.5 B increase for K-12, combined enrollment-driven funding and enhancements.</li> <li>Repeal I-732.</li> <li>Restore furlough salary reductions (1.9%/3%).</li> <li>\$197 M for pupil transportation.</li> <li>\$10 M for Persistently Low Achieving schools.</li> <li>\$10 M for TPEP administrator training.</li> </ul>	<ul style="list-style-type: none"> <li>\$1.3 B increase for K-12, combined enrollment-driven funding and enhancements.</li> <li>I-732 is suspended for upcoming biennium.</li> <li>Restore furlough salary reductions (1.9%/3%).</li> <li>\$144 M for pupil transportation.</li> <li>\$250 M for to correct salary under-funding to districts.</li> </ul>
1	Career and Technical Education (Salary, Benefits, MSOC)	Impacts on all funding for CTE. Benefits are calculated using the proposed budget rates on the total salary after restoration (if any).	Total (all aspects of formula change) \$235 K (MSOC is a \$15 K increase)  *Includes a technical correction; adjusts the other CIS ratio from 2.02 per 1,000 to 4.25 per 1,000.	MSOC is increased to \$1,403.45 per CTE student FTE.  \$33 K (Technical correction to staffing is not funded.)	MSOC is reduced to \$792.49 per CTE student FTE. (Rates are re-based to 2011-12 expenditures.)  (\$380 K)  (Technical correction to staffing is not funded.)	MSOC is increased to \$1,403.45 per CTE student FTE.  \$33 K (Technical correction to staffing is not funded.)
2	Skills Centers (Salary, Benefits, MSOC)	Impacts on all funding for program 45. Benefits are calculated using the proposed budget rates on the total salary after restoration (if any).	Benefits OSD students indirectly.	Increases MSOC by \$44 per student. Benefits OSD students indirectly.	Increases MSOC by \$1,562 per student. Benefits OSD students indirectly.	Increases MSOC by \$44 per student. Benefits OSD students indirectly.

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3	Learning Assistance Program	Districts are allocated staff and supplies resources to provide 1.5156 hours of additional instruction per week, in a class of 15 students, for poverty-driven LAP funding units. (Districts have flexibility to implement programs of varied designs.)	No change to current funding formula.	Increases LAP-units by adding the following to the current poverty-based student units: a) adding the number of headcount students not meeting standard on the 3 <sup>rd</sup> grade reading assessment AND b) adding 15% of 6-9 <sup>th</sup> grade student FTE.  New funds are intended to provide districts with additional resources to focus on early-intervention reading activities and on interventions that prevent high-school drop-out.  \$XXX K	The Senate nearly doubles funding, about 1/3 of the funding is generated by block- granting multiple grants and earmarking the funds for LAP. Districts are allocated staff and supplies resources to provide 3 hours of additional instruction per week, in a class of 15 students, for poverty-driven LAP funding units. New funds must be used for research-based interventions. Some of the new funding is permitted to be used for students with behavioral issues.  \$XXX K	Funding is provided to increase the number of instructional hours provided from 1.5156 hours per week per full-time equivalent (FTE) student to 1.6125 hours per week per FTE student. (This increase is part of the Career and College Ready plan, as adopted in the spending plan of the Joint Task Force on Education Funding.)  \$45 K
4	Transitional Bilingual Support	Districts are allocated staff and supplies resources to provide 4.7780 hours of additional instruction per week, in a class of 15 students, for language-driven Bilingual funding units. (Districts have flexibility to implement programs of varied designs.)	No change to current funding formula.	Districts are allocated resources to serve students that have exited the program in the prior two years. Allocations are based on an assumed 3 hours of additional instructional time per week; districts may implement a variety of service strategies.  \$XX K	Districts are allocated resources to serve students that have exited the program in the prior year. Allocations are based on an assumed 3 hours of additional instructional time per week; districts may implement a variety of service strategies (SB 5330)  \$XX K	Funding is provided to expand the number of instructional hours provided. (This increase is part of the Career and College Ready plan, as adopted in the spending plan of the Joint Task Force on Education Funding.)  \$XX K
5	Special Education	Enhanced funding is provided in addition to the full basic education allocation. The funding enhancement is established by a multiplier of the per pupil basic	Reflects the impact of funding changes on the special education BEA rate.  \$326 K	Reflects the impact of funding changes on the special education BEA rate.  \$XXX K	Reflects the impact of funding changes on the special education BEA rate.  \$XXX K	Reflects the impact of funding changes on the special education BEA rate.  \$XXX K

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		education funding rate per student. This rate is calculated based on many variables within the funding formula.				
6	MSOC (Materials, Supplies, and Operating Costs)	Changes in funding provided for non-staff related costs of operating a school district. The 2012-13 per student basic education rate for MSOC is \$554.57.	Increases aggregate per pupil rate to \$777.03. The professional development component is increased by \$32.62; of this \$21.64 must be used for teacher training for TPEP.  \$1.780 M; of this amount, OSD would need to expend about \$186 K on TPEP.	Increases aggregate per pupil rate to \$788.90.  \$2.035 M	Increases aggregate per pupil rate to \$646.53.  \$799 K	Increases aggregate per pupil rate to \$725.26 in the 2013-14 SY.  \$1.367 M
7	Alternative Learning Experience Funding	For the 2011-12 school year funding for ALE programs was reduced by either 10% or 20% per FTE depending on the characteristics of the ALE program in which the student was enrolled. Districts with more experienced staff are allocated higher rates of funding that districts with less-experienced staff (staff mix).	ALE policy sunsets which restores the 10% and 20% funding reduction.  \$23 K (AHS-FTE) \$209 K (ORLA-FTE)	ALE policy sunsets, which restores the 10% and 20% funding reduction. Imposes limits on the number of ALE students; limits appear to not impact OSD.  \$23 K (AHS-FTE) \$209 K (ORLA-FTE)	Defines ALE by type of course, rather than by type of program. Funds programs based on the average basic education running start rate (higher staff mix is not recognized).  These changes drive a reduction in ALE funding in the state, but may not negatively impact OSD.	The Alternative Learning Experience program is revised. The program is redefined based on the course type and limitations are added to the funding allocations related to full-time equivalent student enrollment counted by districts, resulting in an expected reduction.  (\$XX K)
8	Transportation	Impact on state funding for students to get to and from school every day.	Fully funds new formula for to/from transportation.  \$598 K	Fully funds new formula for to/from transportation.  \$564 K	Fully funds new formula for to/from transportation.  \$564 K	Additional funding is provided as an incremental step to full funding.  \$422 K
9	Salary Allocations	Increased salary allocations for Classified Staff and Certificated	No change.	No change.	No change.	Additional funding is provided to recognize that state funding

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		Administrators.				allocations are far below the actual salaries paid to these employees.  \$1.1 M <b>*Note for items below: Because the House increases the base allocations, the amount that a district must subsidize salary and pension costs for most items in orange, is reduced.</b>
10	Guidance Counselors	Increase in staffing allocation for middle and high schools. Increase is equivalent to .1 FTE for a middle school of 432 students and .1 FTE for a high school of 600 students; actual allocations are scaled for actual enrollment.	No change in current funding assumption.	No change in current funding assumption.	No change in current funding assumption.	Increase in funding allocation; district is not obligated to use resources to fund Guidance Counselors.  \$52 K plus*
11	Parent Involvement Coordinators	Increase in staffing allocation for elementary schools. Increase is equivalent to .1 FTE for a school of 400 students. Actual allocations are scaled for actual enrollment.	No change in current funding assumption.	No change in current funding assumption.	No change in current funding assumption.	Increase in funding allocation; district is not obligated to use resources to fund Parent Involvement Coordinators.  \$73 K plus*
12	Salary Restoration	Projected state revenue to eliminate the 1.9% reduction on the certificated instructional staff and classified staff salary allocations, and 3.0% on the certificated administrative staff salary allocation.	Restores 1.9% and 3.0% salary reductions.  \$546 K	Restores 1.9% and 3.0% salary reductions.  \$546 K	Restores 1.9% and 3.0% salary reductions.  \$546 K	Restores 1.9% and 3.0% salary reductions.  \$546 K plus*
13	Mandatory Fringe Benefits	Impact of proposed benefit percentage rates on total salary,	Changes certificated fringe benefit rate to 18.68% and classified fringe	Changes certificated fringe benefit rate to 18.68% and classified fringe	Changes certificated fringe benefit rate to 18.68% and classified fringe	Changes certificated fringe benefit rate to 18.68% and classified fringe

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		necessary to restore salary (above), and contribute to the pension system according to current policy.	benefit rate to 20.95%. \$710 K	benefit rate to 20.95%. \$710 K	benefit rate to 20.95%. \$710 K	benefit rate to 20.95%. \$710 K plus*
14	Basic Education Hours of Instruction and Staffing Allocation for Grades 7-12; Staffing Allocation	Current law requires district to provide 180 days of school and 1,000 annual average hours of instruction.	No change to instructional hours funding assumption.	No change in instructional hours funding assumption for 2013-14 SY.  <b>BEGINNING in 2014-15 SY:</b> Required annual average hours of instruction are increased by 80 hours, to 1080, grades 7 – 12. State would allocate an additional 2.22 hours of instruction per week via additional teacher allocation. (\$XXX K next year)	No change to instructional hours funding assumption.	Linear implementation of increased <b>instructional hours</b> for grades seven through 12. Provided funding is equivalent to 20 percent of full funding, or 16 hours, in the 2013-14 school year. Note, the implementation / requirements of this option are very unclear. Additionally, to implement this option the district may experience impacts to bell schedules and thus transportation costs.  Additional funding in school year 2014-15 will move the state to 40 percent of the full funding target.  \$XXX K plus*
15	K-3 Class Size	Lower class size for grades K-3 in schools with poverty greater schools receiving a greater reduction.	K-2 high poverty class size is reduced from 24.10 to 20.0. Grade 3 high poverty class size remains at 24.1. Would apply to Garfield; may apply to Madison.  \$223 K	K-1 high poverty class size is reduced from 24.10 to 20.0. Grade 2-3 high poverty class size remains at 24.1. Would apply to Garfield; may apply to Madison.  \$XXX K	No change to class size funding assumption.	Allocations provided will reduce non-poverty class sizes for grades kindergarten through three from 25.23 to 23.58 in School Year 2013-14 and 21.94 in School Year 2014-15. Class sizes in high poverty schools are reduced from 24.1 to 22.68 in School Year 2014-15 and 21.26 in School Year 2014-15.  \$XXX K
16	Full Day	The state funds full day	Schools with more than 50%	Same as Gregoire.	Funding is increased to cover 30%	Allocations increase from 22

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	Kindergarten	kindergarten starting with the highest poverty schools first. Currently, 22% of the kindergarteners in the state are in state approved full day kindergarten programs.	poverty (in 2011-12), will have the opportunity to receive full day kindergarten funding. Estimated total number of kindergartners included would increase from 22% to approximately 50.2%. Would apply to Garfield; would likely apply to Brown and Madison.  \$269 K	\$269 K	of high poverty population. FDK funding would not likely not reach Madison or Garfield in the 2013-14 SY.  \$0 K	percent of kindergarten enrollment in School Year 2012-13 to 37 percent of kindergarten enrollment in School Year 2013-14 and 59.6 percent of kindergarten enrollment in School Year 2014-15.  Funding would apply to Garfield in the 2013-14 SY. (Will likely apply to Brown and Madison in 2014-15 SY.)  \$296K
17	TPEP Funding	Professional development for all staff related to TPEP implementation.	Issue addressed in the MSOC funding.	1 hour of Professional Development time, every-other-week or 18 hours per year.	In 2012 the Legislature funded OSPI to provide training for all Principals, and a pool of grant funding to use to train teachers. The Senate continues this training, and enhances the teacher training pool.  Grant-based funding	Allocates funding to provide for 8 hours of training for every teacher in the state to understand the instructional framework, state evaluation criteria, evaluation tool, and evidence required to determine effectiveness under the new program.  A smaller pool is provided to train a cadre from each school on the use of student growth measures and resources to train 1/3 of teachers each year.  \$XX K plus*
18	Principal Allocation	The prototypical school funding formula provides an allocation for school principals separately for elementary, middle, and high	Increases the allocation by 0.15 FTE at each of the three prototypical school levels to recognize the increased time for	No change in current funding assumption.	No change in current funding assumption.	No change in current funding assumption.

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		schools.	teacher evaluations. \$221 K			
19	Health Benefits	Increases the monthly benefit rate paid to school districts which are calculated on a per employee basis. For 2012-13 the monthly rate is \$768.	Increases the monthly rate to \$777 for all staff. \$61 K	No change in current funding assumption.	Decreases the average monthly rate to \$763. The Senate rate reflects a significant change in policy: Allocations for health insurance benefits for school district part-time employees are reduced to reflect the Affordable Care Act employer shared responsibility standard - 30 hours/week. The anticipated savings from the eligibility change are reduced to provide funds for school districts to reimburse health insurance premium costs for part-time classified employees who purchase coverage from the Washington Health Benefit Exchange. (\$XX K)	No change in current funding assumption.
20	Hold Harmless	As established in the 2011-13 biennial budget, districts are to be held harmless in total for funding changes resulting from conversion to the prototypical school formula in the general apportionment, the learning assistance, the transitional bilingual, and the highly capable programs, after adjustment for changes in enrollment and other	Aggregate Hold Harmless policy sunsets. OSD would not have been eligible for HH. \$0	Same as Gregoire.	Same as Gregoire.	Same as Gregoire.

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		caseload adjustments.				
21		Subtotal Revenue that is Cost Neutral (OSD will likely have the flexibility to spend what we receive)	\$235,000	\$33,000 (incomplete)	? (incomplete)	\$78,000 (incomplete)
22		Subtotal Revenue Enhancement (OSD is already largely spending this amount from the levy)	\$2,936,000	\$2,831,000 (incomplete)	\$1,363,000 (incomplete)	\$3,014,000 (incomplete)
23		Subtotal Revenue with a Cost (it will cost more for OSD to implement these policies)	\$1,810,000	\$1,247,000 (incomplete)	\$1,247,000	\$1,552,000 (incomplete)
24		Subtotal Revenue Reduction			\$380,000 (incomplete)	? (incomplete)
25		Estimated Difference Between Orange Revenue/Orange Cost	(\$466,600)	(\$382,150) (incomplete)	(\$382,150)	(\$427,900) (incomplete)
26		Green After Absorb Orange Costs and Reductions	\$2,469,500	\$2,449,000 (incomplete)	\$600,850 (incomplete)	\$2,586,000 (incomplete)