



**Office of Superintendent of Public Instruction**  
K-12 Financial Resources

# 2017 Legislative Session Wrap Up

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July 7, 2017

# Agenda

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- School Apportionment
- Transportation
- Capital
- Questions and Answers



# Total Net Investment

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- The total net investment over the four year budgeting period as expressed by increase in state revenue less loss of local levy collections is shown below (in millions).

State Fiscal Year	2018	2019	2020	2021	Total
State Revenue	\$392	\$1,518	\$2,362	\$2,979	\$7,251
Local Revenue	\$0	(\$378)	(\$651)	(\$590)	(\$1,619)
Net Revenue	\$392	\$1,140	\$1,711	\$2,389	\$5,632

This chart assumes the levy cliff would occur in the 2019 calendar year, which is now current law.



# Compensation 2017-18 SY

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Staff Type	2017-18
Certificated Instructional	\$36,521
Classified	\$34,180
Certificated Administrative	\$62,199

- These values represent a 2.3% COLA including the continuation of the temporary COLA from the 2015-17 biennium.



# Compensation 2018-19 SY

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- No staff mix factor starting in 2018-19.
- Equal phase in between the 2018-19 and 2019-20 school years to provide the following statewide average salary allocations, adjusted for inflation from 2017-18, as follows:
  - CIS \$64,000; CAS \$95,000; CLS \$45,912
- Regionalization factor applied to the base salaries above of either 6%, 12%, 18%, or 24%.
- LEAP website has salary schedules and regionalization factors available in PDF and Excel.



# Inflation Applied to Salary

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- Inflation index changed from consumer price index to implicit price deflator.
- Projections as of March 2017 provided below.

Index	2018	2019	2020	2021
IPD	1.7%	1.6%	1.8%	1.9%
CPI	2.3%	2.7%	2.1%	2.1%
Difference	(0.6%)	(0.9%)	(0.3%)	(0.2%)



# Class Size Reduction

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- K-3 class size reduced to 17.0 as an allocation only.
- **No K-3 class size compliance for the 2017-18 school year.**
- K-3 class size compliance scheduled to return in 2018-19 school year.



# Materials, Supplies, and Operating Costs (MSOC)

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- General education and Lab Science MSOC values are increased by inflation.

MSOC Category	2016-17	2017-18
General Education	\$1,223.36	\$1,244.16
Lab Science	\$168.05	\$170.91

Each of these are allocated broken out into the specific sub-categories of MSOC as provided in current law for the 2016-17 school year.





# CTE and Skill Centers

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	2016-17	2017-18
CTE Class Size	26.57	23.00
CTE Central Admin Enhancement	1.45%	12.29%
Materials, Supplies, and Operating Costs	\$1,447.40	\$1,472.01
Skill Center Class Size	23.76	20.00
Skill Center Central Admin Enhancement	17.31%	17.61%
Materials, Supplies, Operating Costs	\$1,286.99	\$1,472.01

- Allowable usage of CTE funds are defined.
- Indirect rate reduced from 15% to 5.0%.



# Learning Assistance Program (LAP)

- Provides an additional hours per week of instruction allocated only by students at qualifying high poverty schools.
- OSPI will provide a list of schools with greater than 50% poverty which qualify for the additional dollars.
- The prior year enrollment of qualifying schools with be put through a separate calculation on the 1191SN.



# Other Categorical Programs

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- TBIP – differentiates between K-6 (4.7780 hours per week), and 7-12 (6.778 hours per week)
- Highly Capable- increases eligible to student percentage to 5%.



# Special Education

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- Increases the maximum funded student percent from 12.7% to 13.5%.
- Statewide average special education rates are \$6,995.56 for 2017-18, and \$7,988.17 for 2018-19.
- No changes to sped multipliers of 0.9309 or 1.15, nor the federal funds integration rate.



# Apportionment Payment Schedule

- Effective for the 2019-20 school year (changes are in bold):

Month	Old %	New %	Month	Old %	New %
September	9%	9%	March	9%	9%
<b>October</b>	<b>9%</b>	<b>8%</b>	April	9%	9%
<b>November</b>	<b>5.5%</b>	<b>5%</b>	<b>May</b>	<b>5.5%</b>	<b>5%</b>
December	9%	9%	June	6%	6%
<b>January</b>	<b>9%</b>	<b>8.5%</b>	<b>July</b>	<b>10%</b>	<b>12.5%</b>
February	9%	9%	August	10%	10%



# Enrichment Levies

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- Beginning with taxes levied in 2019, maximum levy is the lesser of:
  - \$1.50 per \$1,000 of assessed value -Or-
  - \$2,500 per pupil to be increased by inflation.



# Local Effort Assistance

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- Beginning with calendar year 2019 a district's maximum local effort assistance funding is the district's prior year enrollment multiplied by the difference of the state local effort assistance threshold and a school district's maximum allowable enrichment levy divided by the school district's student enrollment in the prior school year.



# Local Effort Assistance Threshold

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- Equal to \$1,500 per student adjusted for inflation beginning in calendar year 2020.





# Local Levy/LEA Impacts

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- Approximately \$1.6 billion less local revenue collected over four years.
- Complete re-write of the F-780 prior to 2019 levy collections.



# Levy Expenditure Reporting

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- Districts must get approval from OSPI for their enrichment levy expenditures starting with levies collected in calendar year 2019.
- If the enrichment levy expenditure plan changes during the life of the levy, districts must come back to OSPI for re-approval.



# Auditing to Levy Expenditure Plans

- SAO must audit to the levy expenditure plans to ensure enrichment levies are not paying for unallowable activities.
- Accounting structure must include coding to specifically identify enrichment activities so SAO has something to audit to.



# SHB 2242 Added OSPI Activities

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- By 12/1/17 propose a new salary grid.
- Per pupil allocations report by grade level.
- Safety net study and rules review.
- OSPI must write rules to define additional activities to be considered enrichment.
- Amend systems to accept district reporting of supplemental contracts.



# OSPI (continued)

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- Draft revenue to expenditure accounting changes and guidance.
- Establish sub funds in the accounting system.
- Amend systems for school district four year budgets (F-195/F-200).
- Revisit K-3 class size compliance rules for the 2018-19 school year.



# Transportation

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- Adds \$10 million for Districts operating below average cost per student and not fully funded.
- Salaries and benefits are added after all calculations.
  - Does not effect regression formula for districts.



# 2017-19 Capital Budget

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- Legislature passed a re-appropriation only budget (ESSB 5965).
  - Unspent capital project funds were carried over from the 2015-17 biennium to the 2017-19 biennium.
  - 2015-17 School Construction Assistance Program (SCAP) re-appropriation is \$3.3 Million less than the program obligations.

