

Organization and Financing

Of Washington Public Schools



Randy I. Dorn
State Superintendent of
Public Instruction

November 2015

OSPI provides equal access to all programs and services without discrimination based on sex, race, creed, religion, color, national origin, age, honorably discharged veteran or military status, sexual orientation, gender expression, gender identity, disability, or the use of a trained dog guide or service animal by a person with a disability. Questions and complaints of alleged discrimination should be directed to the Equity and Civil Rights Director at 360-725-6162/TTY: 360-664-3631; or P.O. Box 47200 Olympia, WA 98504-7200; or equity@k12.wa.us

Organization and Financing

Of Washington Public Schools

Prepared by
School Apportionment and Financial Services
Office of Superintendent of Public Instruction
T.J. Kelly, Director

Randy I. Dorn
Superintendent of Public Instruction

Ken Kanikeberg
Chief of Staff

JoLynn Berge
Chief Financial Officer

November 2015

This page left blank intentionally.

Office of Superintendent of Public Instruction

Randy I. Dorn, State Superintendent

JoLynn Berge, Chief Financial Officer

T.J. Kelly, Director, School Apportionment and Financial Services

About This Document

The Office of Superintendent of Public Instruction (OSPI) is pleased to present the thirteenth edition of Organization and Financing of Washington Public Schools. This edition updates most school fiscal data through the 2013–14 school year. If financial information for a particular area was not available at the time of publication, the most recent available year’s information is used and notated.

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 seeking additional school financial information may refer to OSPI’s School Apportionment and Financial Services website at: <http://www.k12.wa.us/safs/>.

This publication is available electronically on the OSPI website under Research & Reports then “Publications” at <http://www.k12.wa.us>. A link is also provided from the “Publications” menu at <http://www.k12.wa.us/safs/>. The document can be printed or downloaded, in PDF format, from the OSPI website at no charge. (PDF documents require the Adobe Acrobat Reader software.) Paper copies can be ordered by calling 360-725-6300. There is a charge to cover printing and mailing costs.

Questions regarding this publication may be addressed to School Apportionment and Financial Services at 360-725-6300 or PO BOX 47200, Olympia, Washington 98504-7200.

© The contents of this document may be reproduced without permission for educational purposes.

Acknowledgements

This report was prepared by OSPI’s School Apportionment and Financial Services staff with the assistance of numerous other staff throughout OSPI.

Rosauro Bunda, Supervisor, Personnel Reporting

Becky Dillon, Administrative Assistant

Michael Dooley, Supervisor, School District/ESD Budgeting

Vicky Dyer, Data Analyst

Ramona Garner, Supervisor, School District/ESD Financial Reporting

Melissa Jarmon, Supervisor, Apportionment Payments

Becky McLean, Supervisor, Enrollment and Institutions Funding

Paul Stone, Supervisor, School District/ESD Accounting

This page left blank intentionally.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
SECTION I. FOUNDATIONS OF SCHOOL FINANCE IN WASHINGTON STATE	11
Chapter 1. Legal Foundations of School Finance	13
A. State Constitution	13
B. State Laws	13
C. The Doran Decisions and Basic Education Funding	14
D. McCleary et al., v. State of Washington	15
E. Education Reform	15
F. Engrossed SUBSTITUTE House Bill 2261	18
G. Substitute House Bill 2776	19
H. Key Federal Law	20
I. Washington Administrative Code	24
J. Court Decisions Affecting Educational Funding	25
Chapter 2. Educational Organizations	29
A. State Board of Education	29
B. Superintendent of Public Instruction	29
C. Academic Achievement and Accountability Commission	31
D. Washington State Professional Educator Standards Board	31
E. Washington State School Directors' Association	31
F. Educational Service Districts	32
G. School Districts	35
H. Charter Schools	37
I. Tribal Compact Schools	37
J. Private Schools	37
K. Nonpublic Agencies	38
L. Education Centers	41
M. Home-Based Instruction	41
Chapter 3. Financial Management Fundamentals	42
A. The Budget Process	42
B. General Accounting Practices	42
C. Financial Reports	43
D. School District Cash Flow	44
E. School District Audits	47
SECTION II. FUNDING FOR MAINTENANCE AND OPERATIONS OF SCHOOLS	49
Chapter 4. Sources of State Support for Maintenance and Operations	51
A. Retail Sales Tax	51
B. Business and Occupation Tax	51
C. Property Tax	51
D. Other	55
Chapter 5. State Funding for Maintenance and Operations	57
A. Basic Education	58
a. Prototypical School Funding Formula	58
b. Certificated Instructional Salaries	64
c. Certificated Administrative Salaries	65
d. Classified Salaries	65
e. Payroll Taxes and Benefits	73
f. Insurance Benefits	73
g. Materials, Supplies, and Operating Costs	74
h. Substitute Teacher Pay	74
i. Local Deductible Revenues	74
j. Fire District Payments	75
B. Special Education	75
a. Special Education Allocation Formula	76

b.	Home and Hospital Allocation	77
c.	Safety Net Allocation	77
C.	Student transportation	77
D.	Local Effort Assistance	79
E.	Learning Assistance Program (LAP)	80
F.	Bilingual Education	80
G.	Education Reform Programs	81
H.	Institutional Education	83
I.	State Office (OSPI) – Statewide Programs	84
J.	State Administration	85
K.	Better Schools	86
L.	Highly Capable Students	86
M.	Educational Service Districts	86
N.	School Food Services	86
O.	Initiative 728, The K–12 Student Achievement Act	87
Chapter 6.	Local Funding for Maintenance and Operations	89
A.	Maintenance and Operation Levies	89
B.	Timber Excise Tax	92
C.	Revenues From Other Districts	92
D.	Other Local Receipts	93
Chapter 7.	Federal Funding for Maintenance and Operations	97
A.	School Food Services & USDA Commodities	98
a.	National School Lunch and School Breakfast Programs	98
b.	USDA Food Distribution	98
c.	Special Milk Program	98
d.	Fresh Fruit and Vegetable Program	98
e.	Summer Food Service Program	99
f.	Seamless Summer Feeding Program	99
B.	Elementary and Secondary Education Act – Selected Programs	100
a.	Title I, Part A, Basic	100
b.	Title I, Part C, Migrant	100
c.	Title I, Part D, Prevention and Intervention Programs for Neglected or Delinquent Children or Youth	100
d.	Title I, Part G, Advanced Placement	101
e.	Title I, School Improvement Grants	101
f.	Title II, Part A, State Grants for Improving Teacher Quality	101
g.	Title II, Part B, Mathematics and Science Partnerships	102
h.	Title III, English Language Acquisition, Enhancement and Academic Achievement	102
i.	Title IV, Part B, 21st Century Learning Centers	102
j.	Title VI, Part B, Rural and Low Income Schools	102
k.	Title VII, Part A, Indian Education	102
l.	Title VIII, Federal Impact Aid	103
m.	Title X, Part C, Amendments to the McKinney-Vento Homeless Assistance Act	103
C.	IDEA–Special Education, Supplemental	103
D.	Special Purpose–Direct	103
E.	Medicaid Administrative Match	103
F.	Special Purpose–OSPI	104
G.	Federal Forests	104
H.	Head Start	104
I.	Carl D. Perkins Career and Technical Education Act of 2006	104
J.	Other Federal Revenues	104
SECTION III.	FUNDING OTHER SCHOOL DISTRICT FUNCTIONS	105
Chapter 8.	School Construction and Other Capital Projects	107
A.	Capital Projects	107
a.	State Revenues	107

b. Local Revenues	108
c. Other Revenues	109
B. Debt Service Fund.....	112
Chapter 9. Purchase of School Buses	113
A. Transportation Vehicle Fund.....	113
B. Sources of Revenue to the Transportation Vehicle Fund	113
C. Student Transportation.....	113
Chapter 10. Associated Student Body, Permanent, and Trust and Agency Funds.....	117
A. Associated Student Body Funds	117
B. Permanent Funds.....	117
C. Trust and Agency Funds	117
SECTION IV. SCHOOL STATISTICS AND HISTORY	119
Chapter 11. History of School Personnel and Compensation	121
A. Compensation Legislation.....	121
B. Personnel Staffing History.....	133
Chapter 12. School Enrollment	141
A. Enrollment History.....	141
B. Choice Enrollment.....	146
Chapter 13. School District General Fund Revenues and Expenditures.....	147
Chapter 14. History of Education in Washington	155
A. First Schools.....	155
B. Establishment of Common School System	155
C. Early Administration of Common Schools.....	155
D. Growth and Development of Common Schools During Territorial Period	156
E. Financial Support of Common Schools 1854 to 1956.....	156
INDEX.....	159

This page left blank intentionally.

MAPS, TABLES, and GRAPHS

Figure 1 – Educational Service Districts – Boundaries 33

Figure 2 – Educational Service Districts – State Summary General Expense Fund FY 2013–14 34

Figure 3 – Washington Public Schools – By County and Grade Level 39

Figure 4 – Washington Private Schools – By County and Grade Level 40

Figure 5 – State General Fund Revenues by Source 52

Figure 6 – State General Fund Expenditures by Functional Area 53

Figure 7 – LEAP Document 1 – Staff Mix Factors for Certificated Instructional Staff, 2013–14 and
2014–15 66

Figure 8 – LEAP Document 2 – Extract 67

Figure 9 – History of Certified Excess General Fund Levies 94

Figure 10 – Statewide – Illustrating 2015 Levy Authority and Local Effort Assistance 95

Figure 11 – State Summary – Capital Projects Fund 111

Figure 12 – State Summary – Debt Service Fund 112

Figure 13 – State Summary – Transportation Vehicle Fund 116

Figure 14 – State Summary – Associated Student Body Fund 118

Figure 15 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2002–03 ... 126

Figure 16 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2003–04 ... 127

Figure 17 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2004–05 ... 127

Figure 18 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2005–06 ... 128

Figure 19 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2006–07 ... 128

Figure 20 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2007–08 ... 129

Figure 21 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2008–09 ... 129

Figure 22 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2009–10 ... 130

Figure 23 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2010–11 ... 130

Figure 24 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2011–12 ... 131

Figure 25 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2012–13 ... 131

Figure 26 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2013–14 ... 132

Figure 27 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2014–15 ... 132

Figure 28 – Historical Comparison of Statewide School District Personnel Salaries, Annualized Average
Salaries, and Per Capita Income 136

Figure 29 – Historical Comparison of Statewide School District Personnel Full-Time Equivalents and
Annualized Average Salaries 137

Figure 30 – Historical Comparison of Statewide School District Personnel for All Programs and Basic
Education Programs 138

Figure 31 – Certificated Instructional FTE in All Programs – LEAP Document 1 Placement (2013–14) 139

Figure 32 – Historical Comparison of Statewide School District Staff Ratios K–12, K–3, and K–4 Staff per
1,000 Enrolled Students 140

Figure 33 – Historical Comparison of Statewide School District Enrollments – Average Annual Headcount 142

Figure 34 – Historical Comparison of Statewide School District Enrollments – Average Annual FTE
Enrollment 143

Figure 35 – Historical Comparison of Statewide School District Enrollments – Average Special Education
Program Headcount Enrollment 144

Figure 36 – Approved Private School and Student Enrollment – Ten Year History 145

Figure 37 – Expenditures by Fund – 2013–14 School Year 148

Figure 38 – General Fund Expenditures by Program, School Year 2013–14 149

Figure 39 – Expenditures by Activity, School Year 2013–14 150

Figure 40 – General Fund Expenditures by Object – School Year 2013–14 151

Figure 41 – State Summary – General Fund Statement of Revenues, Expenditures, and Changes in Fund
Balance 152

Figure 42 – General Fund Revenue Sources by Percent 153

Figure 43 – Historical Comparison of Statewide School District General Fund – Revenues and Expenditures
Per Pupil 154

This page left blank intentionally

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 which ranks Washington state schools among the highest in the nation in the percent of school district revenue provided from state sources.

Washington state is a leader in developing student learning standards and assessments to measure student performance. Beginning in 1992, Washington embarked on an ambitious program of education reform with the goal of improving student achievement for all students. The Legislature and the citizens of Washington have shown continued support for education reform goals and programs.

Federal education reform also impacts Washington state. The main federal legislation, No Child Left Behind Act of 2001 (NCLB), represents sweeping changes. Its goal is to close the achievement gap by giving all children the opportunity to obtain a high-quality education that will enable them to meet challenging state academic achievement standards. The law's four central themes are: accountability for results of all students; greater flexibility and local control in exchange for greater responsibility for student performance; increased parental information and options; and an emphasis on teaching methods that have been proven to work. NCLB expands the federal government's role in elementary and secondary education, mandating unprecedented national requirements. At all levels of education, Washington state is dedicating resources to meet these requirements.

The public school governance system in the state of Washington consists of the Office of Superintendent of Public Instruction (OSPI), the State Board of Education (SBE), the Professional Educator Standards Board (PESB), 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 that recognizes 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. However, the state also partially equalizes local levy funding by providing local effort assistance to property poor school districts.

The financial management of schools rests with locally elected school boards in the state's 295 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 districts' finances 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 student transportation equipment; the Associated Student Body Fund for student activities; and Trust Funds for donations dedicated for specific uses.

OSPI collects information from school districts on school personnel, salaries, student enrollments, revenues, and expenditures (by program, activity, and object), which is compiled and analyzed 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 (RCW)
- OSPI and State Board of Education regulations implementing state and federal law (WAC)
- Professional Educator Standards Board (PESB)

The complexity of school finance arises from the number of programs funded and from the many reporting, accounting, and audit requirements of each program. In 2013–14, OSPI administered:

- 16 formula-driven state programs funded through the apportionment process
- 30 state grant programs
- 13 federal grant programs
- 7 interagency grant programs
- 3 private 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). Upon adoption, the budgets are submitted to OSPI.

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. The annual financial reports are submitted to OSPI.

The Washington State Auditor examines school districts' operations and financial records for compliance with applicable state and federal requirements.

Nine regional Educational Service Districts (ESDs) 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 program funding that might otherwise be unavailable to them.

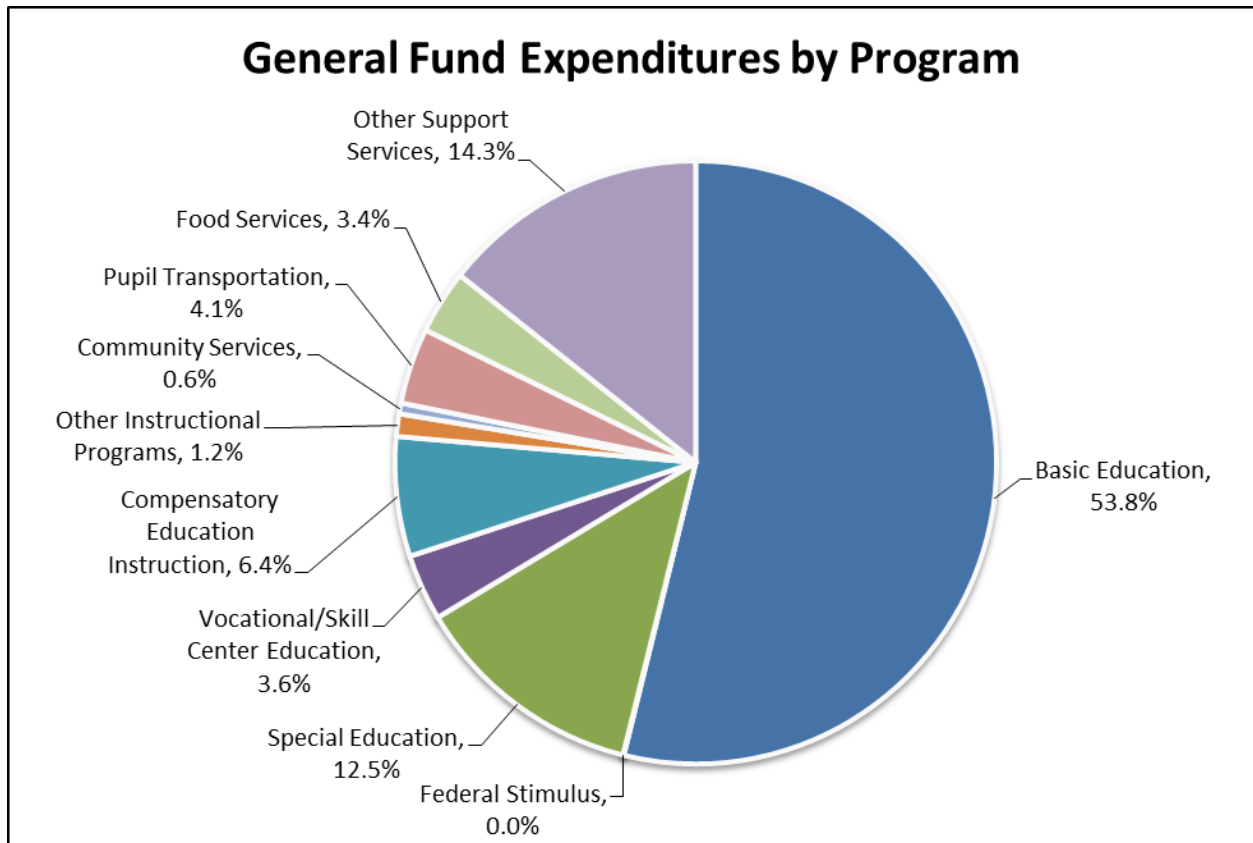
2) How Do Washington Public Schools Spend Their Money?

School districts record expenditures in five funds. About 80 percent of all expenditures are for the day-to-day maintenance and operations of the school district and are recorded in the General Fund. Total 2013–14 school year expenditures by fund are summarized below in millions.

Fund	Amount	Percentage	Purpose
General Fund	\$10,764	79.9%	Maintenance and operations
Capital Projects Fund	1,447	10.8%	Facilities construction/remodeling
Debt Service Fund	1,045	7.8%	Repayment of bond debt
Transportation Vehicle Fund	63	.5%	Purchase of school buses
Associated Student Body Fund	123	.8%	Student body activities
Permanent Fund (amounts insig.)	0	0%	Various dedicated purposes
Other Trust Agency Fund	32	.2%	
Total	\$13,474	100%	

The largest program in the school district General Fund is basic education. Major programs in the General Fund for the 2013–14 school year are summarized below. (*Dollars are in millions.*)

Program	Amount	Percent
Basic Education	\$5,796	53.8%
Federal Stimulus	5	0%
Special Education	1,347	12.5%
Vocational/Skills Center Education	383	3.6%
Compensatory Education Instruction	691	6.4%
Other Instructional Programs	130	1.2%
Community Services	62	.6%
Student Transportation	437	4.1%
Food Services	369	3.4%
Other Support Services	1,543	14.3%
Total	\$10,764	100%

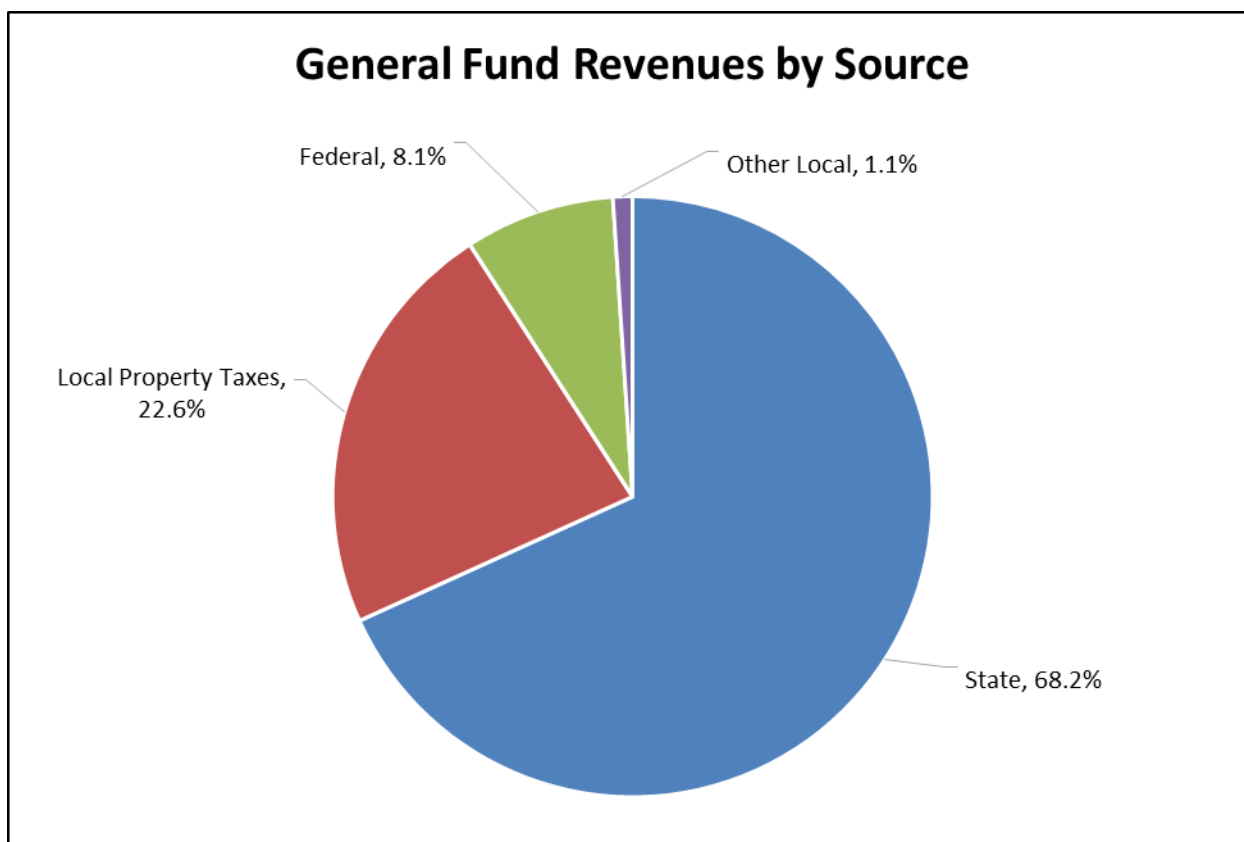


OSPI annually publishes a School District and Educational Service District Financial Reporting Summary containing detailed expenditure data by district. The publication is available electronically from the “Publications” link on the OSPI School Apportionment and Financial Services website at: <http://www.k12.wa.us/safs/>.

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

Over 68 percent of school district General Fund revenue comes from the state. Sources of revenue for the 2013–14 school year are shown below. (*Dollars are in millions.*)

Revenue Source	2013–14	Percent
State	\$7,140	68.2%
Local Property Taxes	2,369	22.6%
Federal	846	8.1%
Other Local	111	1.1%
Total	\$10,465	100%



The Washington State Constitution states, “It is the **paramount duty** of the state to make ample provision for the education of all children . . .” In 1977, a landmark court decision required the Washington State Legislature to define and fully fund a basic education program for all public school students to meet this constitutional obligation. In response to this court ruling, Washington state significantly increased state support and imposed limits on local property tax support for schools. The result is that Washington schools are among the highest in the nation for the proportion of state funding received.

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 based primarily upon the reported student enrollments. Funding to a district may fluctuate in response to its actual student 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 materials, supplies, and operating costs (MSOC)
- 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 2013–14 was \$5,526.75.

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, in most areas.

Starting with the 2014–15 school year, the amount of teachers allocated in the funding formula in grades K–3 is dependent upon whether or not districts higher the staff to provide the class sizes established in the state budget. This is one area where the Legislature allocates funding for a specific purpose, and if the funding is not utilized for that purpose, then districts do not receive the maximum possible allocation from the state. For the 2015–16 school year districts will receive an allocation for K–3 teachers based on a maximum class size of 25.23. If districts are able to staff to provide class size of less than 25.23 they will receive an allocation based on their actual class size until maximum funding in realized at the class sizes shown in the below chart.

Grade Level	Maximum Class Size	Minimum Class Size Non-High Poverty Schools	Minimum Class Size High Poverty Schools
K	25.23	22.00	18.00
1		23.00	19.00
2		24.00	22.00
3		25.00	24.00

Districts are required to employ at least 46 certificated instructional employees per 1000 students. School districts negotiate employee salaries and benefits in local negotiations with its employees. However, state law limits *average* base contract salaries for certificated instructional staff to the state allocated salary.

State funding formulas for the other programs are more simple. The state special education allocation per student is based on 93.09 percent of the district’s basic education allocation per

student aged K–21. This funding is provided for up to 12.7 percent of a district's basic education population. The special education allocation for infants and toddlers age 0–2 and students age 3–prekindergarten is 1.15 percent of the district's basic education allocation per student. Special education safety net funding is provided to districts that can demonstrate financial need due to high-cost individual students. Bilingual funding is described later in this publication. 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 within their 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 grant school districts the authority to levy local property taxes. School districts may run a levy for a particular fund a maximum of 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 the majority of school district M&O levies to a limit of 28 percent of the school district's state and federal funding for the previous school year (called the levy base). Ninety-one school districts have levy limits higher than 28 percent, ranging from 28 to 38 percent of their levy base. These higher limits are 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 that have 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 15 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’s School Construction Assistance Program operates as a partnership between local school districts and the state to fund construction of new school sand modernize existing facilities. The state contributes some funding, as well as technical assistance, in facility planning, construction, and contracting.

State funding assistance is provided for “instructional space.” Land purchases and auxiliary facilities, such as stadiums and district administrative space, must be funded entirely with local revenues.

State funding assistance is determined using a funding formula based upon three main factors: eligible area, construction cost allocation, and the funding assistance percentage.

- **Eligible Area** – The eligible area for new construction is calculated by comparing the current district-wide capacity (in square feet) to the district’s projected enrollment growth and future space needs.
- **Construction Cost Allocation** – The Construction Cost Allocation is a per square foot amount set by the state and used to determine the level of state funding assistance. OSPI submits requests to the Legislature for periodic increases in the allocation to keep pace with inflation.
- **Funding Assistance Percentage** – The state applies a funding assistance percentage to equalize state funding. The percentage accounts for differences across school districts in wealth and the ability to generate revenue through property taxes. The minimum percentage is 20 percent of recognized project costs, and can be as much as 100 percent of the recognized costs, depending on district wealth.

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

State revenues to fund school construction projects come from multiple sources, including management of Common School Trust Lands, the general fund and state-issued general obligation bonds. The composition of total state funding across these sources changes over time, depending on budget decisions made by the Governor and the Legislature.

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

Retail sales tax and the business and occupation tax combined make up almost 70 percent of all State General Fund revenue. Sources of State General Fund revenue for the 2011–13 Biennium are shown below. Revenues for the 2013–15 Biennium are also shown here as forecasted by the Economic and Revenue Forecast Council in September 2012. *(Dollars are in millions.)*

Revenue Source	2011–13		2013–15	
	Dollars	Percentage	Dollars	Percentage
Retail Sales Tax	\$13,914	45.39%	\$15,855	48.39%
Business and Occupation Tax	6,432	20.98%	6,665	20.31%
Property Tax	3,800	12.40%	3,956	12.07%
Real Estate Excise Tax	934	3.05%	1,251	3.82%
All Other	5,577	18.18%	5,056	15.41%
Total	\$30,657	100%	\$32,763	100%

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

About 53 percent of all State General Fund expenditures are for public education programs. Higher education receives approximately 8.13 percent, and kindergarten through grade 12 receives approximately 45.04 percent. State General Fund expenditures by major functional area are shown below for the 2013–15 Biennium. (*Dollars are in millions.*)

Functional Area	2011–13	Percent	2013–15	Percent
Public Schools (K–12)	\$13,621	44.23%	\$14,833	45.04%
Higher Education	2,387	7.75%	2,667	8.13%
Human Services	11,394	37.00%	12,032	36.53%
General Government, Legislative, Judicial	816	2.65%	849	2.58%
Natural Resources	267	0.87%	270	0.82%
Other	2,311	7.50%	2,274	6.90%
Total	\$30,796	100%	\$32,935	100%

This page left blank intentionally.

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.

This page left blank intentionally.

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, the Professional Educator Standards Board, 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 constitutional priority on education was 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 encompasses the laws related to the common schools and establishes the organizational structure of the common school system. ("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.)

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), and school districts (Chapter 28A.315.343). Other chapters of the RCW define requirements for the allocation of state funds, professional certification, instructional program requirements, student and parent rights, and other subjects of state concern.

Appropriations Acts

The other state laws that shape school finance are the state operating and capital budgets enacted 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 and provides detailed state funding formulas and requirements for receiving state funding. 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 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 enacted 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).

The laws enacted by the Legislature over the past 25 years have been shaped by three major developments: The court decisions of Judge Doran, the court case of McCleary et al. v. State of Washington, 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 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

student 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 school finance in Washington:

- Once a program is defined as “basic education,” it becomes part of a state on-going entitlement program. The state may not reduce the funding level due to state revenue problems.
- Funding increases are often labeled “enhancements to basic education” and therefore are not an on-going entitlement
- The basic education funding formula is not “cast in concrete”; it is the continuing obligation of the Legislature to review the formula as the education system evolves and changes.
- 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 seventh 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. MCCLEARY ET AL., V. STATE OF WASHINGTON

For information on this court case, see the section entitled “Court Decisions Effecting Educational Funding.”

E. EDUCATION REFORM

In the past twenty 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 EALRs. More flexibility was provided in instructional 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. The program shall include the 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 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 effectively, and communicate successfully in a variety of ways and settings with a variety of audiences.
- (2) Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness.
- (3) Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems.
- (4) Understand the importance of work and finance 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 twenty 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. The basic education K–4 staffing ratio increased to 55.4:1000 in the 2001–02 school year and decreased to 54:1000 in 2002–03. In 2004–05, it was decreased further to 53.2 and continued at that level through 2009–10. In 2010–11, the ratios were changed, with the K–3 ratio remaining at 53.2, and the grade 4 ratio dropping to 47.43. Beginning with the 2011–12 school year, the prototypical school funding formula was used, thus eliminating the per 1,000 staffing ratios as a means for allocating funds to school districts.

Support for professional development of educators was provided beginning in 1993 with the creation of SLIGs. 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 (LID) days” added to the 180-day school year for certificated instructional staff. Starting in 2002–03, and continuing to 2008–09, the three LID days were reduced to two. This was reduced to one LID day in 2009–10 and zero in 2010–11. LID days have remained unfunded since the 2010–11 school year. When funded, LID days were 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 commission’s responsibilities associated with education reform. The 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 WASL.

In November 2000, Washington state voters approved Initiative 728 (I-728), the K–12 2000 Student Achievement Act. I-728 dedicated 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. For the 2009–10 school year, the state allocated \$131.16 per FTE student to all school districts from the Student Achievement Fund. See Chapter 5 Section O. for specific funding information on I-728. I-728 was repealed during the 2012 Legislative Session.

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.

In 2003, for the 2003–05 biennium budget, the Legislature increased focused assistance to school improvement schools and expanded the National Board Certification Bonus for eligible teachers.

F. ENGROSSED SUBSTITUTE HOUSE BILL 2261

ESHB 2261 is a massive education reform bill passed during the 2009 Legislative Session. The bill redefines the state’s “Program of Education,” and the funding amounts and methods needed to fully support it. Full implementation of the bill is currently scheduled for 2018. Bill language establishes the Quality Education Council (QEC) to recommend and inform the ongoing implementation by the Legislature of an evolving program of basic education, and the financing necessary to support such a program. The council is to develop strategic recommendations on the program of basic education for the common schools in Washington state. The QEC consists of fourteen members as outlined below:

- State Superintendent of Public Instruction (Council Chairperson)
- Governor Appointee (1)
- State Board of Education Member (1)
- Professional Educators Standards Board (1)
- Achievement Gap Oversight and Accountability Committee (1)
- Department of Early Learning Director (1)
- Legislators (8)

Among other enhancements, the bill also begins the process towards establishing a new funding formula for Washington state school districts. The bill implements a prototypical school model as a basis of funding. This model provides resources assumed to be used in both the daily operations of the school buildings, and the entire district. The prototypical school model is further defined in SHB 2776. In order to develop new funding formulas, the following groups were created under the bill:

- Funding Formula Technical Work Group – ongoing. Initial report provided to the Legislature December 2009.
- Data Governance and K–12 Financial Data – ongoing.
- Levy and Local Effort Assistance Technical Work Group – Final report provided to the Legislature July 2011.
- Compensation Technical Work Group – Final report provided to the Legislature July 2012.

Finally, ESHB 2261 establishes a new funding formula for student transportation to begin no later than 2013.

G. SUBSTITUTE HOUSE BILL 2776

SHB 2776 was passed in the 2010 Legislative Session, and enacted the details of the new funding formula for public education. It represents a major change to the funding system of public schools, and the ability of the public to understand the differences between what the state assumes to fund, compared to how districts deploy the resources provided by the state. This bill provides funding within the three general areas: school level, district level, and other funding. School level funding in this bill is based on the prototypical school model, which focuses on the assumed resource type necessary to operate a school of a specific size. The legislation details an assumed class size, which varies based upon grade level and some subject areas. The class size is then used along with other variables to calculate the number of teachers assumed to provide instruction within the school. The legislation also provides an assumed funded value for many other roles within the school building such as principals, teacher librarians, guidance counselors, and others.

District level funding is generated by districtwide student full-time enrollment regardless of grade level or subject, and is assumed to provide staff that supports the entire district. The staffing for districtwide support assumed to be generated in this area includes maintenance workers, technology staff, and facilities, maintenance and grounds keepers. Also in this area is central administration staffing, which provides calculated units as a percentage of staff generated as K–12 teachers, school level staffing, and districtwide support.

The Nonemployee-Related Cost (NERC) model is renamed Materials, Supplies, and Operating Costs (MSOC), and switches from a dollar per staff model to a dollar per student model. The funding is provided in seven specific categories, based on the NERC survey completed by districts in the 2008–09 school year. This is an area where the Legislature named a specific target value for funding by the 2015–16 school year.

Other funding in SHB 2776 includes categorical programs, special education, small school funding, career and technical education (CTE), and skills centers. Special education and small schools funding did not change from the previous funding model. Categorical program funding switches from a dollar enhancement model to a service delivery model. Therefore, funding is provided based on an assumed amount of additional instructional time per week for a class size of fifteen full-time equivalent students.

The bill also requires OSPI to create a model on its website which provides citizens an opportunity to view, for each local school, the staffing levels and other prototypical school funding elements that are assumed under the state funding formula. The model must also provide a matrix displaying how individual school districts are deploying those same state resources through their allocation of staff and other resources to schools, so that citizens are able to compare the state assumptions to district allocation decisions for each local school building. This model, based upon 2013–14 school year financial and staffing information, was made public in March 2015. It is available on the School Apportionment and Financial Services website. It will be updated with the most recent available financial and staffing information on an annual basis.

A new transportation funding formula is outlined in the legislation for implementation in the 2011–12 school year. For more information on this please see Chapter 9, Section C. of this document.

SHB 2776 established the context for several new funding areas, however initial legislation did not implement them. The following are some key areas:

- Poverty enhancement for schools with greater than 50 percent poverty
- Ending values for K–3 enhancement and MSOC
- Class sizes for Lab Science, Advanced Placement, and International Baccalaureate

- Administration and other certificated support levels for CTE and Skills Centers

Enhanced class sizes for grades K–3 were implemented as part of the 2011–13 biennial budget. All others mentioned above represent areas that the legislature intends to develop in the future, and thus were established as placeholders within the bill.

While most target values are not defined, SHB 2776 does target values for the following areas:

SCHOOL YEAR	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
FULL-DAY KINDERGARTEN*	MORE FUNDING CAN BEGIN	MORE FUNDING <u>MUST</u> BEGIN	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	MUST BE FULLY FUNDED
K–3 CLASS SIZE REDUCTION*	MORE FUNDING CAN BEGIN	MORE FUNDING <u>MUST</u> BEGIN	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	MUST BE FULLY FUNDED
MAINTENANCE, SUPPLIES, AND OPERATING COSTS (MSOC)	MORE FUNDING CAN BEGIN	MORE FUNDING <u>MUST</u> BEGIN	CONTINUES TO RAMP UP	CONTINUES TO RAMP UP	STATE LEGISLATURE MET ITS OBLIGATION TO FULLY FUND IN 2015-16 SCHOOL YEAR		
BASIC TRANSPORTATION	MORE FUNDING CAN BEGIN	MORE FUNDING <u>MUST</u> BEGIN	CONTINUES TO RAMP UP	STATE LEGISLATURE MET ITS OBLIGATION TO FULLY FUND IN 2014-15 SCHOOL YEAR			

* Full-Day Kindergarten and the K–3 class size reduction will be phased in starting with the schools with the highest poverty levels in the state.

H. KEY FEDERAL LAW

No Child Left Behind Act of 2001 (NCLB)

The No Child Left Behind Act of 2001 (NCLB) reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). The purpose of the reauthorized ESEA is to close the achievement gap by giving all children the opportunity to obtain a high-quality education that will enable them to meet challenging state academic achievement standards.

The new law represents the most sweeping changes to the ESEA since it was enacted. Its four central themes are: accountability for results; flexibility and local control; parental information and options; and an emphasis on teaching methods that have been proven to work. In 2012, Washington was granted a waiver from some of the requirements of ESEA, allowing for more flexibility in the determination of annual objectives.

NCLB expands the federal government’s role in elementary and secondary education, mandating unprecedented national requirements.

Most notably, the federal government has now:

- Set minimum qualifications for teachers in all the nation’s public schools—whether or not the schools receive federal funding
- Established a mandatory national deadline—school year 2016–17—by which all public schools are expected to bring all their children to a “proficient” achievement level
- Required that states develop a single, statewide accountability system for all public school districts which tightens the definition of adequate yearly progress (AYP) by incorporating annual statewide measurable objectives (AMOs) for improved achievement by all students as well as specific subgroups (e.g. economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and limited English proficient (LEP) students)

- Expanded assessment requirements:
 - ✓ Annual assessments in reading or language arts and mathematics in grades 3–8, and at least once in grades 10–12, for all students by school year 2005–06
 - ✓ Assessments in science at least once in each of three grade spans (grades 3–5, 6–9, and 10–12) by school year 2007–08
 - ✓ Annual assessments in English proficiency for all Limited English proficient (LEP) students beginning in school year 2002–03
 - ✓ Biennial state participation in National Assessment of Educational Progress (NAEP) reading and math assessments for 4th and 8th graders beginning in school year 2002–03 (provided the federal government bears the cost of administering this assessment)
- Required state and school district report cards to be published at the beginning of the school year, starting with the fall of 2002

Key Events in Federal Education Investment	
1964	Civil Rights Act required desegregation of schools.
1965	Elementary and Secondary Education Act (ESEA) provided first substantial aid for local schools. Title I, by far the biggest ESEA program, focused aid on high-poverty areas.
1975	Education of All Handicapped Children Act (now the Individual with Disabilities Education Act or IDEA) mandated access to education for all children with disabilities.
1981	Education Consolidation and Improvement Act (ECIA) reauthorized ESEA and block-granted many programs. This began an era of budget cuts for school funding. Title I was renamed as Chapter 1.
1986	Congress added Infants and Toddlers with Disabilities: Part H of IDEA that created a mandatory early intervention program for developmentally delayed infants and toddlers, aged birth to 3, and their families.
1990	Education of All Handicapped Children Act reauthorized as IDEA.
1994	ESEA reauthorized under Improving America's Schools Act (IASA) which broadened the accountability system under Chapter 1. The related Goals 2000: Education America Act set national education goals and provided funds for state standards and assessment systems.
1997	IDEA was amended, strengthening the basic rights and protections of eligible students to receive a free appropriate public education (FAPE) and providing a new emphasis on improving educational results.
2002	No Child Left Behind Act of 2001 (NCLB) enacted, establishing minimum qualifications for teachers and paraprofessionals and setting the "proficient" goal by the end of school year 2013–14.
2004	Reauthorization of IDEA

Through NCLB, Congress continued all of the major overarching fiscal provisions of ESEA. These include:

- **Supplement/Supplant**—Under most U.S. Department of Education grants, states and school districts may use federal funds only to supplement (increase) and not to supplant (replace) state and local funds that would, in the absence of the federal funds, be made available for the education of students
- **Maintenance of Fiscal Effort**—School districts may receive funds under most NCLB programs only if they maintain their nonfederal spending for free public education (per student or in the aggregate) at a level of at least 90 percent of the previous year from one year to the next
- **Title I Schoolwide Programs**—Eligible schools are able to use their Title I, Part A funds, in combination with other federal, state, and local funds, in order to upgrade the entire educational program of the school and to raise academic achievement for all students. To be eligible as a Title I Schoolwide program, at least 40 percent (previously 50 percent) of the children enrolled in the school or residing in the school attendance area for the initial year of the schoolwide program must be from low-income families

A table listing major NCLB programs awarded to Washington in school year 2013–14 has been provided at the end of this section.

Individuals with Disabilities Education Act of 2004 (IDEA)

The Individuals with Disabilities Education Act of 2004, signed into law on December 3, 2004, is intended to improve the educational outcomes for children with disabilities who are eligible for special education.

The purpose of IDEA is to:

- Ensure that all eligible children have available to them a free appropriate public education (FAPE) that emphasizes special education and related services to meet their unique needs and prepare them for employment and independent living
- Ensure that the rights of eligible children and their parents are protected
- Assist states, localities, educational service agencies, and federal agencies to provide for the education of all eligible children
- Assess and ensure the effectiveness of efforts to educate eligible children

IDEA, Part B is subject to non-supplanting and maintenance of effort requirements. In school fiscal year 2013–14, Washington state’s allocation for IDEA, Part B-Grants to States was \$209,103,086. In addition, the state’s IDEA, Part B Preschool award for the same period was \$7,640,332.

Major Programs of the Elementary and Secondary Education Act 2013–14

Title	Name	Purpose	Amount
Title I	Part A—Improving the Academic Achievement of the Disadvantaged	Aid for pupils in high-poverty schools	\$203,756,256
	Part B—Student Reading Skills Improvement	Reading programs, with a focus on younger children	0
	Part C—Migrant Education Program	Education for migratory children	14,839,257
	Part D—Neglected and Delinquent	Education for children in institutions for neglected & delinquent children	1,381,712
	Part F—Comprehensive School Reform Demonstration	Grants to foster whole-school reform	0
Title II	Part A—Preparing, Training & Recruiting High Quality Teachers and Principals	Teacher and principal training and recruitment programs	37,529,639
	Part B—Mathematics and Science Partnerships	Teacher professional development to increase student achievement in Math and Science, particularly for underrepresented populations	2,189,346
	Part D—Enhancing Education Through Technology	Training teachers how to use technology in the classroom	0
Title III	Language Instruction for Limited-English Proficient and Immigrant Students	Language instruction to foster English fluency	16,399,053
Title IV	Part A—21 st Century Schools	After-school programs	15,606,554
	Part B—Safe and Drug Free Schools and Communities	Anti-drug programs	0
Title V	Part A—State and Local Innovative Programs (block grant)	Flexible funding for a wide range of school activities	0
	Part B, Subpart 1—Public Charter Schools	Helps foster development of public charter schools	0
Title VI	Part A, Subpart 1—Accountability	Grants to states for assessment development and related activities	7,212,130
	Part B, Subpart 1—Small Rural School Achievement Program	Direct grants for small, rural districts	1,985,903
	Part B, Subpart 2—Rural and Low Income Schools Program	State grants for small, rural districts	1,169,418
Title VII	Indian, Native Hawaiian and Alaska Native Education	Direct grants for special programs for Native Americans	4,103,967
Title VIII	Impact Aid	Aid for school districts affected by presence of federal land	45,357,657
Total			\$351,530,892

I. 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. Agency authority to adopt rules is given in state law. Process requirements for rule adoption and revision are governed by Chapter 34.05 RCW, the Administrative Procedures Act.

State Board of Education

The State Board of Education (SBE) 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 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 the 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 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.

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 Section 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 in this WAC 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.

J. 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 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 budget 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 said in part:

“(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 percent 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 percent 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.

The suit 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.

McCleary et al., v. State of Washington

In January 2012, the Washington Supreme Court issued a decision in *McCleary v. State of Washington*. The Court concluded that the state has failed to meet its duty under article IX of the state constitution to make ample provision for the education of all children in the state by consistently providing school districts with a level of resources that falls short of the actual costs of the basic education program. At the same time, the Court embraced the Legislature’s chosen reform measures as the appropriate remedy. The Court retained jurisdiction over the matter to monitor the Legislature’s implementation of the reform measures between 2012 and 2018. In several subsequent rulings issued in 2012 and 2014, the Court continued to find that the state is “not meeting its paramount duty...to make ample provision for the education of all children residing within its borders.” In September 2014, the Court held the Legislature in contempt for failing to present a plan showing how it intends to achieve full compliance with article IX by 2018. In August 2015, the Court sanctioned the Legislature for its continued failure to present a plan.

Chapter 2. Educational Organizations

The Washington public school system consists of the State Board of Education, the Office of Superintendent of Public Instruction, Washington State Professional Educator Standards Board, 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 is one of the oldest institutions of Washington state government. It has operated continuously since 1877, when it was created by the Legislature of the Territory of Washington. The Board has been reconstituted by the Legislature five times: 1897, 1909, 1947, 1992 and 2005.

Under the last reconstitution, the State Board of Education (SBE) is a policy body comprised of 16 statutory members. Seven members represent the educational system and seven are appointed by the governor, subject to confirmation by the Senate. The seven members representing the educational system are: five members elected by school board members, two from eastern Washington and three from western Washington; the Superintendent of Public Instruction; and one member elected from private schools. The final two members are students. The SBE elects its own chair to two year-terms, with a limit of two terms. All members of the SBE, except for students, are voting members.

The State Board of Education's powers and duties are prescribed by law. Under RCW 28A.305.130, the purpose of the state board of education is to provide advocacy and strategic oversight of public education, implement a standards-based accountability system, provide leadership in the creation of a system that personalizes education for each student and respects diverse cultures, abilities and learning styles, and promote achievement of the goals of basic education. Specific duties of the state board include assurance of school district compliance with minimum basic education requirements; establishment of minimum high school graduation requirements; development of an accountability framework that creates a unified system of support for challenged schools, with an achievement index for recognition and support of schools; approval and oversight of school district authorizers of charter schools, 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 \$6 billion in the 2013–14 state fiscal year. Approve and monitor the nine ESDs and 295 local school districts' expenditure budgets. (For 2013–14, the ESD General Fund budgets total \$263 million and the local school districts have annual General Fund budgets totaling \$11 billion.)
 - Administer the state school construction assistance program and other grant programs (\$659 million in the 2011–13 biennium), provide facilities services, and assist local school districts with boundary issues.
 - 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. Approximately 100,000 people were employed in public schools during the 2012–13 school year, excluding substitute teachers.
 - 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
 State Board of Education, member
 Thrive by Five Washington, member
 Workforce Training and Education Coordinating Board, member
 Traffic Safety Commission, member
 Family Policy Council, board member
 Governor's Council on School-to-Work, member
 Governor's Interagency Council on Health Disparities
 K–20 Educational Network Board, member
 Professional Educator Standards Board, member
 Commission on Children in Foster Care, member
 Joint Task Force on Sex Offender Management, member
 Quality Education Council & Technical Working Groups

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

Mission

In collaboration with educators, students, families, local communities, business, labor, and government, the Office of Superintendent of Public Instruction leads, supports, and oversees K–12 education, ensuring the success of all learners.

The four state learning goals, from the Basic Education Act of 1993, state that students are able to:

- Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and with a variety of audiences.

- Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness.
- Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems.
- Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

Goals

- **Goal 1:** Each of Washington's diverse students demonstrates high levels of achievement in the four state learning goals and graduates from high school ready to implement a positive plan for his or her future.
- **Goal 2:** Highly skilled, diverse educators support the academic success of every student.
- **Goal 3:** All schools, in partnership with students, families, and communities, provide safe, civil, healthy, and engaging environments for learning.
- **Goal 4:** Sufficient state resources are provided for every student to succeed through an efficient, equitable, and responsive K–12 funding system that promotes innovation and rewards results.
- **Goal 5:** OSPI supports effective schools and student achievement through focused policies, sound management, and excellent service to the education community.

C. ACADEMIC ACHIEVEMENT AND ACCOUNTABILITY COMMISSION

The 1999 Legislature established the Academic Achievement and Accountability Commission, also known as the “A+ Commission,” to provide oversight of the state’s K–12 educational accountability system. With the passage of ESSB 5732 by the Legislature (Chapter 497, Laws of 2005), the Academic Achievement and Accountability (A+) Commission was dissolved and its duties transferred to the State Board of Education.

D. WASHINGTON STATE PROFESSIONAL EDUCATOR STANDARDS BOARD

The Professional Educator Standards Board (PESB) is comprised of 12 members, and the Superintendent of Public Instruction. The PESB establishes state policies and requirements for the preparation, certifications, continuing education, assignment, revocation and suspension of education professionals. The PESB provides direct oversight of educator preparation programs and alternative pathways into education professions. The PESB also serves as an advisory body to the superintendent of public instruction on issues related to educator recruitment, hiring, mentoring and support, professional growth, retention, and evaluation.

E. WASHINGTON STATE SCHOOL DIRECTORS’ ASSOCIATION

The Washington State School Directors’ Association (WSSDA) is comprised of all 1,477 school board members from Washington state’s 295 public school districts. Founded in 1922, WSSDA is authorized by the State Legislature to be self-governed and self-funded through a president and board of directors elected from school boards from throughout the state. WSSDA’s core mission is focused on promoting student learning by ensuring that school board members have the knowledge, tools and services they need to effectively govern their districts and champion public education. 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.

F. EDUCATIONAL SERVICE DISTRICTS

Educational service districts (ESDs) 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. The board members 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.

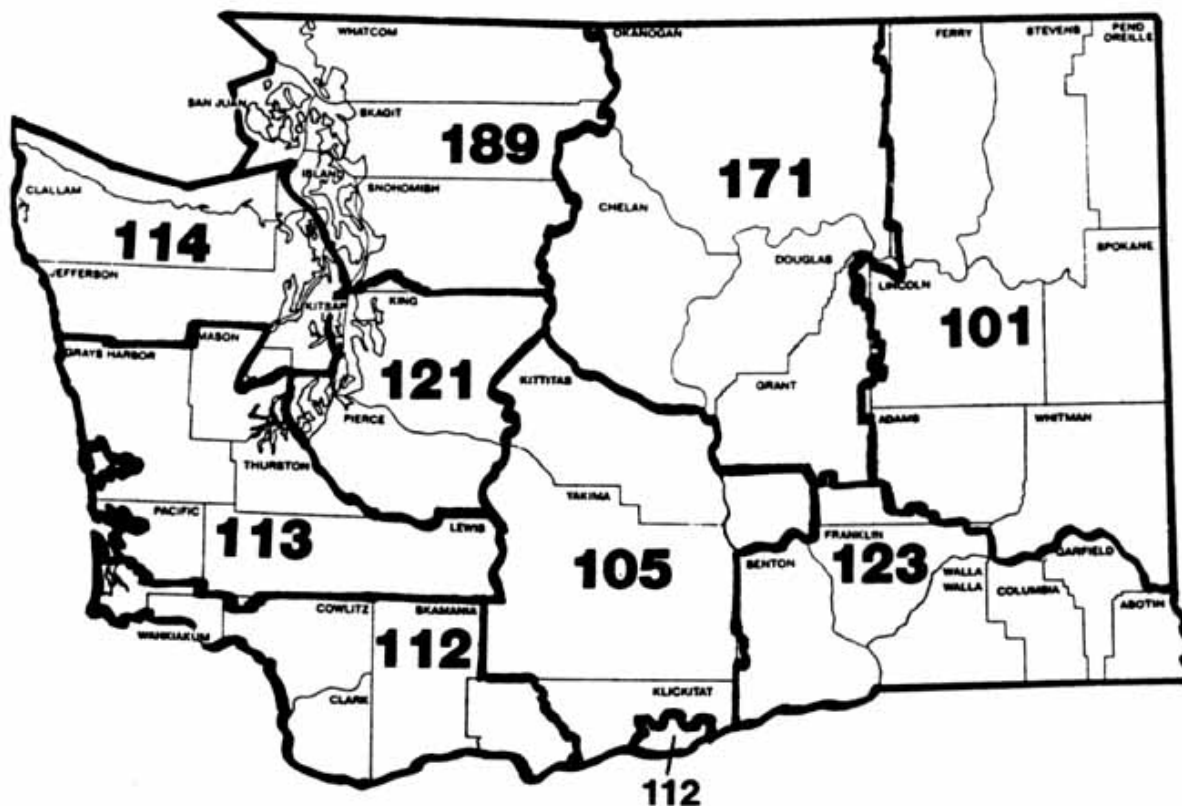
RCW 28A.310.010 defines ESDs as "regional agencies" which:

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

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 as defined in RCW 28A.310.360. Federal aid is either allocated directly to the ESDs or through grants administered by the Superintendent of Public Instruction. In 2013–14, the revenue of the ESDs totaled about \$228,675,949. Of that amount, \$59,512,383 or 26 percent were state funds. (See Figure 2.)

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.

Figure 1 – Educational Service Districts – Boundaries



EDUCATIONAL SERVICE DISTRICTS BY NUMBER	DISTRICT OFFICE	SCHOOL DISTRICTS SERVED	STUDENTS SERVED 2013–14
Northeast Washington Educational Service District 101	Spokane	59	89,292
Educational Service District 105	Yakima	25	62,454
Educational Service District 112	Vancouver	30	99,788
Capital Region Educational Service District 113	Olympia	44	70,251
Olympic Educational Service District 114	Bremerton	15	47,150
Puget Sound Educational Service District 121	Renton	35	407,247
Educational Service District 123	Pasco	23	70,263
North Central Educational Service District 171	Wenatchee	29	45,330
Northwest Educational Service District 189	Anacortes	35	164,352
Total		295	1,056,127

Source: October 1, 2013 CEDARS Reporting Extract as of December 16, 2013.

Figure 2 – Educational Service Districts – State Summary General Expense Fund FY 2013–14

Revenues	
Local Sources	\$15,642,344.51
State Sources	54,309,630.55
State Allotment	5,202,752.10
Federal Sources	70,437,749.52
Cooperative Programs	50,884,575.48
Other Programs	31,696,206.38
Other Operating Revenue	
Total Operating Revenue	228,173,258.54
Operating Expenses	
General Operations and Administration	22,752,702.86
Instructional Support Programs	143,823,901.42
Non Instructional Support Programs	55,648,669.70
Professional Fees	833,749.38
Depreciation/Depletion	<u>2,172,796.46</u>
Total Operating Expenses	225,231,819.82
Operating Income (Loss)	2,941,438.72
Nonoperating Revenues (Expenses)	
Interest and Investment Income	297,754.62
Interest Expense and Related Charges	(1,330,381.56)
Lease Income	34,446.38
Gains (Losses) on Capital Asset Disposition	
Change in Joint Venture	67,529.56
Change in Compensated Absences	76,674.07
Other Nonoperating Revenues	52,462.12
Other Nonoperating Expenses	<u>5,051.00</u>
Total Nonoperating Revenues (Expenses)	<u>(796,463.81)</u>
Income (Loss) Before Other Items	<u>2,144,974.91</u>
Accounting and Reporting Changes	
Increase (Decrease) in Net Position	<u>2,144,974.91</u>
Net Position – Beginning Balance	<u>83,201,928.64</u>
Prior Period Adjustment	<u>322,255.64</u>
Net Position – Ending Balance	<u>\$85,669,159.19</u>

G. SCHOOL DISTRICTS

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

“Enforce the rules 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 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 295 local school districts in the 2013–14 school year. They enrolled 1,056,127 students in October 2013.

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 pupils or more. There were 108 first class districts in 2013–14. They served approximately 89.65 percent of all public school students. First class districts range in size from 50,567 pupils (Seattle) to 1,898 pupils (Medical Lake).
- **Second Class District** – Normally all districts having a student enrollment of fewer than 2,000 pupils. There were 187 second class districts in 2013—14. They served 10.35 percent of public school students. Second class districts range in size 5,243 pupils (Omak) to 5 pupils (Star).

High and Non-high School Districts

School districts are also either high school districts or non-high school districts:

- **High School Districts** – there were 249 high school districts in 2013–14 serving students, or 99.66 percent of the total public school students. High school districts must accept students of non-high school districts who elect to attend the high school program provided. High school districts may be either first or second class.
- **Non-high School Districts** – non-high districts do not offer the particular K–12 grade for which a student in their district is eligible to enroll. Usually non-high districts do not have a high school program. There were 46 non-high school districts in 2013–14 serving students or 0.86 percent of the total public school students. Non-high school districts are typically second class districts because their enrollments are typically 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. There are over 85 different combinations of grade level organizational patterns within school buildings in the state. (See Figure 3.)

H. CHARTER SCHOOLS

Washington State Initiative 1240 was approved by voters in November of 2012, which allowed for the establishment of Charter Schools within Washington. Charter schools are common schools that are part of the general and uniform system of public schools provided by the Legislature as required by Article IX, section 2 of the state Constitution. Charter schools must be approved by a charter school authorizer before commencing operation. The Washington State Charter School Commission has the authority to authorize charter schools. In addition, school districts may apply to the State Board of Education (SBE) to become a charter school authorizer. At the time of this publication, only Spokane Public Schools has been approved by SBE as a charter school authorizer.

Washington State had only one charter school operating during the 2014–15 school year. Beginning with the 2015–16 school year, there will be a total of nine charter schools operating. Seven of which are located in the Puget Sound area of the state, while the other two are located in Eastern Washington.

Charter schools must report student enrollment in the same manner and based on the same definitions of enrolled students and annual average full-time equivalent enrollment as other public schools. OSPI allocates funding for charter schools including general apportionment, special education, categorical, and other non-basic education moneys in the same manner and based on the same funding formulas as school districts in the state.

Since no charter schools were operating in the 2013–14 school year, the fiscal and enrollment data presented in this publication does not contain charter school data.

I. TRIBAL COMPACT SCHOOLS

Engrossed Second Substitute House Bill 1134, passed during the 2013 legislative session, authorized state-tribal education compact schools. As a result of this bill OSPI developed an application and approval process, procedures, and timelines for the negotiation, approval or disapproval, and execution of state-tribal education compacts. The application must be initiated by the governing body of a tribe in the state of Washington, or the governing body of any of the schools in Washington that are currently funded by the federal bureau of Indian affairs.

Any school approved by OSPI to operate as a tribal compact school must report student enrollment in the same manner and using the same definitions of enrolled students and annual average full-time equivalent enrollment as is required of school districts. OPSI allocates funding for tribal compact schools including general apportionment, special education, categorical, and other non-basic education moneys.

Since no tribal compact schools were operating in the 2013–14 school year, the fiscal and enrollment data presented in this publication does not include tribal compact schools, unless tribal schools operated through an agreement with a local school district which reported the enrollment of the school as part of the overall school district data.

J. 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 in May and July. 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 180-90-112); and meeting local fire, health, and safety building standards.

Private schools may be profit or nonprofit, parochial, or independent. As of October 2014 there were 523 approved private schools enrolling 81,179 pupils. (See Figure 4.) Private school enrollment constituted 7.03 percent of students enrolled in both public and private schools. See Chapter 12, Figure 36 for historical trends in private school enrollments.

K. 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.

School districts who intent to contract with a nonpublic agency must notify OSPI's Special Education Section of its intent to contract with the nonpublic agency. The district and non-public agency must complete an application, and the district must conduct an on-site review. The completed application is provided to OSPI with a recommendation for approval or disapproval. OSPI notifies the applicant of the outcome. School districts are also authorized to contract with other private and public agencies, when the private or public agency does not meet the criteria for nonpublic agencies, but the district determines that the private or public agency can provide the student with a free appropriate public education. The district must still assure that the student has all of the rights of a student eligible for special education has that is enrolled in the school district. Information about the application process and a current NPA list can be found at the Special Education website at: <http://www.k12.wa.us/SpecialEd/NonpublicAgency.aspx>.

Figure 3 – Washington Public Schools – By County and Grade Level

As of October 2013, the 295 operating school districts in Washington state reported a total of 1,056,809 pupils enrolled in public schools. The following chart breaks this reporting down by county and grade level. Grade levels are categorized by the prototypical school model according to the new funding formula implemented September 2011.

County	Preschools *	Elementary Schools (K–6)	Middle Schools (7–8)	High Schools (9–12)	Grand Total
Adams	60	2,676	639	1,181	4,556
Asotin	44	1,694	490	1,097	3,325
Benton	385	18,013	5,291	10,718	34,407
Chelan	143	6,758	2,071	4,101	13,073
Clallam	80	4,251	1,260	4,772	10,363
Clark	538	39,976	12,318	25,235	78,067
Columbia	2	232	68	159	461
Cowlitz	172	8,772	2,506	5,292	16,742
Douglas	71	3,741	1,078	2,159	7,049
Ferry	13	540	129	242	924
Franklin	143	10,833	2,763	5,144	18,883
Garfield	2	161	54	108	325
Grant	213	10,394	2,837	5,720	19,164
Grays Harbor	147	5,402	1,517	3,250	10,316
Island	140	4,171	1,181	2,483	7,975
Jefferson	28	1,592	477	899	2,996
King	2,945	149,230	40,295	81,715	274,185
Kitsap	460	18,225	5,274	11,789	35,748
Kittitas	52	2,603	743	1,524	4,922
Klickitat	37	1,630	503	975	3,145
Lewis	129	5,885	1,828	3,916	11,758
Lincoln	15	1,022	329	645	2,011
Mason	185	4,062	1,173	2,459	7,879
Okanogan	123	5,328	1,910	2,598	9,959
Pacific	30	1,605	382	1,101	3,118
Pend Oreille	13	747	242	552	1,554
Pierce	1,551	68,650	19,722	39,211	129,134
San Juan	14	1,053	311	551	1,929
Skagit	197	9,971	2,832	5,918	18,918
Skamania	20	616	171	323	1,130
Snohomish	1,237	56,134	16,291	35,394	109,056
Spokane	832	38,698	11,251	22,635	73,416
Stevens	66	3,225	1,028	2,012	6,331
Thurston	504	20,987	6,263	13,314	41,068
Wahkiakum	5	202	61	144	412
Walla Walla	98	4,607	1,305	2,877	8,887
Whatcom	304	13,619	4,038	8,555	26,516
Whitman	75	2,449	704	1,331	4,559
Yakima	593	28,929	7,964	15,062	52,548
Grand Total	11,666	558,683	159,299	327,161	1,056,809

Source: SPI Form P-105A, School Enrollment Report, October 2013

*Preschool numbers primarily represent preschool Special Education students served in the school districts.

Figure 4 – Washington Private Schools – By County and Grade Level

As of October 2013, the approved 504 Private Schools operating in Washington state reported a total of 81,542 pupils enrolled in private schools. The following chart breaks this reporting down by county and grade level.

County	Pre-school	Elementary School (K–5)	Middle School (6–8)	High Schools (9–12)	Grand Total
Adams	4	18	2	15	39
Asotin	15	103	12	-	130
Benton	209	998	413	85	1,705
Chelan	100	282	26	31	439
Clallam	82	248	73	-	403
Clark	247	1,844	798	529	3,418
Cowlitz	24	190	108	83	405
Ferry	-	7	6	-	13
Franklin	53	316	118	238	725
Grant	86	278	101	57	522
Grays Harbor	30	90	39	-	159
Island	132	256	90	22	500
Jefferson	22	134	25	12	193
King	4,674	17,805	8,409	10,238	41,126
Kitsap	328	1,027	457	195	2,007
Kittitas	4	72	28	-	104
Klickitat	22	36	4	3	65
Lewis	60	234	84	17	395
Lincoln	-	44	21	42	107
Mason	8	64	28	-	100
Okanogan	-	39	7	14	60
Pierce	614	3,653	1,753	2,313	8,333
San Juan	12	73	51	81	217
Skagit	56	324	166	141	687
Snohomish	696	2,743	1,123	982	5,544
Spokane	707	2,632	1,185	1,644	6,168
Stevens	9	31	17	15	72
Thurston	228	1,121	500	224	2,073
Walla Walla	53	385	218	270	926
Whatcom	389	1,425	586	463	2,863
Whitman	-	64	38	15	117
Yakima	221	905	392	409	1,927
Grand Total	9,085	37,441	16,878	18,138	81,542

Source: SPI Form P-105B, School Enrollment Report, October 2013

L. 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 OSPI.

M. 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:

- File annually a signed declaration of intent with the superintendent of the local school district.
- 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.
- Ensure that a standardized achievement test reviewed by the Buros Center for Testing is administered annually by a qualified individual (sample tests are available on the State Board of Education website) or that an annual assessment of the student's progress is prepared by a certificated person.

In 2013–14, there were 18,218 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, submitted, and adopted in the format prescribed by OSPI as set forth in Chapter 28A.505 RCW. The time schedule for preparation, adoption, and filing of the annual budget is set forth in Chapter 392-123 WAC as follows:

<u>Final Date for Action</u>	<u>First Class Districts</u>	<u>Second Class Districts</u>
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
August 1		Final date for adoption of budget
August 3		Final date to forward adopted budget to educational service district for review, alteration, and approval
August 31	Final date for adoption of budget	Final date for budget review committee to approve budget
September 3	Final date for filing adopted budget with educational service district	
September 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’ budgets 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 is 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 provide 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)
- Trust and Agency Funds
- Permanent Fund

C. FINANCIAL REPORTS

Annual Financial Reports

A set of annual fund financial statements presents all major funds. The set includes:

- Balance Sheet – All Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balance – All Funds
- Budgetary Comparison Schedules – All Funds
- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary New Position
- Schedule of Long-Term Liabilities
- Report of Revenues and Other Financing Sources – All Funds
- Program/Activity/Object Report

The notes to the financial statements are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes are therefore an integral part of the financial statements.

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 revenues, expenditures, and changes in fund balance" in state Form F-196, is an example of the type of format and level of information necessary for this report.

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 illustrates 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 and district requests for reimbursements
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, et.cetera.	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	Estimated Funding Account 3100
Report 1191ED	Student Full Time Enrollment and Calculated Staff Units
Report 1191EE	Calculated Staff Units – Elementary School Report
Report 1191EM	Calculated Staff Units – Middle School Report
Report 1191EH	Calculated Staff Units – High School Report
Report 1191CTE	Career and Technical Education – High School Report
Report 1191MSCTE	Career and Technical Education – Middle School Report
Report 1191SC	Skills Center Report
Report 1191MSOC	Materials, Supplies, and Operating Costs Report
Report 1191FG	Grants Administration
Report 1191FS	School Food Services Allocation
Report 1191SE	Special Education Allocation
Report 1191SN	Learning Assistance, Bilingual, and Highly Capable Allocation
Report 1191SI	State Institutions (for districts with state-funded programs)
Report 1191TRN	Transportation Operations and Depreciation Allocations
Report 1197	Monthly Apportionment by Account
Report 1220	Special Education Allocation
Report 1159	Certificated Instructional Staff Ratios (January–August only)

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%	<u>August</u>	<u>10.0%</u>
		Total:	100%

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 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 June. 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 recovery is treated as if the district received an advance on its apportionment payment in the prior year.

E. SCHOOL DISTRICT AUDITS

School Districts are audited by the Washington State Auditor's Office (SAO). Districts that expend more than \$500,000 (\$750,000 for the 2015–2016 school year forward) in federal funds are required to have a federal and financial audit annually. For accountability audits, districts may be audited on a cyclical basis according to SAO's audit frequency policy. While all audits are planned individually, audits may include examining school district records for compliance with federal and state laws and regulations, general accounting practices, and adequate internal controls. The audit also may encompass areas affecting state funding such as student enrollment (including basic, vocational, bilingual, special education, et. cetera.), transportation ridership, and staff mix. Errors discovered as a result of an audit may require revised reports and/or adjustments to state or federal funding, and may result in recovery and/or payment to the district. The State Auditor's reports may be found on their website at the following link:
<http://www.sao.wa.gov/EN/Audits/Pages/Search/AuditReportSearch.aspx>.

This page left blank intentionally.

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 student transportation. In the 2013–14 school year, a combination of state, local, and federal revenues provided a total of \$10.8 billion dollars for school district maintenance and operations of the districts.

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

This page left blank intentionally.

Chapter 4. Sources of State Support for Maintenance and Operations

In the 2013–14 school year 68.2 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 45.0 percent of all budgeted State General Fund expenditures in the 2013–15 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 2013–15 biennial budget, the retail sales tax provides 48.4 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 1.5 percent for all services. The Business and Occupation Tax is Washington's second largest source of revenue from within the state; it accounts for 20.3 percent of State General Fund revenues from state sources in the 2013–15 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 12.1 percent of State General Fund revenue from state sources in the 2013–15 biennial budget.

(For a discussion of property taxes levied by school districts, see Chapter 6 Section 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.

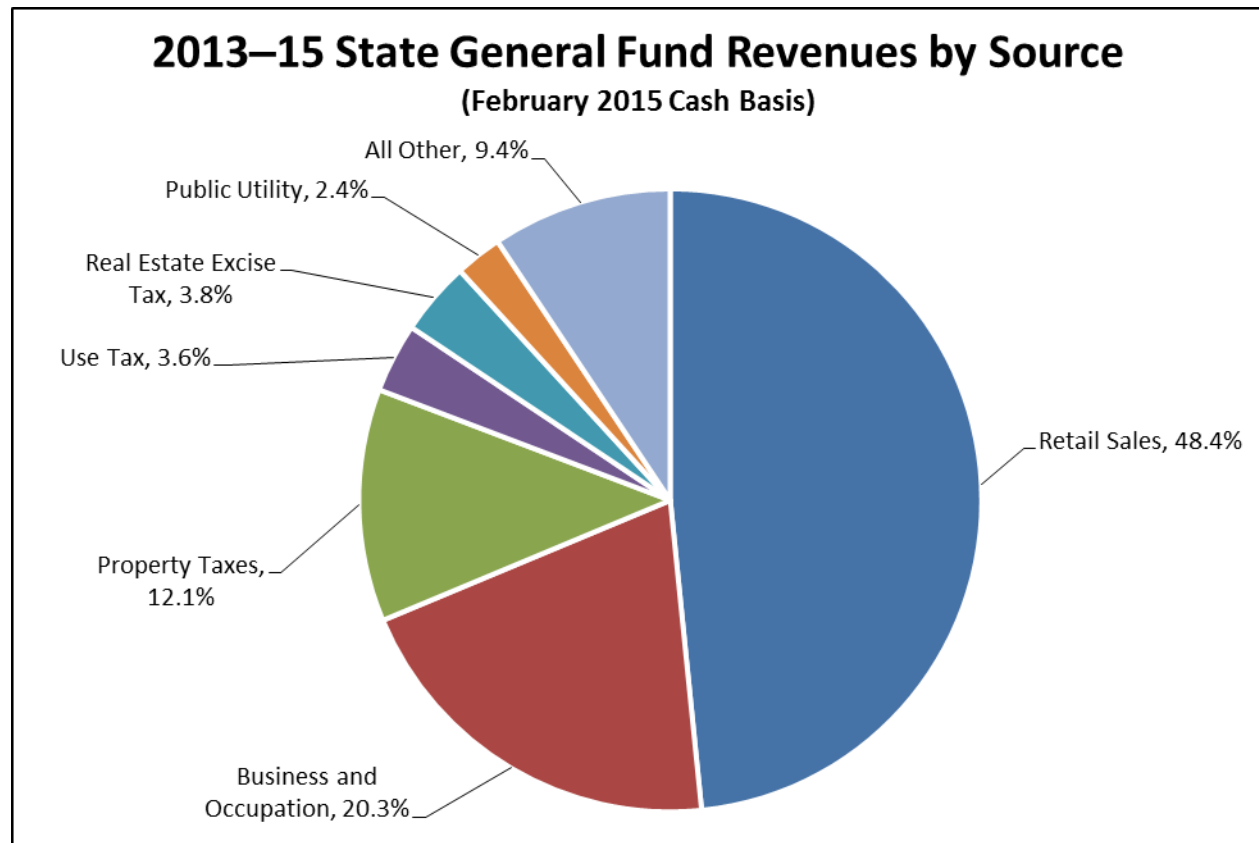
Figure 5 – State General Fund Revenues by Source

State General Fund Revenues by Source

2007–09 Biennium through 2013–15 Biennium

(Dollars in Millions)

Source	2007–09	%	2009–11	%	2011–13	%	2013–15	%
Retail Sales	\$14,575	52.6	\$13,036	46.2	\$13,914	45.4	\$15,855	48.4
Business and Occupation	5,345	19.3	5,584	19.8	6,432	21.0	6,655	20.3
Property Taxes	2,988	10.8	3,648	12.9	3,800	12.4	3,956	12.1
Use Tax	971	3.5	957	3.4	998	3.3	1,180	3.6
Real Estate Excise Tax	1,052	3.8	730	2.6	934	3.0	1,251	3.8
Public Utility	742	2.7	744	2.6	757	2.5	800	2.4
All Other	2,030	7.3	3,519	12.5	3,822	12.5	3,066	9.4
Total	\$27,703	100	\$28,218	100	\$30,657	100	\$32,763	100



Source: Economic and Revenue Forecast, February 2015 (Cash Basis)

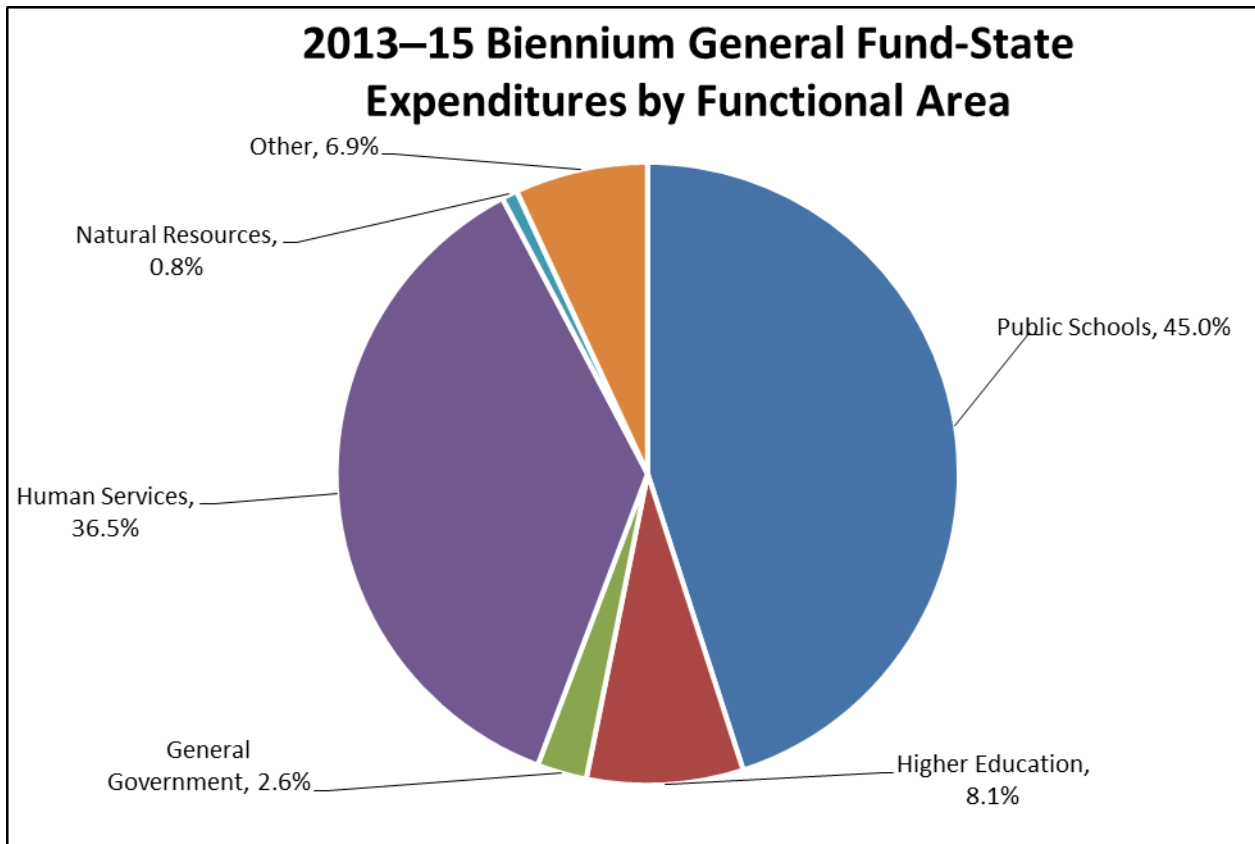
Figure 6 – State General Fund Expenditures by Functional Area

State General Fund Expenditures by Functional Area

2007–09 Biennium through 2013–15 Biennium

(Dollars in Millions)

Source	2007–09	%	2009–11	%	2011–13	%	2013–15	%
Public Schools	\$12,237	42.1	\$12,801	42.9	\$13,523	44.0	\$14,833	45.0
Higher Education	3,181	11.0	2,750	9.2	2,349	7.6	2,677	8.1
General Government	834	2.9	828	2.8	776	2.5	849	2.6
Human Services	10,319	35.5	10,737	36.0	11,322	36.8	12,032	36.5
Natural Resources	445	1.5	352	1.2	299	1.0	270	0.8
Other	2,017	6.9	2,391	8.0	2,490	8.1	2,274	6.9
Total	\$29,033	100	\$29,859	100	\$30,759	100	\$32,935	100



Source: Office of Financial Management

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

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

In 1972, a constitutional limit of 1.0 percent was adopted by the voters; this applies to all regular levies (except port and PUD district levies). It states that the aggregate of such levies cannot exceed 1.0 percent of the current market value of any individual property (real or personal). This limit would equate to a regular levy rate of \$10.00 per \$1,000 of assessed value, if the property were assessed at its true and fair value. Ratios are applied to bring values to true and fair or market value.

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. In 2001, the voters approved Initiative 747. I-747 further limited the growth in the state property tax levy to the lesser of the rate of inflation or 1 percent. As a result, the state levy rate has declined further. The resulting school levy rate for 2007 collections is \$2.02 based on equalized assessed valuations.

The state property tax is equalized by countywide ratios determined by the Department of Revenue for each tax assessment year. The ratios are the comparison of real estate sales and appraisals to corresponding values on the assessor’s rolls and a comparison of the value of personal property as determined by the Department of Revenue to the value of personal property on the assessor’s rolls.

The percent of true and fair value to county assessed value for both real and personal property is called the combined indicated ratio. For 2007, the combined indicated ratio ranged from 61.1 percent for Pend Oreille to 94.3 percent for Island County. The statewide average combined indicated ratio was 87.5 percent. Dividing the state tax rate of \$2.02 by 87.5 percent yields \$2.31, which is the average state tax rate based on county-assessed valuations.

The county's 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 2007 levy rate of \$2.53 would be adjusted to \$3.37 by dividing by 0.75. If a county was determined to be at 100 percent assessment level, the full \$2.63 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.

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 5 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. The Initiative directed that this amount would increase in 2004 to \$450 per pupil and be adjusted for inflation thereafter. The 2003 Legislature revised the per pupil amounts of state property tax to be placed in the Student Achievement Fund to \$140 in 2003–04, \$254 in 2004–05, \$300 for 2005–06, \$375 for 2006–07, \$450 for 2007–08 and adjusted annually for inflation thereafter. The Legislature suspended the requirements of I-728 as of September 1, 2010, and repealed I-728 effective July 10, 2012.

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.

This page left blank intentionally.

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, student transportation, et.cetera.) 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 88 percent of all school district operating (General Fund) revenues. The State appropriations to K–12 education (excluding construction) for the 2013–14 state fiscal year are summarized below:

2014 State Fiscal Year	Total (millions)	Percent of Total
Basic Education	\$5,387	74.50%
Special Education	694	9.6%
Local Effort Assistance (LEA)	298	4.31%
Student Transportation	274	3.96%
Education Reform	219	3.17%
Learning Assistance Program (LAP)	129	1.86%
Bilingual Education	81	1.17%
Institutional Education	16	0.23%
State Administration	15	0.22%
State Office (OSPI) Statewide Programs	12	0.17%
Highly Capable (Gifted)	9	0.13%
Educational Service Districts	8	0.12%
Food Services	7	0.10%
Total	\$6,918	100%

Source: 2013–15 Biennial Operating Appropriations Act.

- Amounts shown are State appropriations for the 2014 state fiscal year from the 2013–15 Biennial Operating Appropriations Act (Part V, Education, Chapter 37, Laws of 2010 1st 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 June. (An FTE student is one enrolled four hours per day for grades 1–3 and five hours per day for grades 4–12.) These ten counts are then averaged to obtain an annual average FTE (AAFTE) enrollment. This enrollment is input into the prototypical school funding formula 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 non-personnel cost allocations. Finally, several adjustments must be made before the allocation is determined.

As of August 29, 2014, the average basic education allocation per FTE student in the 2013–14 school year was \$5,256. 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. Prototypical School Funding Formula

Beginning in September 2011, a new funding model as described in SHB 2776 for the maintenance and operations of public schools was implemented. It represented a major change to the funding system, but it did not provide an immediate increase in funding for school districts. While this funding formula contains much more detail than its

predecessor, it is for allocation purposes only. There is nothing in legislation that requires school districts to staff their buildings according to the prototypical model. The district maintains full decision making authority with respect to how to utilize state funds to best meet the needs of their students. The funding model under SHB 2776 provides funding within the three general areas of school level, district level, and other funding.

All staffing units that are derived from the following formulas are labeled as either certificated instructional staff (CIS), certificated administrative staff (CAS), or classified staff (CLS). For more on how salary allocation for each of these is calculated see Chapter 10 of this publication.

School Level Funding

School level funding is based on the assumed resource type necessary to operate a school of a specific size. According to the formula, prototypical school sizes are defined by grade level and student FTE as follows:

Category	Elementary (K-6)	Middle (7-8)	High Grades (9-12)
Base Enrollment (Student FTE)	400	432	600

When calculating state apportionment allocations, grade level takes precedence over the school classification that grade is part of within the district. For example, sixth grade students will always generate funding for the district at the elementary level, even if they are physically part of the middle school. The model is also perfectly scalable, in that if the student population in grades K-6 in a particular district is twice the prototypical school size, then the district receives twice the resources.

Teaching units allocated to a district are derived by the following calculation:

$$(\text{Enrollment} / \text{Class Size}) * (1 + \text{Planning Time Factor}) = \text{Teacher Units}$$

The class size used in the above equation is determined by the Legislature, and may differ by grade level, subject matter, or poverty level. The following chart details the assumed funded class size, by grade level and/or subject for the 2013-14 school year.

Grade Level	Class Size (Basic Ed)	High Poverty Class Size
Grades K-1	25.23	20.85
Grades 2-3	25.23	24.10
Grade 4	27.00	n/a
Grades 5-6	27.00	n/a
Grades 7-8	28.53	n/a
Grades 9-12	28.74	n/a
Career and Technical Education Grades 7-8	26.58	n/a
Career and Technical Education Grades 9-12	26.58	n/a
Skill Centers	22.76	n/a

The planning time factor used in the calculation for teacher units is a statewide assumption that is also determined by the Legislature. Currently, the planning time factor for elementary grades (K-6) is 15.5 percent, and for secondary grades (7-12) is 20

percent. The planning time factor represents the increased number of teachers, expressed by percentage, needed to cover the classes of teachers who are not in front of students due to planning time. The actual percentage of the day assumed for teachers as planning time is 45 minutes out of a 5.5 hour day for elementary grades, and one hour out of a six hour day for secondary grades.

A funding enhancement is provided in the form of a lower K–3 class size to schools that have over 50% poverty in grades K–6 or portions thereof attending schools with K–3 students. The 2011 Legislature enacted a K–3 high poverty class size for the 2011–13 biennium of 24.10, as compared to the non-enhanced class size of 25.23. And 2013 the Legislature enacted an even lower K-1 high poverty class size for the 2013-15 biennium of 20.3. The lower class size generates more teacher units, and more funding through the funding formula. K-3 high poverty funding generated approximately \$4.5 million for the 2013–14 school year. Beginning with the 2014-15 school year the K-3 high poverty teacher enhancement is no longer for allocation purposes only. Districts must meet class size compliance requirements that prove they are providing staffing to meet the legislatively approved class size in order to get the maximum allocation possible from the state. Districts will receive an allocation for K-3 teachers based on a maximum class size of 25.23. If districts are able to staff to provide class size of less than 25.23 they will receive an allocation based on their actual class size until maximum funding is realized at the class sizes shown in the below chart.

Grade Level	Maximum Class Size	Minimum Class Size Non- High Poverty Schools	Minimum Class Size High Poverty Schools
K	25.23	22.00	18.00
1		23.00	19.00
2		24.00	22.00
3		25.00	24.00

The funding formula also provides allocations for various other staffing positions necessary to operate a school based upon enrollment within the prototypical school model. The following chart shows the amount of each staffing position provided by the funding formula.

Other School Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Base Enrollment	400	432	600	Student FTE
Principals	1.253	1.353	1.880	CAS
Teacher Librarians	0.663	0.519	0.523	CIS
Guidance Counselors	0.493	1.116	1.909	CIS
School Nurses	0.076	0.060	0.096	CIS
Social Workers	0.042	0.006	0.015	CIS
Psychologists	0.017	0.002	0.007	CIS
Teaching Assistance	0.936	0.700	0.652	CLS
Office Support	2.012	2.325	3.269	CLS
Custodians	1.657	1.942	2.965	CLS
Student & Staff Safety	0.079	0.092	0.141	CLS
Parent Involvement	0.825	-	-	CLS

District Level Funding

District level funding is intended to provide staffing positions and cover costs related to the operation of the entire school district, not just a particular school or program. This type of funding is generated through the three main categories of districtwide support, central administration, and materials, supplies, and operating costs.

Funding for districtwide support is allocated by staffing position at the following levels, based upon total district enrollment without respect to grade level:

Districtwide Support	All Grades	Staff Type
Base Enrollment	1,000	Student FTE
Technology	0.628	CLS
Facilities, Maintenance, and Grounds	1.813	CLS
Warehouse, Laborers, and Mechanics	0.332	CLS

Staffing units for central administration total 5.3 percent of staffing units generated as K–12 teachers, school level staffing, and districtwide support. The percentage is not applied to staffing enhancements. Examples of which include but are not limited to advanced placement, international baccalaureate, or categorical program staffing.

After total units are calculated by using the 5.3 percent, they are separated into certificated administrative staff and classified staff at a ratio of 25.47 percent and 74.53 percent respectively. The following chart illustrates how the funding for central administrative staffing is derived:

Central Administration	Percent	Staff Type
Total Central Admin	5.3%	
Percent Certificated Admin	25.47%	CAS
Percent Classified Staff	74.53%	CLS

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 Between	Instructional Staff Units	Administrative Staff Units
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 Up To	Minimum Instructional Staff Units	Minimum Administrative Staff Units
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 non-high 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:

R&N Plants with High School Students*

Instr. 4.5 - [Voc FTE X .046]
 Admin. 0.25 - [Voc FTE X .004]

60 or less High School FTE

Instr. 9.0 - [Voc FTE X .046]
 Admin. 0.5 - [Voc FTE X .004]

60 to 300 High School FTE

Instr. 9.0 + [(FTE - 60)/43.5 X .8732] - [Voc FTE X .046]
 Admin. 0.5 + [(FTE - 60)/43.5 X .1268] - [Voc FTE X .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 non-high 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 2013-14, there were 9 small districts and 7 remote and necessary plants with enrollment under 25 FTE, 32 small districts and 2 remote and necessary plants with enrollment between 25 and 100 FTE, 39 non-high districts that received 0.5 additional certificated instructional staff units and 100 school districts that had small high schools.

Small Schools	Number
Districts with less than 25 FTE	7
R&N plants with less than 25 FTE	4
Districts with 25–100 FTE	40
R&N plants with 25–100 FTE	4
Non-highs between 50–180 FTE	39
Small high schools (under 300 FTE)*	92

* One district has two small high schools.

The following school districts are identified with a remote and necessary school.

District	School	Grades Served
Lake Chelan	Holden Village School	K–12
Cascade	Beaver Valley Elementary School	K–5
Woodland	Yale Elementary School	K–5
Steilacoom Historical	Anderson Island Elementary School	K–5
Orcas Island	Waldron Island Elementary School	K–8
Lopez Island	Decatur School	K–5
Ferndale	Beach Elementary School	K–6
Blaine	Point Roberts	K–3

Career and Technical Education and Skill Centers

Funding for these programs is allocated through the same general structure as basic education funding. Teachers for these programs are allocated through the same calculation based upon class size, and teacher planning time as described on page 55 of this document. The following class sizes are used to determine the amount of assumed funded teacher units:

Program/Grade Level	Class Size
Middle School CTE (Grades 7–8)	26.58
High School CTE (Grades 9–12)	26.58
Skill Centers	22.76

Other school staffing is generated through multiplying enrollment FTE by a staffing factor. These staffing factors are derived by converting the allocations described on page 57 into per student ratios.

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 for grades 4–12 and 720 for grades K–3 to convert hours to annual average full-time equivalent (AAFTE). School districts were funded for approximately 1,009.50 summer AAFTEs in 2013–14 and 4.55 AAFTEs 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 student's enrolled hours are converted to a partial FTE and are 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 Section B.) are reported and funded separately. Running Start enrollment is funded at a uniform statewide rate estimated at \$5,755.84 per AAFTE non-vocational student and \$6,097.56 per AAFTE vocational student for 2013–14. 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 staff weighting tables (called LEAP Document 1) which reflect 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 1 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 factors of a district are determined by placing each of the district's certificated instructional employees on LEAP Document 1 for 2013–14 according to their actual experience and education and computing an average mix factor for each year. The average mix factor reflects the district's average certificated staff experience and education. Such average mix factors are computed for funding basic education and state institutional education programs.

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 certificated staff salary of a district by the district's average 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.

- "Maintenance salaries" are the continuation of the previous biennium's salary allocation levels. For 2014–15 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 2013–14 certificated instructional derived base salary shown on LEAP Document 2, and then multiplying the result by the district's 2014–15 CIS mix factor computed using LEAP Document 1 (See Figure 8 for LEAP Document 2.)

- There is no CIS salary increase allocation for 2014–15.

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. The Legislature suspended Initiative 732 prior to the 2009–10 school year, and it has since remained suspended, with increases in salary allocations determined by the Legislature.

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.

- "Maintenance salaries" are the continuation of the previous biennium's salary levels. For 2014–15, the certificated administrative staff (CAS) unit salary maintenance allocation is determined by multiplying the district's formula-generated CAS units by the district's 2013–14 certificated administrative average salary shown on LEAP Document 2.
- There is no CAS unit salary increase for 2014–15.

d. Classified Salaries

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

- Classified staff unit maintenance salary allocation for basic education for 2014–15 is determined by multiplying the 2013–14 district classified salary as shown on LEAP Document 2 by the formula classified staff units.
- There is no classified staff unit salary increase for 2014–15.

Figure 7 – LEAP Document 1 – Staff Mix Factors for Certificated Instructional Staff, 2013–14 and 2014–15

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	1.02701	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

Source: Legislative Evaluation and Accountability Program Committee.

Figure 8 – LEAP Document 2 – Extract

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
01 109 Washtucna	34,048	34,048	65,571	65,571	31,865	31,865
01 122 Benge	34,048	34,048	57,986	57,986	32,414	32,414
01 147 Othello	34,048	34,048	57,986	57,986	31,865	31,865
01 158 Lind	34,048	34,048	72,530	72,530	31,865	31,865
01 160 Ritzville	34,048	34,048	62,689	62,689	31,902	31,902
02 250 Clarkston	34,048	34,048	59,046	59,046	31,865	31,865
02 420 Asotin-Anatone	34,048	34,048	57,986	57,986	31,865	31,865
03 017 Kennewick	34,048	34,048	57,986	57,986	31,865	31,865
03 050 Paterson	34,048	34,048	57,986	57,986	31,865	31,865
03 052 Kiona-Benton City	34,048	34,048	61,694	61,694	31,865	31,865
03 053 Finley	34,048	34,048	60,330	60,330	31,865	31,865
03 116 Prosser	34,048	34,048	62,820	62,820	31,865	31,865
03 400 Richland	34,048	34,048	58,846	58,846	31,865	31,865
04 019 Manson	34,048	34,048	65,255	65,255	31,865	31,865
04 069 Stehekin	34,048	34,048	66,806	66,806	31,865	31,865
04 127 Entiat	34,048	34,048	77,081	77,081	31,865	31,865
04 129 Lake Chelan	34,548	34,548	57,986	57,986	32,053	32,053
04 222 Cashmere	34,048	34,048	70,143	70,143	31,865	31,865
04 228 Cascade	34,048	34,048	63,163	63,163	31,865	31,865
04 246 Wenatchee	34,048	34,048	61,207	61,207	31,865	31,865
05 121 Port Angeles	34,048	34,048	61,876	61,876	31,865	31,865
05 313 Crescent	34,048	34,048	63,884	63,884	31,865	31,865
05 323 Sequim	34,048	34,048	57,986	57,986	31,865	31,865
05 401 Cape Flattery	34,048	34,048	62,043	62,043	31,865	31,865
05 402 Quillayute Valley	34,048	34,048	60,292	60,292	31,865	31,865
06 037 Vancouver	34,048	34,048	61,477	61,477	31,865	31,865
06 098 Hockinson	34,048	34,048	62,554	62,554	31,865	31,865
06 101 La Center	34,048	34,048	63,382	63,382	31,865	31,865
06 103 Green Mountain	34,048	34,048	80,023	80,023	31,865	31,865
06 112 Washougal	34,048	34,048	57,986	57,986	31,945	31,945
06 114 Evergreen (Clark)	34,048	34,048	57,986	57,986	31,865	31,865
06 117 Camas	34,048	34,048	65,167	65,167	31,958	31,958
06 119 Battle Ground	34,048	34,048	60,246	60,246	31,865	31,865
06 122 Ridgefield	34,048	34,048	63,322	63,322	31,865	31,865
07 002 Dayton	34,048	34,048	57,986	57,986	31,865	31,865
07 035 Starbuck	34,048	34,048	57,986	57,986	31,865	31,865
08 122 Longview	34,048	34,048	57,986	57,986	31,865	31,865
08 130 Toutle Lake	34,048	34,048	68,546	68,546	32,024	32,024
08 401 Castle Rock	34,048	34,048	57,986	57,986	32,506	32,506
08 402 Kalama	34,048	34,048	58,964	58,964	31,865	31,865
08 404 Woodland	34,048	34,048	59,108	59,108	31,865	31,865
08 458 Kelso	34,048	34,048	58,280	58,280	31,865	31,865
09 013 Orondo	35,668	35,668	57,986	57,986	31,865	31,865
09 075 Bridgeport	34,048	34,048	63,341	63,341	32,250	32,250
09 102 Palisades	34,048	34,048	57,986	57,986	31,865	31,865
09 206 Eastmont	34,048	34,048	61,396	61,396	31,865	31,865
09 207 Mansfield	34,048	34,048	77,023	77,023	32,275	32,275
09 209 Waterville	34,048	34,048	59,214	59,214	31,865	31,865
10 003 Keller	34,048	34,048	57,986	57,986	31,865	31,865
10 050 Curlew	34,048	34,048	77,010	77,010	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
10 065 Orient	34,048	34,048	71,388	71,388	31,865	31,865
10 070 Inchelium	34,048	34,048	67,126	67,126	31,865	31,865
10 309 Republic	34,048	34,048	57,986	57,986	31,865	31,865
11 001 Pasco	34,048	34,048	58,071	58,071	31,869	31,869
11 051 North Franklin	34,048	34,048	59,787	59,787	31,865	31,865
11 054 Star	34,048	34,048	57,986	57,986	31,865	31,865
11 056 Kahlotus	34,048	34,048	58,331	58,331	31,865	31,865
12 110 Pomeroy	34,048	34,048	64,161	64,161	31,927	31,927
13 073 Wahluke	34,048	34,048	69,385	69,385	31,865	31,865
13 144 Quincy	34,048	34,048	59,119	59,119	31,879	31,879
13 146 Warden	34,048	34,048	61,434	61,434	31,865	31,865
13 151 Coulee-Hartline	34,048	34,048	65,945	65,945	31,865	31,865
13 156 Soap Lake	34,048	34,048	57,986	57,986	31,865	31,865
13 160 Royal	34,048	34,048	58,762	58,762	31,865	31,865
13 161 Moses Lake	34,048	34,048	59,473	59,473	31,865	31,865
13 165 Ephrata	34,048	34,048	57,986	57,986	31,865	31,865
13 167 Wilson Creek	34,048	34,048	82,154	82,154	31,865	31,865
13 301 Grand Coulee Dam	34,048	34,048	57,986	57,986	31,865	31,865
14 005 Aberdeen	34,048	34,048	58,982	58,982	31,865	31,865
14 028 Hoquiam	34,048	34,048	61,260	61,260	31,865	31,865
14 064 North Beach	34,048	34,048	67,144	67,144	31,865	31,865
14 065 McCleary	34,048	34,048	62,688	62,688	33,106	33,106
14 066 Montesano	34,048	34,048	58,575	58,575	31,865	31,865
14 068 Elma	34,048	34,048	58,573	58,573	32,848	32,848
14 077 Taholah	34,048	34,048	74,969	74,969	31,865	31,865
14 097 Quinalt	34,048	34,048	59,210	59,210	32,103	32,103
14 099 Cosmopolis	34,048	34,048	58,764	58,764	31,865	31,865
14 104 Satsop	34,048	34,048	57,986	57,986	31,865	31,865
14 117 Wishkah Valley	34,048	34,048	74,957	74,957	32,703	32,703
14 172 Ocosta	34,048	34,048	58,211	58,211	32,058	32,058
14 400 Oakville	34,048	34,048	80,458	80,458	32,869	32,869
15 201 Oak Harbor	34,269	34,269	57,986	57,986	31,865	31,865
15 204 Coupeville	34,048	34,048	57,986	57,986	31,865	31,865
15 206 South Whidbey	34,048	34,048	58,715	58,715	32,248	32,248
16 020 Queets-Clearwater	34,048	34,048	60,460	60,460	32,102	32,102
16 046 Brinnon	34,048	34,048	57,986	57,986	31,865	31,865
16 048 Quilcene	34,048	34,048	81,039	81,039	31,865	31,865
16 049 Chimacum	34,048	34,048	60,404	60,404	32,575	32,575
16 050 Port Townsend	34,048	34,048	57,986	57,986	31,865	31,865
17 001 Seattle	34,277	34,277	59,929	59,929	36,777	36,777
17 210 Federal Way	34,048	34,048	57,986	57,986	31,865	31,865
17 216 Enumclaw	34,048	34,048	58,112	58,112	31,865	31,865
17 400 Mercer Island	34,048	34,048	63,219	63,219	32,131	32,131
17 401 Highline	34,048	34,048	62,466	62,466	31,865	31,865
17 402 Vashon Island	34,048	34,048	64,923	64,923	31,865	31,865
17 403 Renton	34,048	34,048	58,467	58,467	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
17 404 Skykomish	34,048	34,048	84,362	84,362	32,059	32,059
17 405 Bellevue	34,048	34,048	61,230	61,230	34,507	34,507
17 406 Tukwila	34,048	34,048	70,046	70,046	31,865	31,865
17 407 Riverview	34,048	34,048	62,316	62,316	31,865	31,865
17 408 Auburn	34,048	34,048	57,986	57,986	31,865	31,865
17 409 Tahoma	34,048	34,048	57,986	57,986	32,031	32,031
17 410 Snoqualmie Valley	34,048	34,048	57,986	57,986	31,865	31,865
17 411 Issaquah	34,048	34,048	59,670	59,670	31,865	31,865
17 412 Shoreline	34,048	34,048	63,111	63,111	33,428	33,428
17 414 Lake Washington	34,048	34,048	61,164	61,164	31,865	31,865
17 415 Kent	34,048	34,048	57,986	57,986	31,865	31,865
17 417 Northshore	35,462	35,462	57,986	57,986	32,314	32,314
18 100 Bremerton	34,048	34,048	58,907	58,907	32,996	32,996
18 303 Bainbridge Island	34,048	34,048	60,647	60,647	31,865	31,865
18 400 North Kitsap	34,048	34,048	58,181	58,181	32,343	32,343
18 401 Central Kitsap	34,048	34,048	57,986	57,986	31,865	31,865
18 402 South Kitsap	34,048	34,048	59,419	59,419	31,976	31,976
19 007 Damman	34,048	34,048	57,986	57,986	31,865	31,865
19 028 Easton	34,048	34,048	57,986	57,986	31,865	31,865
19 400 Thorp	34,048	34,048	58,100	58,100	32,688	32,688
19 401 Ellensburg	34,048	34,048	59,295	59,295	31,865	31,865
19 403 Kittitas	34,048	34,048	59,385	59,385	31,865	31,865
19 404 Cle Elum-Roslyn	34,048	34,048	62,407	62,407	31,869	31,869
20 094 Wishram	34,048	34,048	72,295	72,295	31,865	31,865
20 203 Bickleton	34,048	34,048	72,251	72,251	31,865	31,865
20 215 Centerville	34,048	34,048	57,986	57,986	31,865	31,865
20 400 Trout Lake	34,048	34,048	63,888	63,888	31,865	31,865
20 401 Glenwood	34,048	34,048	64,353	64,353	31,865	31,865
20 402 Klickitat	34,048	34,048	69,919	69,919	31,865	31,865
20 403 Roosevelt	34,048	34,048	57,986	57,986	31,865	31,865
20 404 Goldendale	34,048	34,048	57,986	57,986	31,865	31,865
20 405 White Salmon	34,048	34,048	65,407	65,407	31,865	31,865
20 406 Lyle	34,048	34,048	65,681	65,681	31,865	31,865
21 014 Napavine	34,048	34,048	67,181	67,181	31,920	31,920
21 036 Evaline	34,048	34,048	57,986	57,986	31,865	31,865
21 206 Mossyrock	34,048	34,048	64,482	64,482	31,865	31,865
21 214 Morton	34,048	34,048	62,274	62,274	32,096	32,096
21 226 Adna	34,048	34,048	67,899	67,899	31,865	31,865
21 232 Winlock	34,048	34,048	60,978	60,978	31,865	31,865
21 234 Boistfort	34,048	34,048	60,078	60,078	31,865	31,865
21 237 Toledo	34,048	34,048	60,551	60,551	31,865	31,865
21 300 Onalaska	34,048	34,048	59,418	59,418	31,865	31,865
21 301 Pe Ell	34,048	34,048	66,684	66,684	32,471	32,471
21 302 Chehalis	34,048	34,048	57,986	57,986	31,865	31,865
21 303 White Pass	34,048	34,048	58,538	58,538	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
21 401 Centralia	34,048	34,048	63,071	63,071	31,865	31,865
22 008 Sprague	34,048	34,048	66,073	66,073	31,998	31,998
22 009 Reardan-Edwall	34,048	34,048	59,314	59,314	31,865	31,865
22 017 Almira	34,048	34,048	75,237	75,237	31,865	31,865
22 073 Creston	34,048	34,048	74,630	74,630	31,865	31,865
22 105 Odessa	34,048	34,048	62,464	62,464	31,865	31,865
22 200 Wilbur	34,048	34,048	71,759	71,759	31,865	31,865
22 204 Harrington	34,048	34,048	84,362	84,362	31,865	31,865
22 207 Davenport	34,048	34,048	63,534	63,534	31,865	31,865
23 042 Southside	34,561	34,561	57,986	57,986	31,865	31,865
23 054 Grapeview	34,048	34,048	62,789	62,789	31,865	31,865
23 309 Shelton	34,048	34,048	60,614	60,614	31,970	31,970
23 311 Mary M. Knight	34,048	34,048	74,275	74,275	32,404	32,404
23 402 Pioneer	34,048	34,048	57,986	57,986	31,865	31,865
23 403 North Mason	34,048	34,048	57,986	57,986	31,887	31,887
23 404 Hood Canal	34,048	34,048	60,547	60,547	33,083	33,083
24 014 Nespelem	34,048	34,048	68,082	68,082	31,865	31,865
24 019 Omak	34,048	34,048	63,022	63,022	31,865	31,865
24 105 Okanogan	34,048	34,048	59,660	59,660	32,243	32,243
24 111 Brewster	34,048	34,048	58,977	58,977	31,934	31,934
24 122 Pateros	34,048	34,048	59,243	59,243	31,865	31,865
24 350 Methow Valley	34,048	34,048	71,502	71,502	32,062	32,062
24 404 Tonasket	34,048	34,048	60,999	60,999	31,865	31,865
24 410 Oroville	34,048	34,048	58,459	58,459	32,521	32,521
25 101 Ocean Beach	34,048	34,048	65,376	65,376	31,865	31,865
25 116 Raymond	34,048	34,048	60,382	60,382	31,865	31,865
25 118 South Bend	34,048	34,048	57,986	57,986	31,865	31,865
25 155 Naselle-Grays River Valley	34,048	34,048	69,228	69,228	31,865	31,865
25 160 Willapa Valley	34,048	34,048	57,986	57,986	31,865	31,865
25 200 North River	34,048	34,048	66,044	66,044	31,865	31,865
26 056 Newport	34,048	34,048	58,054	58,054	31,865	31,865
26 059 Cusick	34,048	34,048	73,258	73,258	31,865	31,865
26 070 Selkirk	34,048	34,048	57,986	57,986	31,865	31,865
27 001 Steilacoom Historical	34,048	34,048	59,980	59,980	32,042	32,042
27 003 Puyallup	34,733	34,733	57,986	57,986	31,865	31,865
27 010 Tacoma	34,048	34,048	57,986	57,986	34,954	34,954
27 019 Carbonado	34,048	34,048	70,811	70,811	31,865	31,865
27 083 University Place	34,048	34,048	57,986	57,986	31,865	31,865
27 320 Sumner	34,048	34,048	59,194	59,194	31,865	31,865
27 343 Dieringer	34,048	34,048	63,424	63,424	31,865	31,865
27 344 Orting	34,048	34,048	59,699	59,699	31,865	31,865
27 400 Clover Park	34,048	34,048	59,385	59,385	31,865	31,865
27 401 Peninsula	34,048	34,048	60,877	60,877	31,881	31,881
27 402 Franklin Pierce	34,048	34,048	62,765	62,765	31,865	31,865
27 403 Bethel	34,048	34,048	59,840	59,840	31,865	31,865
27 404 Eatonville	34,048	34,048	57,986	57,986	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
27 416 White River	34,048	34,048	58,023	58,023	31,865	31,865
27 417 Fife	34,048	34,048	60,570	60,570	31,865	31,865
28 010 Shaw Island	34,697	34,697	57,986	57,986	33,729	33,729
28 137 Orcas Island	34,048	34,048	57,986	57,986	31,949	31,949
28 144 Lopez Island	34,417	34,417	62,762	62,762	31,865	31,865
28 149 San Juan Island	34,048	34,048	61,424	61,424	31,865	31,865
29 011 Concrete	34,048	34,048	63,854	63,854	31,865	31,865
29 100 Burlington-Edison	34,048	34,048	58,695	58,695	31,865	31,865
29 101 Sedro-Woolley	34,048	34,048	57,986	57,986	31,962	31,962
29 103 Anacortes	34,048	34,048	59,811	59,811	31,865	31,865
29 311 La Conner	34,048	34,048	65,753	65,753	31,865	31,865
29 317 Conway	34,048	34,048	62,653	62,653	31,865	31,865
29 320 Mount Vernon	34,048	34,048	57,986	57,986	31,865	31,865
30 002 Skamania	34,048	34,048	73,130	73,130	33,930	33,930
30 029 Mount Pleasant	34,048	34,048	57,986	57,986	35,213	35,213
30 031 Mill A	34,048	34,048	57,986	57,986	32,337	32,337
30 303 Stevenson-Carson	34,048	34,048	58,725	58,725	31,865	31,865
31 002 Everett	35,737	35,737	62,536	62,536	33,539	33,539
31 004 Lake Stevens	34,048	34,048	64,822	64,822	31,865	31,865
31 006 Mukilteo	34,454	34,454	61,326	61,326	31,865	31,865
31 015 Edmonds	34,048	34,048	60,403	60,403	31,865	31,865
31 016 Arlington	34,048	34,048	58,653	58,653	31,865	31,865
31 025 Marysville	35,359	35,359	58,169	58,169	31,865	31,865
31 063 Index	34,048	34,048	57,986	57,986	31,865	31,865
31 103 Monroe	34,048	34,048	60,406	60,406	31,865	31,865
31 201 Snohomish	34,048	34,048	61,664	61,664	31,865	31,865
31 306 Lakewood	34,048	34,048	57,986	57,986	31,865	31,865
31 311 Sultan	34,048	34,048	57,986	57,986	31,865	31,865
31 330 Darrington	34,048	34,048	67,586	67,586	31,865	31,865
31 332 Granite Falls	34,048	34,048	58,099	58,099	31,865	31,865
31 401 Stanwood	34,048	34,048	57,986	57,986	31,865	31,865
32 081 Spokane	34,048	34,048	57,986	57,986	31,865	31,865
32 123 Orchard Prairie	34,048	34,048	57,986	57,986	31,865	31,865
32 312 Great Northern	34,048	34,048	57,986	57,986	31,865	31,865
32 325 Nine Mile Falls	34,048	34,048	63,998	63,998	31,865	31,865
32 326 Medical Lake	34,048	34,048	57,986	57,986	31,865	31,865
32 354 Mead	34,048	34,048	57,986	57,986	31,865	31,865
32 356 Central Valley	34,048	34,048	57,986	57,986	32,206	32,206
32 358 Freeman	34,048	34,048	57,986	57,986	31,919	31,919
32 360 Cheney	34,048	34,048	59,525	59,525	31,865	31,865
32 361 East Valley (Spokane)	34,048	34,048	57,986	57,986	31,865	31,865
32 362 Liberty	34,048	34,048	60,231	60,231	31,865	31,865
32 363 West Valley (Spokane)	34,048	34,048	63,636	63,636	31,865	31,865
32 414 Deer Park	34,048	34,048	59,344	59,344	31,865	31,865
32 416 Riverside	34,048	34,048	59,615	59,615	31,865	31,865
33 030 Onion Creek	34,048	34,048	57,986	57,986	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
33 036 Chewelah	34,048	34,048	57,986	57,986	32,461	32,461
33 049 Wellpinit	34,048	34,048	74,899	74,899	31,865	31,865
33 070 Valley	34,048	34,048	64,458	64,458	31,865	31,865
33 115 Colville	34,048	34,048	57,986	57,986	31,865	31,865
33 183 Loon Lake	34,048	34,048	57,986	57,986	31,865	31,865
33 202 Summit Valley	34,048	34,048	57,986	57,986	31,865	31,865
33 205 Evergreen (Stevens)	34,048	34,048	57,986	57,986	31,865	31,865
33 206 Columbia (Stevens)	34,048	34,048	84,362	84,362	31,865	31,865
33 207 Mary Walker	34,048	34,048	64,999	64,999	31,865	31,865
33 211 Northport	34,048	34,048	68,881	68,881	31,865	31,865
33 212 Kettle Falls	34,048	34,048	57,986	57,986	32,153	32,153
34 002 Yelm	34,048	34,048	61,421	61,421	31,865	31,865
34 003 North Thurston	34,048	34,048	58,129	58,129	31,865	31,865
34 033 Tumwater	34,048	34,048	61,721	61,721	31,865	31,865
34 111 Olympia	34,048	34,048	59,863	59,863	31,882	31,882
34 307 Rainier	34,048	34,048	61,691	61,691	31,865	31,865
34 324 Griffin	34,048	34,048	57,986	57,986	31,865	31,865
34 401 Rochester	34,048	34,048	57,986	57,986	31,865	31,865
34 402 Tenino	34,048	34,048	57,986	57,986	31,865	31,865
35 200 Wahkiakum	34,048	34,048	57,986	57,986	31,865	31,865
36 101 Dixie	34,048	34,048	63,673	63,673	31,865	31,865
36 140 Walla Walla	34,048	34,048	58,373	58,373	31,865	31,865
36 250 College Place	34,048	34,048	59,639	59,639	31,865	31,865
36 300 Touchet	34,048	34,048	60,074	60,074	31,865	31,865
36 400 Columbia (Walla Walla)	34,048	34,048	57,986	57,986	31,865	31,865
36 401 Waitsburg	34,048	34,048	70,742	70,742	31,865	31,865
36 402 Prescott	34,048	34,048	68,814	68,814	33,046	33,046
37 501 Bellingham	34,048	34,048	58,598	58,598	31,865	31,865
37 502 Ferndale	34,048	34,048	60,982	60,982	31,865	31,865
37 503 Blaine	34,048	34,048	61,158	61,158	32,260	32,260
37 504 Lynden	34,048	34,048	57,986	57,986	31,865	31,865
37 505 Meridian	34,048	34,048	57,986	57,986	31,865	31,865
37 506 Nooksack Valley	34,048	34,048	57,986	57,986	31,884	31,884
37 507 Mount Baker	34,048	34,048	57,986	57,986	31,865	31,865
38 126 Lacrosse	34,048	34,048	69,780	69,780	32,224	32,224
38 264 Lamont	34,048	34,048	65,139	65,139	31,865	31,865
38 265 Tekoa	34,048	34,048	77,798	77,798	31,865	31,865
38 267 Pullman	34,048	34,048	57,986	57,986	32,032	32,032
38 300 Colfax	34,048	34,048	58,337	58,337	31,865	31,865
38 301 Palouse	34,048	34,048	69,197	69,197	32,226	32,226
38 302 Garfield	34,048	34,048	67,726	67,726	31,865	31,865
38 304 Steptoe	34,048	34,048	57,986	57,986	32,302	32,302
38 306 Colton	34,048	34,048	70,128	70,128	31,865	31,865
38 308 Endicott	34,048	34,048	77,826	77,826	31,865	31,865
38 320 Rosalia	34,048	34,048	73,400	73,400	31,919	31,919
38 322 St. John	34,048	34,048	84,362	84,362	31,865	31,865

School District	Salary Allocations For Certificated Instructional Staff		Salary Allocations For Certificated Administrative Staff		Salary Allocations For Classified Staff	
	2013–14	2014–15	2013–14	2014–15	2013–14	2014–15
38 324 Oakesdale	34,048	34,048	75,918	75,918	31,865	31,865
39 002 Union Gap	34,048	34,048	64,127	64,127	31,865	31,865
39 003 Naches Valley	34,048	34,048	62,428	62,428	31,865	31,865
39 007 Yakima	34,048	34,048	63,640	63,640	31,936	31,936
39 090 East Valley (Yakima)	34,048	34,048	58,875	58,875	32,166	32,166
39 119 Selah	34,048	34,048	62,623	62,623	31,865	31,865
39 120 Mabton	34,048	34,048	66,342	66,342	32,870	32,870
39 200 Grandview	34,048	34,048	60,037	60,037	31,865	31,865
39 201 Sunnyside	34,048	34,048	57,986	57,986	31,865	31,865
39 202 Toppenish	34,048	34,048	62,732	62,732	31,865	31,865
39 203 Highland	34,048	34,048	63,459	63,459	31,865	31,865
39 204 Granger	34,048	34,048	61,951	61,951	31,865	31,865
39 205 Zillah	34,048	34,048	61,365	61,365	31,865	31,865
39 207 Wapato	34,048	34,048	60,425	60,425	31,865	31,865
39 208 West Valley (Yakima)	34,048	34,048	57,986	57,986	31,865	31,865
39 209 Mount Adams	34,048	34,048	63,023	63,023	31,865	31,865

Source: Legislative Evaluation and Accountability Program Committee.

The “Salary Allocation” shown for certificated instructional staff reflects the base salaries before weighting for experience and training of staff (LEAP Document 1 mix factors).

e. Payroll Taxes and Benefits

School districts receive additional allocations for payroll taxes and benefits required by law. These include employer contributions to OASDI, 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.

Funding percentages as listed in the 2013–15 biennial budget to be applied to salary allocations are:

- 18.68 percent for certificated salary maintenance
- 18.04 percent for certificated salary increase
- 20.95 percent for classified salary maintenance
- 17.45 percent for classified salary increase

f. Insurance Benefits

School districts receive state funding for employee insurance benefits at a rate of \$768.00 per month from September 2013 through August 2014 for each formula certificated and classified staff unit. This results in an annual allocation of \$9,216 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 1.15186.

Insurance benefits include such items as liability, life, health, health care, accident, disability, and salary protection insurance. School districts must pay \$64.40 per month per full-time employee to the state Health Care Authority to fund a reduction in premiums for retired school employees.

g. Materials, Supplies, and Operating Costs

While staffing represents the largest expense for districts, there are many costs to running a school district which are non-staff related. The funding model provides an allocation to cover these costs by providing for Materials, Supplies, and Operating Costs (MSOC) at a specific rate per student. The Legislature sets the funding level for MSOC in the budget bill. Basic education MSOC is at an established rate, and Skill Center and Career and Technical Education (CTE) funding levels are established through a multiplier of the Basic Education rate. The multiplier for CTE programs for the 2013–14 school year was 1.671, and for Skill Centers it was 1.486. Funding is provided in seven specific categories of Technology, Utilities and Insurance, Curriculum and Textbooks, Other Supplies and Library Materials, Instructional Professional Development (CLS and CIS), Facilities Maintenance, and Security and Central Office. The rates for the 2013–14 school year were as follows:

Materials, Supplies, and Operating Costs (MSOC)	Basic Education	Skill Center	CTE
Total Per Student FTE	\$737	\$1,244	\$1,399
Technology	77	131	147
Utilities and Insurance	210	355	400
Curriculum and Textbooks	83	140	158
Other Supplies and Library Materials	177	298	335
Instructional Professional Development (CIS/CLS)	13	22	24
Facilities Maintenance	104	176	198
Security and Central Office	72	122	137

h. Substitute Teacher Pay

In addition to providing state dollars for teachers, the funding formula also includes funding for the cost of substitute teachers. Funding for substitute teachers for the 2013–14 school year is provided at a daily rate of \$151.86 for a total of 4 days per teacher FTE. The formula is as follows:

$$(\text{Teacher FTE}) * (\text{Substitute Days}) * (\text{Substitute Rate}) = \text{Total Substitute Allocation}$$

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 more than 99 percent of the formula amount and less than 1 percent from deductible local revenues. For 2013–14, 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 \$21 million in the 2013–14 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 \$1.213953 per pupil for 2013–14. 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 its purpose is 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.”

Under the Act, an “appropriate education” is defined as an education directed to the unique needs, abilities, and limitations of children with disabilities who are enrolled either full or part time in a school district.

RCW 28A.155.020 further states that “Students with disabilities are those children whether enrolled in a school or not who through an evaluation process are determined eligible for special education due to a disability.”

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 as authorized in RCW 28A.225.250.
- 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 any child who is eligible for but not receiving special educational services for children with disabilities.
- Approve school district and agency programs as being eligible for special excess cost financial aid to students with disabilities.
- Consistent with state and federal requirements, administer administrative hearings and other procedures to ensure procedural safeguards of children with disabilities.
- Promulgate such rules and regulations as are necessary to carry out state laws relating to special education and to ensure appropriate access to and participation in the general education curriculum and participation in statewide assessments for all students with disabilities.

a. Special Education Allocation Formula

The special education allocation is in addition to, or in “excess” of, the full basic education allocation available for any student. The result is that school districts have two primary sources of revenue to support special education services to students: basic education and special education.

Prior to 1995–96, the special education allocation formula earmarked funds for special education on the basis of their disability category and the instructional settings in which they were placed. Students with disabilities were not considered basic education student for the time they spent in the special education program. Consistent with changes in federal law, multiple studies at the state level, and a series of lawsuits, the Legislature revised the formula in 1995–96.

The state special education formula currently consists of a basic education allocation for students with disabilities ages 5 and enrolled in kindergarten to 21 plus a supplemental allocation for students with disabilities aged birth to 5 and not yet enrolled in kindergarten. The allocation for students with disabilities age kindergarten–21 is indexed at 12.7 percent of the resident district K–12 full-time enrollment. The allocation for students with disabilities aged birth to 5 and not yet enrolled in kindergarten does not count against the 12.7 percent index.

The formula for 2014–15 is as follows:

- The annual average headcount of birth through age 5-and not enrolled in kindergarten, special education enrollment, times the district’s 2014–15 BEA allocation rate per student, times 1.15.
- Plus the annual average headcount of age kindergarten–age 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 2014–15 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 K–12 resident FTE basic education enrollment” means the resident enrollment, including students enrolled through choice and students from non-high

districts, and excluding students residing in another district enrolled through interdistrict cooperatives.

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

State funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School district must ensure that special education students are basic education students first and as a class are entitled to their full share of basic education allocation.

The Legislature appropriated \$742.3 million for special education programs for the 2015 state fiscal year.

b. 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. Safety Net Allocation

Safety net funding is available to school districts with a demonstrated need for special education funding in excess of state and federal funding otherwise provided. Upon demonstration of capacity for funding, district applications based upon the extraordinary high cost needs of one or more students or a community impact factor resulting in a higher number of families with children in need of special education services are considered. High cost reimbursement in excess of an established threshold is available for special education and related services provided to an individual student and documented by a properly formulated individualized education program (IEP).

C. STUDENT TRANSPORTATION

Each school district electing to provide student transportation to and from school is entitled to state student transportation funding at the rate provided by the state. Prior to 1982–83, state support for the operation of the student 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. The allocation basis was "ridership" which meant allocations to districts were based on the number of students eligible to ride who actually ride buses. The system provided the following:

- Allowed school districts to determine which students were to be transported and which routes were to be used
- Authorized school districts to transport students enrolled in their schools living in other school districts

- Established an allocation formula to distribute the state transportation appropriation to districts

The allocation formula used the following factors:

- Number of students transported in all radius mile intervals
- 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 intended to provide additional funding to school districts which could not achieve cost-effective bus operation due to reasons beyond their control
- Special load factor ratios for bus routes that served students with disabilities
- Use of motor pool (passenger car) vehicles for student transportation
- A standard legislatively established allocation rate

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 revised law, all kindergarten through Grade 5 students living within one radius mile, whether transported or not, generated funding. The number of students (less the number of K–5 special education riders within one radius mile) was multiplied by a factor of 1.29 and further multiplied by the allocation rate.

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

In the 2011–12 school year, the Legislature implemented the Student Transportation Allocation Reporting System, a new funding methodology using a regression analysis to calculate each district's expected cost of providing school transportation services based on local characteristics. The new system provided the ability for the Legislature to allocate funding to districts for student transportation services more closely aligned with actual expenditures. Once fully implemented, STARS will provide districts with the lesser of their calculated expected costs or their prior year (adjusted) student transportation expenditures. The allocation system for student 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
- Requires school districts to establish safe walk areas for any school where transportation service is provided within one road mile (except for special education program transportation)

The STARS formula is based on the following local site characteristics:

- The number of basic education program students transported
- The number of special program students transported

- The average distance between school bus stops and associated destinations
- The school district land area (excluding forest roads and other non-usable roadways)
- The number of destinations served
- The number of kindergarten routes operated
- The transportation provided to high school students by non-high districts

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 14 percent levy rate, which exceeds the statewide average 14 percent levy rate. The district 14 percent levy rate is the tax rate needed to collect a levy equal to 14 percent of the district’s levy base.

In determining both district and statewide average 14 percent levy rates, assessed valuations are adjusted to bring property assessments to 100 percent of market value.

The district’s 14 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 14 percent levy amount multiplied by the following ratio (see Figure 10 in Chapter 6 for an example):

$$\frac{\text{district 14\% levy Rate}}{\text{statewide average 14\% levy rate}} \text{ divided by } \frac{\text{district 14\% levy rate}}{\text{statewide average 14\% levy rate}}$$

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 14 percent levy amount (the 14 percent levy amount minus maximum LEA). Districts certifying less than the district’s share of the 14 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:

$$\frac{\text{district 14\% levy Rate}}{\text{statewide average 14\% levy rate}} \text{ divided by } \frac{\text{statewide average 14\% rate}}{\text{statewide average 14\% rate}}$$

In other words, a district whose 14 percent levy rate is twice the statewide average 14 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 2014, 204 of the state’s 295 school districts received LEA allocations totaling \$320.4 million. Eleven more districts were eligible but did not pass an M&O levy to

qualify for state matching money. LEA allocations make up about 4 percent of all school district revenues statewide, 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.

Through 2004–05, the Learning Assistance Program allocation was based upon a grades K–6 component, a grades 7–9 component, a grades 10–11 component, and a poverty component. Funding for each grade component was based upon the percentage of students scoring in the lowest quartile of the test. The poverty component provided additional funding for a district if the district's free and reduced price lunch, FRPL, count exceeded the state average.

Commencing in 2005–06, the funding methodology was revised to two components based upon a district's FRPL count.

The prototypical school funding model changed the way the LAP program is funded. Funding is provided through a service delivery model that focuses on the additional instructional hours per week offered to students in the program. For each prototypical class size of 15 students (FTE), the formula allocates an additional 2.3975 hours per week of additional instructional hours. These additional hours per week are converted to staffing FTE which are allocated as teachers. Salary and benefits are allocated to these programs based upon teacher FTE generated by this calculation.

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 students 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 students. An individual annual reassessment must be made for a student to continue in the program. A 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 prototypical school funding model changed the way the transitional bilingual program is funded. Funding is provided through a service delivery model that focuses on the additional instructional hours per week offered to students in the program. For each prototypical class size of 15 students (FTE), the formula allocates an additional 4.7780 hours per week of additional instructional hours. These additional hours per week are converted to staffing FTE which are allocated as teachers. Salary and benefits are allocated to these programs based upon teacher FTE generated by this calculation.

In 2013 the Legislator acknowledged students need additional assistance after exiting the program. District are able to include an additional three hours of instruction per week for the head count number of students who have exited the program within the previous school year based on their performance on the English proficiency assessment.

The total transitional bilingual allocation is reduced by a withholding percentage as determined by the Legislature. The purpose of this withholding is to cover the cost of assessment testing for the students in the program. For the 2012–13 school year, the transitional bilingual withholding percentage was 2.11.

G. EDUCATION REFORM PROGRAMS

The state budget provided \$437.7 million in General Fund money from a combination of state and federal sources. 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, Assessment of Student Learning) and practitioners (for example, National Teacher Certification). Programs receiving more than \$1 million are broken out as follows:

Education Reform Component	State Biennium 2013–15*
State Assessment System	\$60,837
National Board Teacher Certification	93,625
Federal Assessment	15,868
Federal-Education Reform Programs	77,838
Private/Local-Education Reform Programs	4,002
ARRA-Education Reform Programs	124,100
Performance Based Evaluations	9,786
Academic Acceleration	2,171
Teacher and Principal Evaluation Program under ESSB 5895	15,000
Information Technology Academy	4,000
Failing Schools	10,281
Secondary Career and Technical Education Grants	2,354
Beginning Educator Support Program	4,000
Student Outcomes	4,021
Washington Reading Corps	1,900
Education Reform Programs – Administrative Support	1,913
Leadership Academy	1,620
Other Programs	4,369
Total	\$437,685

* In thousands.

Student Outcomes – Supporting Struggling Students (ESSB 5946) is composed of multiple sections that address the following: Section 1-Learning to Read and Reading to Learn; Section 2- Requiring the Learning Assistance Program to be Evidence-Based, Section 3-Student Discipline, and Section 4-Educator Support Program.

Beginning Educator Support Program – Funding is provided for a beginning educator support program, in which districts and/or regional consortia may apply. The program provides mentoring, development of professional growth plans, and teacher observation time.

Secondary Career and Technical Education Grants (2SSB 6377) – Funding is provided for implementation of 2SSB 6377, pertaining to enhancing career and technical education programs. Provisions of the bill include providing enhancement for high demand programs, programs of study, and collections of evidence for career and technical education programs.

Federal Assessment – Funding is provided from federal sources for development and implementation of a state-wide assessment system to the requisite student population in the state of Washington.

Performance Based Evaluations – Funding is provided to create new evaluation criteria for both teachers and principals united by common themes. Evaluation is now focused on continuous improvement for every educator every year and on academic growth for students.

Information Technology Academy – Funding is provided to provide educational software and IT certification and training opportunities to students and staff in public schools.

Leadership Academy – Funding is provided to develop a leadership academy for school principals and administrators.

National Board Teacher Certification – The purpose/objective of this program is to support the statewide coordination and oversight efforts for the National Board Certification Program.

Education Reform Programs Administrative Support – Funding is provided for administrative support of education reform programs.

Reading Corps – Funding is provided to allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs.

State Assessment System – Funding is provided for development and implementation of the Washington statewide assessment system, including: (1) development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (2) development and implementation of alternative assessments or appeals procedures.

Teacher and Principal Evaluation Program – Funding is provided to provide assistance relating to the Teacher and Principal Evaluation Program (TPEP).

Federal Education Reform Program – Federal funding is provided for improving teacher quality grants.

Private/Local Education Reform Program – Private/Local funding in support of education reform programs.

ARRA Education Reform Program – ARRA funding in support of education reform programs.

Academic Acceleration – To encourage and reward school districts to develop academic acceleration policy with the objective for all eligible students eventually to be enrolled automatically in dual credit courses.

Failing Schools – The 2013 Washington State Legislature passed E2SSB 5329 to support three main performance outcomes within the public schools in Washington state. Create a differentiated system of accountability and support that permeates all schools in Washington state. Rewarding exemplar schools and identifying schools that are under-performing, both Title I and non-Title.

Recommend to the State Board of Education those schools within Washington state that, despite significant intervention, continue to be amongst the lowest performing, for RAD (Required Action District). Support through targeted investment: Fiscal Grant, Leadership and Instructional Coaching to ensure the success of all Non-Title Priority, Focus, and RAD schools statewide.

H. INSTITUTIONAL EDUCATION

The state funds a 220-day educational program for juveniles 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 six types of institutions receiving institutional education program moneys are described below:

- **Residential habilitation centers** provide educational services for their residents with disabilities, most of whom are profoundly intellectually disabled, physically impaired, and/or severely behaviorally disordered. There are four 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 educational services for adjudicated youth. There are eight group homes maintained by the Juvenile Rehabilitation Administration of DSHS.
- **Long-term juvenile institutions** provide educational services to juveniles committed by the courts and confined at the institutions. There are four institutions maintained by the Juvenile Rehabilitation Administration of DSHS.
- **County detention centers** provide educational services to juveniles who have been placed under protective custody or have committed a criminal offense. There are 22 centers maintained by county governments.
- **State corrections facilities** provide educational services to juveniles less than 18 years of age but committed as adults. There is one correctional facility operated by the Department of Corrections that houses juvenile inmates.
- **County and city adult jails** provide educational services to juveniles who enter the jail and are less than 18 years of age. There are six county jails that provide an educational program for these 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 or educational service district operating the educational program in the same manner as the basic education allocation.

The Legislature budgeted \$14 million for institutional education programs in the 2014–15 state fiscal year.

I. STATE OFFICE (OSPI) – STATEWIDE PROGRAMS

The state budget in section 501(2) provides \$12 million to the Superintendent of Public Instruction for a variety of statewide programs during the 2014–15 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. Those activities receiving more than \$1 million are described in greater detail.

Activity	Amount*
Longitudinal Student Information	\$1,802
ESD Nurses Corp	2,541
K–20 Telecommunication Network	1,221
School Finance System Implementation	1,017
Washington State Achievers Scholarship Program	1,875
Scholarship Eligibility Outreach	1,000
Collaborative Schools For Innovation	1,500
WaKIDS Inventory	1,400
Total	\$12,356

* In thousands

Longitudinal Student Information – Funds are provided for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

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

K–20 Telecommunications – Funds are provided for K–20 telecommunications network technical support in the K–12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. Funds may also be used to purchase engineering and advanced technical support for the network.

School Finance System Implementation – Funds are provided for activities associated with the implementation of school finance systems required by SHB 2776 (2010) and ESHB 2261 (2009), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

Achievers Scholarship Program – Funds are provided for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

Scholarship Eligibility Outreach – Funds are provided for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with E2SSB 5098 (2007).

Collaborative Schools For Innovation – Funds are provided for collaborative schools for innovation and success authorized under ESHB 2799 (2012).

WaKIDS Inventory – Funds are provided for implementing 2SSB 5427 (2011) and ESHB 2586 (2012). This includes the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS)..

J. STATE ADMINISTRATION

The state budget provides a total of \$11 million for state fiscal year 2016 solely for administrative expenses of OSPI, the State Board of Education, and the Washington Professional Educator Standards Board.

The budget provides \$9.87 million to the Superintendent of Public Instruction for the 2016 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, et.cetera., flows through to school districts without deduction for OSPI administrative expenses.

The budget provides \$851,000 for the operation and expenses of the State Board of Education and \$1,050,000 for the operation and expenses of the Washington Professional Educator Standards Board.

K. BETTER SCHOOLS

Better Schools program funds were appropriated in 2000–01 to provide additional school improvement resources to help students meet the essential academic learning requirements and student assessment performance standards. This funding is provided as an enhancement to the basic education staffing ratios for grades K–4. Starting in 2004–05, the enhancement was reduced to 53.2 full-time equivalent teachers per 1000 full-time equivalent K–4 students. The enhanced K–4 funding was eliminated after the 2009–10 school year.

L. 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 2013–14 school year was \$9.7 million. School districts with highly capable student programs may apply to the Superintendent of Public Instruction and receive funding based on up to 2.314 percent of the district's total full-time equivalent (FTE) enrollment. Eligible enrollment is converted to number of prototypical class sizes before going through the funding formula. For each prototypical class size of 15 students (FTE), the formula allocates an additional 2.159 hours per week of instructional hours. These additional hours per week are converted to staffing FTE which are allocated as teachers. Salary and benefits are allocated to these programs based upon teacher FTE generated by this calculation.

M. EDUCATIONAL SERVICE DISTRICTS

The state budget provides \$8.1 million for the 2014–15 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.

N. SCHOOL FOOD SERVICES

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

The federal child nutrition programs require OSPI to have a matching effort in state funds of approximately \$3 million a year. This match helps Washington to bring in over \$247 million in reimbursement for the meals served in these programs.

In FY 2014, the State Legislature appropriated \$7.111 million to assist in meeting the federal match requirements. Of the \$7.111 million, \$4,727,554 was spent as additional reimbursement for free and reduced-price breakfasts served as a part of the School Breakfast Program. An

additional \$991,862 was expended to eliminate the reduced price co-pay for breakfast in all grades and \$1,179,858 to eliminate the reduced price co-pay for lunch in grades K–3.

A total of \$100,000 was paid to Summer Food Service Program renewing sponsors based upon the federal meal reimbursement dollars paid the prior year. Additionally, during 2013–14, \$49,746 was disbursed for Meals for Kids School Breakfast Program Grants and \$51,509 for Summer Food Service Program Grants.

During 2013–14, 84,914,632 lunches and 30,321,814 breakfasts were served. On a typical day, 471,748 students had a school lunch and 168,455 students had a school breakfast in the public schools.

Student fees paid for 25 percent of food service program costs; federal revenue and commodities paid for 64.7 percent; state revenue paid for 1.8 percent; and local levies paid for 8.5 percent in 2013–14.

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

Initiative 728, approved by the voters in November 2000, dedicated certain state revenues to provide additional resources to support high standards of achievement for all students. These were to be deposited into a new Student Achievement Fund in the state treasury. School districts were encouraged to use these monies to implement any of the following strategies that they determined to be most effective in increasing student performance and helping students meet the state's new, higher academic performance standards:

- (1) Major reductions in K–4 class size
- (2) Selected class size reduction in grades 5–12, such as small high school writing classes
- (3) Extended learning opportunities for students who need or want additional time in school
- (4) Investments in educators and their professional development
- (5) Early assistance for children who need prekindergarten support in order to be successful in school
- (6) Providing improvement or additions to facilities to support class size reductions and extended learning opportunities

Beginning in 2001, portions of state property tax and state lottery revenues were dedicated to the Student Achievement Fund.

Beginning in 2004, the Initiative directed that the state property tax contribution to the Student Achievement Fund was to increase to \$450 per student FTE and that lottery revenues would be deposited to the School Construction Fund. The 2003 Legislature revised the property tax per student FTE contributed to the Student Achievement Fund to \$254 for 2004, \$300 for 2005, \$375 for 2006, \$450 for 2007, and an amount adjusted annually for inflation thereafter. In 2008 the amount was set at \$458.10, but lowered to \$131.16 in 2009 and \$0 beginning in 2010 and thereafter. The Legislature repealed I-728 effective July 2012.

This page left blank intentionally.

Chapter 6. Local Funding for Maintenance and Operations

Local revenues made up about 20 percent of total school district maintenance and operations (General Fund) revenues for the 2013–14 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. 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” Levies), 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 2014, 284 of the state’s 295 school districts passed General Fund M&O levies. The average revenue per FTE student statewide was \$2,133. M&O revenues are deposited in the school district’s General Fund. In the 2013–14 school year M&O levies made up about 25 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 Figure 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 Section C 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 71 percent in the 2013–14 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 26 percent in 2013–14.

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 \$1.54 in the 2014 collection year.

Voter Approval Process

Local school boards may submit levies for initial voter consideration on state primary, state general, or 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. Additional levies to existing levies to provide for subsequently enacted increases affecting the district’s levy base or levy authority percent may also be submitted.

In order to receive voter approval, the levy must receive a majority of “yes” votes.

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, the 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 in excess of the levy lid.

In 2010, the Legislature increased the levy authority percentage by 4 percent starting with the 2011 collection year. This resulted in a minimum levy authority percentage of 28 percent. The levy equalization percentage was increased by 2 percent to 14 percent. These increases were also applied to grandfathered districts.

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., 2012–13 revenues make up the 2014 levy base). State law also includes in the levy base allocations from the state that are no longer actually paid to districts, but were at one point in time.. Revenue related to Initiative 728 – Education Employee Cost of Living Adjustments, Initiative 732- Washington School Class Size Act, and K-4 class size enhancements are all included in the levy base until the 2018 calendar year levy collections, even though these funding sources have been either suspended or repealed by the legislature.. After the levy base is calculated, it is increased by the percentage increase in state basic education funding per pupil between the prior and current school years (e.g., between 2012–13 and 2013–14 for the 2014 levy base) and divided by 55 percent.

All districts have a **levy authority percentage** of at least 28 percent of their levy base. For levies collected in 2014, 90 districts have levy authority between 28 percent and 38 percent.

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.

Non-high Participation

Forty-six school districts do not offer a full range of grades kindergarten through 12 to their resident students. These are known as "non-high" districts. Students in these non-high districts are eligible to enroll in any "high" school districts when they reach the grade levels not offered in their resident district. The high school districts report the enrollment of the non-high student and receive all state monies generated by that enrollment. The non-high district makes a payment to the "high" school districts designed to cover the additional local costs of educating the non-high students. This payment protects the high school district's taxpayers from subsidizing the education of the non-high students attending school in the "high" school district.

The Superintendent of Public Instruction calculates the amount payable by the non-high district based on the excess maintenance and operations levy per pupil in the "high" school district.

Non-high 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 non-high enrollment. The second payment, made in November, is based on actual non-high enrollment for the school year just ended. For example, the November 2014 payment is the actual amount due for the 2013–14 school year minus the May 2013 payment, which was based on estimated 2013–14 enrollment.

Calculation of payments to high school districts from non-high districts that will occur during FY 2014–15 can be estimated as follows:

November 2014 Payment

Actual 2014 high school district certified levy
 -- Divided by --
 Actual FY 2013–14 high school district resident FTE enrollment
 -- Times --
 Actual FY 2013–14 enrollment from non-high district
 -- Minus --
 50 percent of the estimated payment for FY 2013–14 (amount paid in May 2014)

May 2015 Payment

Actual 2015 high school district certified levy
 -- Divided by --
 Estimated FY 2014–15 high school district resident FTE enrollment
 -- Times --
 Estimated FY 2014–15 FTE enrollment from non-high district
 -- Times 50 percent --

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

To facilitate non-high payments, the non-high 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 non-high district to collect local levy money for the non-high payment.

Interdistrict Cooperatives

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

The district providing the program reports any nonresident students. Except for special education moneys, the district providing the program receives state moneys generated by these students including the nonresident students. The nonresident district receives the state special education moneys generated by their students. The resident district bills the nonresident district for the cost to provide the special education services. The interdistrict cooperative agreement should outline the amount that the nonresident district will pay the resident district for the services that they provide.

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

1976–2014 Collections – All Districts						
Collection Year	Special Levy Assessed Value	Certified Levy	FTE Students*	Assessed Value/FTE	Levy Rate (per \$1000)	Levy Per Student
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
2002	476,021,739,578	1,099,723,067	950,965	500,567	2.31	1,156
2003	504,889,825,032	1,172,630,366	956,524	527,838	2.32	1,226
2004	533,143,521,495	1,230,268,152	958,774	556,068	2.31	1,283
2005	572,408,582,574	1,278,350,252	962,254	594,862	2.23	1,328
2006	636,010,368,816	1,342,377,199	966,262	658,217	2.13	1,400
2007	736,625,482,962	1,429,760,953	971,948	787,886	1.94	1,471
2008	842,874,139,414	1,514,881,459	973,512	865,808	1.80	1,556
2009	917,215,877,118	1,638,446,684	975,436	940,314	1.79	1,680
2010	855,537,313,114	1,737,022,329	980,901	872,196	2.03	1,771
2011	819,111,141,572	1,925,850,244	988,112	828,966	2.36	1,949
2012	786,743,975,567	1,997,978,053	992,279	792,866	2.54	2,014
2013	761,725,196,210	2,085,032,325	998,089	763,184	2.74	2,089
2014	803,926,100,917	2,138,425,187	1,002,848	801,643	2.66	2,132

*FTE students for 1976–85 are October full-time equivalent (FTE) students for the prior year. Beginning in 1986, FTE students are annual average FTE students for the school year ending in the prior calendar year.

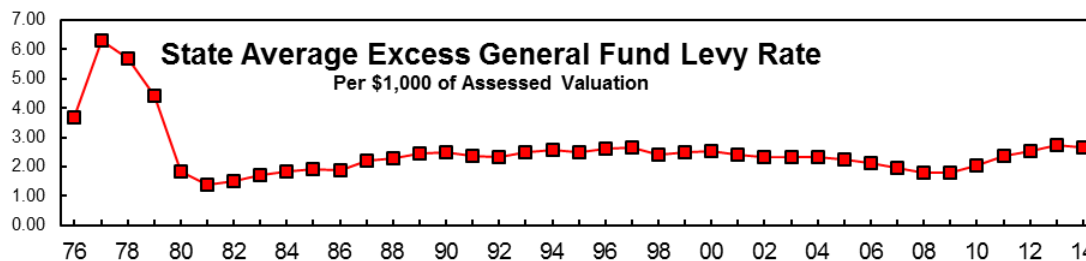


Figure 10 – Statewide – Illustrating 2015 Levy Authority and Local Effort Assistance

2015 LEVY AUTHORITY

A.	2013–14 State and Federal Allocations	\$1,925,000	(Selected state and federal revenues)
B.	Percent Increase in Basic Ed Funding	5.00%	(2013–14 to 2014–15 increase)
C.	2015 Excess Levy Base	\$2,100,000	$(A \times (1 + (B \div 0.55)))$
D.	Levy Authority Percentage	28%	(2014 percent + 4%)
E.	Levy Authority Before Transfers	\$588,000	$(C \times D)$
F.	Transfers for Non-high and Nonresident Students	\$2,800	(Serving district negative, sending district positive)
G.	Levy Authority After Transfers	\$590,800	$(E + F)$
H.	Maximum 2015 Local Effort Assistance	\$147,700	(Line g below - 2015 Max LEA)
I.	2015 Levy Authority	\$443,100	$(G - H)$

2015 LOCAL EFFORT ASSISTANCE (LEA)

a.	District 14 percent Levy Amount	\$295,400	$((G \div D) \times 0.14)$
b.	2013 Assessed Valuation for 2015 Levies	\$90,000,000	(From county assessor(s))
c.	2014 County-Indicated Ratio	90%	(From Department of Revenue)
d.	2013 Adjusted Assessed Valuation for 2015 Levies	\$100,000,000	$(b \div c)$
e.	District 14 percent Levy Rate (per \$1000)	2.95	$((a \div d) \times 1000)$
f.	2015 Statewide Average 14 percent Levy Rate (per \$1000)	1.477	(SPI calculation)
g.	2015 Maximum LEA	\$147,700	$((e - f) \div e) \times a$
h.	Certified Levy Needed to Qualify for Maximum LEA	\$147,700	$(a - g)$
i.	State Matching Ratio	1:1	$((e - f) \div f)$
j.	Voter Approved Levy	\$200,000	(Ballot Amount)
k.	Certified M&O Levy	\$200,000	(Certified in November 2014)
l.	LEA Payable in 2015 Calendar Year	\$147,700	(If $k > h$ then g, otherwise $(i \times k)$)

ANNOTATION FOR SAMPLE DISTRICT**Item**

- A. Most district 2013–14 state and federal revenues are included in the levy base. Some federal revenues are 2012–13 revenues increased by the implicit price deflator.
- B. The biennial operating budget specifies the percent increase in basic education funding.
- D. All districts have levy authority percentages of at least 28 percent for 2015. Ninety districts have “grandfathered” levy authority percentages between 28 percent and 38 percent.
- F. Levy authority is transferred from the serving district to the resident district for non-high students and interdistrict cooperative students. No transfer is made for Choice students.
- G. Note that levy authority transfers affect the 14 percent levy amount. Levy authority after transfers is used in calculating the 14 percent levy amount.
 - b. Adjusted assessed valuations are for the year before the year of the levy being matched (e.g., 2013 assessed valuations for levies collected in 2014 are used in determining 14 percent levy rates for 2015). The 2014 assessed valuations and county-indicated ratios will be available in spring 2015.
 - 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 14 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 14 percent levy rate to be used for 2015 levies in September of 2014. The rate for 2015 levies is \$1.477.
 - g. 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.
 - h. Note that LEA payments are based on actual certified levies. If the sample district certifies a levy of \$147,7000 or more, the district would qualify for maximum LEA of \$147,700.

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 8.1 percent of school district General Fund revenue in the 2013–14 school year. Sources of federal revenues for the 2013–14 school year are shown below:

2013–14 School Year Revenues	Revenue Account Code	Dollars in Millions	Percentage of Total
School Food Services & USDA Commodities	6198, 6298, 6398, 6998	\$261.1	29.8%
Programs Under NCLB			
Title I, Part A, Basic Title I, Part D Neglected & Delinquent Title I, Part G, Advanced Placement Title X, Part C, McKinney-Vento School Improvement Grants	6151, 6251, 6351	203.3	23.2%
Title I, Part C, Migrant	6153, 6253, 6353	11.5	1.3%
School Improvement	6152, 6252, 6352	47.9	5.5%
Title VIII, Federal Impact Aid	5300, 5329	34.7	4.0%
Title III, Limited English Proficient	6164, 6264, 6364	15.1	1.7%
Title I, Part B, Reading First	6154, 6254, 6354	0.0	0.0%
Title VII, Indian Education	6167, 6168, 6267, 6268, 6367, 6368	4.2	0.5%
IDEA Special Education, Supplemental	6124, 6224, 6324	205.1	23.4%
Medicaid Administrative Match	6310	6.2	0.7%
Special Purpose	6100, 6200, 6300	30.0	3.4%
Federal Forests	5500	9.1	1.0%
Head Start	6161, 6261, 6361	16.4	1.9%
Carl Perkins - Vocational Education	6138, 6238, 6338	7.6	0.9%
Special Education, Medicaid	6121, 6221, 6321	5.2	0.6%
Federal Stimulus			
Title I, Part A, Basic (Stimulus)	6111, 6211, 6311	0.0	0.0%
School Improvement (Stimulus)	6112, 6212, 6312	0.4	0.0%
IDEA Special Education (Stimulus)	6114, 6214, 6314	0.0	0.0%
State Fiscal Stabilization Fund	6113, 6213, 6313	0.0	0.0%
Other Federal Stimulus	6118, 6119, 6218, 6219, 6318, 6319	4.8	0.6%
Other Federal Revenues	5400, 6157, 6162, 6188, 6189, 6262, 6276, 6289, 6362, 6376, 6389	10.0	1.1%
Skills Center, Youth Training Programs	6146, 6178, 6278, 6378	1.2	0.1%
Direct Federal Grants - General Purpose	5200	2.6	0.3%
Student Transportation	6199, 6299, 6399	0.0	0.0%
Total		\$876.4	100%

* The School Improvement revenue account encompasses the following Federal programs under NCLB:
 Title II, Part A—State Grants for Improving Teacher Quality
 Title II, Part B—Mathematics and Science Partnerships
 Title IV, Part B—21st Century Learning Centers
 Title VI, Part B (1) and (2)—Rural and Low Income Schools

A. SCHOOL FOOD SERVICES & USDA COMMODITIES**a. National School Lunch and School Breakfast Programs**

The National School Lunch Program (NSLP) and School Breakfast Program (SBP) are designed to promote the health and well-being of children by providing nutritious meals to children in public and private schools and residential child care institutions (RCCIs).

The income eligibility guidelines for school meals are intended to direct benefits to those children most in need. These guidelines are based on the federal income poverty guidelines and are revised annually. The eligibility criteria are 130 percent of the income poverty guidelines for free and 185 percent for reduced-price meals.

For SY 2013–14 there were 356 local education agencies (LEAs) that participated in the NSLP/SBP, which included 280 public school districts, 33 private schools, and 43 RCCIs.

b. USDA Food Distribution

Public and private schools, residential child care institutions, and approved state agencies that participate in the NSLP are eligible to receive food purchased by the U.S. Department of Agriculture (USDA). For school year 2013–14, USDA foods valued at over \$26.6 million and totaling over 24 million pounds were allocated and distributed in Washington state by the USDA Food Distribution section of Child Nutrition Services.

For 2013–14, 350 agencies are allocated USDA foods at the rate of 23.25 cents for each lunch served. Additionally, 4.5 cents was added as a meal rate adjustment to meet the funding requirements at the federal level. Therefore, a total of 27.75 cents per meal was allocated for each meal served. Sponsors are eligible to select from a variety of dry, canned, frozen, and fresh foods up to nine times during the year. These USDA foods represent approximately 20 percent of the value of all foods purchased for the school lunch program. In cooperation with the Department of Defense, 60 agencies were allocated \$2.236 million of the USDA entitlement funds for the purchase of fresh fruits and vegetables.

Summer Food Service sponsors also receive USDA commodities based on 1.5 cents for each meal served.

Some Child and Adult Care Food Program institutions receive cash-in-lieu for USDA foods.

c. Special Milk Program

The Special Milk Program (SMP) was established in 1955 to increase the consumption of milk for children in nonprofit schools. In 1966, the Special Milk Program was incorporated into the Child Nutrition Act. In 1981, legislation was enacted that limited participation in the milk program to schools and institutions not participating in other child nutrition programs. Participation was restored to schools on the NSLP/SBP with split session kindergarten in which these children had no access to a meal service. The SMP provides reimbursement for milk served to children in schools, child care institutions, afterschool programs, and summer camps. There are currently 48 SMP sponsors, including 3 public school districts, 34 private schools, and 11 summer camps.

d. Fresh Fruit and Vegetable Program

The Fresh Fruit and Vegetable Program initially began as a pilot project in 2002. The success of the pilot led to the Child Nutrition and WIC Reauthorization Act of 2004 to

expand the Fresh Fruit and Vegetable Program (FFVP) to four additional states. The Consolidated Appropriations Act of 2008 expanded the FFVP nationwide for school year 2008–09. The Food, Conservation, and Energy Act of 2008 (also known as the Farm Bill) amended the National School Lunch Act by adding section 19, the Fresh Fruit and Vegetable Program. It permanently authorized the program nationwide and provided for a significant funding increase in FY 2009.

The FFVP is intended to provide all students in participating schools with a variety of free fresh fruits and vegetable snacks throughout the school day. It is an effective and creative way of introducing fresh fruit and vegetables as healthy snacks and it also encourages community partnerships to support schools that participate on the FFVP. In 2013–14 there were 143 schools participating, reaching 65,498 students and expending \$3.3 million in federal dollars.

e. Summer Food Service Program

The Summer Food Service Program (SFSP) was established in 1968 as part of the pilot program along with the Child Care Food Program. The intention was to provide meals to children in areas where poor economic conditions existed or where there were high concentrations of working mothers. In 1975, the SFSP was formally established as a separate program. In 1981, the Omnibus Reconciliation Bill set the eligibility requirements at higher levels than in previous years. Area eligibility requires 50 percent or more of the children in the area to be from families at or below 185 percent of the poverty level.

Sponsors operate sites in low-income areas and may feed children age 18 and younger. Sponsors may serve a maximum of two meals per day, which includes snacks as a meal choice.

In the summer of 2006, Washington state began operating the Simplified Summer Food Program (SSFP), formally known as the Lugar Pilot. This program reduced the paperwork burden placed on sponsors and ensured them the maximum reimbursement (meals served multiplied by rates).

OSPI assumed the administration of the SFSP in Washington state in 1989. The first year, 22 organizations and one school district sponsored the program. Participation has fluctuated over the last 24 years; however, for the summer of 2013, meals were served to children in 30 of the 39 counties, with a total of 825 sites. A daily average of 40,365 children were served.

2013 Simplified Summer Food Program Participation

School Districts/Private Schools	76
Private Nonprofit Organizations	39
Indian Tribes	5
City and County Governments	9
Colleges/Universities and Upward Bound Programs	4
Residential Camps	4
TOTAL	137

f. Seamless Summer Feeding Program

The Seamless Summer Feeding Program combines features of the NSLP, the SBP, and the SFSP. The purpose of the program is to reduce the administrative burden and paperwork requirements placed on school districts to run a summer program.

The Seamless Summer Feeding Program began as a pilot program in California and Florida. The program expanded to all states in 2002 and became a permanent option for school districts to use in operation of a summer feeding program in 2004.

Public and private schools operate sites in low-income areas and may feed children 18 years old and younger. Meals are reimbursed at the free NSLP/SBP rates. Sites may be in schools and non-school settings. For the summer of 2013, there were 36 school districts/private schools, with 98 meal service sites. Meals were served to an average of 4,048 children each day in 25 of the 39 counties.

B. ELEMENTARY AND SECONDARY EDUCATION ACT – SELECTED PROGRAMS

a. Title I, Part A, Basic

Title I, Part A, Basic is the largest ESEA program. It provides flexible funding that may be used to provide additional instructional staff, professional development, extended-time programs, and other strategies for raising student achievement in high-poverty schools. The program focuses on promoting schoolwide reform in high-poverty schools and ensuring students' access to instructional strategies that have been proven effective and ensure that poor and minority children have the same opportunity as other children to meet challenging state academic content and student academic achievement standards.

Most of the major new provisions of ESEA are found in Title I, Part A, including:

- Additional standards and assessments
- Strengthened accountability and reporting requirements
- Modified provisions for adequate yearly progress (AYP), annual measurable objectives (AMOs), rewards, and sanctions for priority, focus, and emerging schools.
- Qualification for teachers and paraprofessionals to meet highly qualified standards.
- Intensified provisions related to services to students in private schools.

Title I is allocated based on four separate funding formulas: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants. Allocations are based primarily on the number of poor children in each school district as determined through the U.S. Census. School districts receive a single combined allocation. Although ESEA made few direct changes to the extremely technical and complex rules governing distribution of Title I, Part A funds to schools, it added numerous new set-aside mandates that may significantly reduce the share and or flexible use of funds available for individual schools.

b. Title I, Part C, Migrant

This program provides funds to establish and improve programs that are designed to meet the special educational needs of children of migratory agricultural workers or migratory fishers. Funds are allocated to states through a formula based on each state's per-pupil education expenditure for education and its count of migratory children, age 3–21, residing within the state and an adjustment for those students receiving summer services. The state education agency then provides migrant education services either directly or through subgrants to school districts or other entities.

c. Title I, Part D, Prevention and Intervention Programs for Neglected or Delinquent Children or Youth

This program provides financial assistance to state educational agencies for educational services to neglected and delinquent children and youth under age 21 in state-run institutions, and to local education agencies for educational services to children and youth in local correctional facilities and to other at-risk populations.

Funds are allocated to states through a formula based on the number of children in state-operated institutions and per-pupil education expenditures for the state. Each state's allocation is generated by child counts in state institutions that provide at least 20 hours of instruction from non-federal funds; adult correctional institutions must provide 15 hours a week. Once the U.S. Department of Education determines the state's allocation, the state education agency makes subgrants to each state agency based on its proportionate share of the state's adjusted enrollment count of neglected and delinquent children and youth.

d. Title I, Part G, Advanced Placement

The purpose of this program is to increase the number of low-income students participating in Advanced Placement classes and taking Advanced Placement tests. Under the previous authorization, states in which no low-income student paid more than a nominal fee to take Advanced Placement tests could also use funds for other activities designed to increase the access of low-income students to Advanced Placement classes. As reauthorized under NCLB, the former program has been replaced with two separate programs—one for test fees, the other for activities designed to increase access to Advanced Placement classes for low-income students.

Allocations to states under the test fee program are based on the number of low-income students in the state in relation to the number of such students in all states. Grants under the incentive program are competitive.

e. Title I, School Improvement Grants

The purpose of this program is to substantially raise student achievement in the lowest 5% of under-achieving Title I schools and Title-I eligible secondary schools by implementing one of four federally identified Intervention Models (Turnaround, Restart, Closure, and Transformation). Grants are awarded to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources to raise substantially the achievement of students in their lowest-performing schools. In general, State educational agencies (SEAs) must give priority for subgrants to LEAs based on student achievement and lack of progress in improving student achievement, as well as secondary schools with a graduation rate below 60 percent over a number of years.

f. Title II, Part A, State Grants for Improving Teacher Quality

The Elementary and Secondary Education Act of 2001 authorized this program that combines the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers.

Funds are allocated to states by formula, with each state first receiving its Class-Size Reduction programs. Remaining funds are allocated based 20 percent on child population (age 5–17) and 80 percent on child poverty (age 5–17).

g. Title II, Part B, Mathematics and Science Partnerships

This program provides competitive 3-year grants to partnerships that include high-need school districts and the STEM faculty in institutions of higher education. The purpose of the program is to improve the academic achievement of students in the areas of mathematics and science. Funds are allocated to states by formula based on each state's share of children age 5–17 from families with incomes below the poverty line. State education agencies then make competitive subawards to eligible partnerships.

h. Title III, English Language Acquisition, Enhancement and Academic Achievement

Under NCLB, this section consolidates 13 previous separate bilingual and immigrant education programs into a state formula program. It provides funds for programs that help children who are limited English proficient (LEP) attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic content and achievement standards as all children are expected to meet.

The state receives formula allocations based on the state's share of limited English proficient students (80 percent) and recent immigrant students (20 percent). States allocate funds to school districts based on their share of the limited English proficient student population, except that states can reserve up to 15 percent for school districts that have experienced significant increases in the percentage or number of immigrant students or that have limited or no experience in serving immigrant students.

i. Title IV, Part B, 21st Century Learning Centers

This program provides tutorial services and an academic enrichment opportunity designed to reinforce the regular academic program in low performing schools. The program was reauthorized under NCLB as a state-administered program. Previously, the U.S. Department of Education made competitive awards directly to school districts. Under the new program, states receive funds based on their prior-year share of Title I, Part A funds. States then make competitive subawards to eligible entities.

j. Title VI, Part B, Rural and Low Income Schools

This program provides funds to rural districts that lack the personnel and resources to compete effectively for Federal competitive grants and that receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

Under the Small, Rural School Achievement Program, funds are allocated directly to districts in an amount equal to: (1) \$20,000 plus \$50 for each student in average daily attendance above 50 students served by the district, except that no district may receive more than \$60,000; (2) minus the amount the district received the previous year under the Teacher Quality, Innovative Programs, Safe and Drug-Free Schools, and Educational Technology Programs.

Under the Rural and Low-Income School Program, states receive formula grants based on each state's share of students in average daily attendance in eligible districts. Washington state then awards subgrants to districts by formula based on districts' share of the number of students in average daily attendance in eligible districts within the state.

k. Title VII, Part A, Indian Education

This program addresses the educational needs of Native American children. Formula grants are awarded directly to school districts and Bureau of Indian Affairs (BIA)-

supported schools based on the number of Indian children and the state's per-pupil expenditure for education. Grants go to districts or BIA schools in which the number of Indian children is at least 10 or constitutes at least 25 percent of total enrollment.

I. Title VIII, Federal Impact Aid

This program provides financial assistance to school districts affected by federal activities. Impact Aid helps replace the lost local revenue that would otherwise be available to districts to finance the education of their students. Programs include: basic support payments; payment for children with disabilities; facilities maintenance; payments for federal property; and construction.

With the exception of facilities maintenance and the competitive portion of construction, all Impact Aid funds are awarded on a formula basis. The formula funds are distributed directly to school districts using formulas that are all based, in part, on the number and type of federally connected students in the districts.

m. Title X, Part C, Amendments to the McKinney-Vento Homeless Assistance Act

This program provides funds to state education agencies to ensure that homeless children have equal access to public education, including access to services that enable them to meet the same state student academic and achievement standards that all students are expected to meet.

Under the new amendments, states that receive McKinney-Vento funds are prohibited from segregating homeless students. School districts must, at the request of the parent or guardian, provide or arrange for transportation to the homeless child's school of origin when that school is within the district. When the school of origin is in a different district from the district where the homeless child is living, the districts must agree on a method for sharing transportation responsibility and costs. All school districts, not just districts receiving subgrants, must designate a local liaison for homeless children and youth.

Funds are allocated to states by formula based on each state's current year Title I share. State educational agencies then provide competitive subawards to districts.

C. IDEA–SPECIAL EDUCATION, SUPPLEMENTAL

Federal funds are used by states and school districts (in accordance with the Individuals with Disabilities Education Act (IDEA)) to help provide special education and related services needed to make a free appropriate public education available to eligible children. This program is subject to non-supplanting and excess cost requirements.

The IDEA federal allocation formula uses a census based formula composed of three district factors: relative population using the October 1 enrollment, the district rate of poverty, and the district's 1999 hold harmless award amount known as the base.

D. SPECIAL PURPOSE–DIRECT

Revenues from special purpose direct grants do not flow through OSPI but go directly to the districts. Examples of Special Purpose–Direct programs are Taylor Grazing and Federal Emergency Management Act (FEMA).

E. MEDICAID ADMINISTRATIVE MATCH

These funds are received from the Washington State Department of Social and Health Services for outreach and linkage services to students and families eligible for Medicaid benefits.

F. SPECIAL PURPOSE–OSPI

Revenues from many federal sources that are distributed through OSPI are recorded in this category by school districts. Examples of Special Purpose–OSPI programs are AIDS Education and Learn and Serve America.

G. FEDERAL FORESTS

Over 21 percent of all Washington state land is in national forests. These lands are exempt from local property tax. The federal government shares 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.

The amount of funds varies greatly from year to year, depending on the harvesting activities in the federal forestlands within the various counties.

H. HEAD START

Head Start is authorized by the Community Opportunities, Accountability, 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. This program is administered by the Office of Community, Trade and Economic Development.

I. CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT OF 2006

This Act amends the Carl D. Perkins Vocational and Technical Education Act of 1998. The amendments rename the law. The new name is the “Carl D. Perkins Career and Technical Education Act of 2006.”

The purpose of the Carl D. Perkins Act of 2006 is to develop more fully the academic and career and technical skills of secondary and postsecondary students who enroll in CTE by developing and assisting students in meeting high standards, integrating academic and career and technical instruction, linking secondary and postsecondary education, increasing state and local flexibility, collecting and disseminating research and information on best practices, providing technical assistance and professional development, supporting partnerships among diverse stakeholders, and providing individuals with the knowledge and skills to keep the U.S. competitive. These purposes are significantly expanded to reflect increased congressional priorities in key areas, such as partnerships, professional development, and economic competitiveness.

The Workforce Training and Education Coordinating Board is statutorily designated as the State Board of Career and Technical Education (RCW 28C.18.050) and is responsible for the receipt and distribution of federal funds for career and technical and workforce education in Washington state. The Carl D. Perkins funds are distributed between secondary education, through the Office of Superintendent of Public Instruction and postsecondary education, through the State Board for Community and Technical Colleges.

J. 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.

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, Permanent, and Trust and Agency 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.

This page left blank intentionally.

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 any interest earned on the bonds is 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 the purchase of library books, textbooks, and reference books in new buildings. Capital projects are budgeted as needed, virtually annually, in large or growing districts. In smaller districts and those with stable or declining 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 funding assistance for many projects.

a. State Revenues

Housing the state's education program requires a major public investment that is shared by the local district and the state. A program of state assistance to school districts in providing school plant facilities was established in 1947 to respond to the disparities in wealth and fiscal capacity between local school districts. The intent was to eliminate the disparities and equalize the tax burden of providing educational facilities so that the constitutional guarantee of equal educational opportunity could be achieved. State financial assistance is available for new construction projects or additions needed to accommodate enrollment growth and for modernization projects that upgrade existing buildings to new educational standards or building codes.

The School Construction Assistance Program (SCAP) is a partnership between local school districts and the state to fund construction of new schools to accommodate enrollment growth and to fund modernization of existing facilities to comply with health and building codes, to change grade span groupings, or to reduce the number of facilities.

The Office of Superintendent of Public Instruction administers the SCAP under statutory authority found in both statute and administrative rules (RCW 28A.525 and WAC 392-341 through WAC 392-347).

School districts are eligible for state funding assistance if they demonstrate need for space, and if they demonstrate local support for a construction project by raising revenues.

- **Need for space or eligible area:** The eligible area for new construction or modernization is calculated by comparing the current districtwide capacity (in square feet) to the district's projected enrollment growth and future space needs.
- **Local funding:** Districts may obtain local funds to finance capital improvements from a variety of sources. Most commonly, school districts finance local portions of large

capital projects through the sale of Unlimited Tax General Obligation Bonds (UTGO Bonds).

If a school district meets the two SCAP eligibility requirements, and receives project approval from OSPI, then it is authorized to proceed with a school construction project. Major construction projects receiving state funding assistance through the SCAP follow a process commonly known as the D-Form process. Information on this process can be found on the OSPI School Facilities and Organization website at: <http://www.k12.wa.us/SchFacilities/Programs/SchoolConstructionProjects.aspx>.

Note: A district may construct any facilities it desires without OSPI's approval or state funding assistance whenever local funds are available.

The state's funding assistance is limited by formula, and the costs recognized within that formula. Some costs are not recognized and the state does not share in those costs with the school district. The formula establishes the maximum amount of state funding based on enrollment projections, space, and cost allocations set by the Legislature, and the state funding assistance percentage.

The state funding assistance percentage is intended to equalize funding by providing a higher percentage of assistance to less wealthy school districts, as demonstrated by a district's ability to raise funds measured in terms of assessed value per student. Wealthier districts receive a 20 percent state funding assistance percentage, while poorer districts may receive a percentage approaching 100 percent. The goal is to provide, on average, a 50 percent state funding assistance percentage statewide.

Growth-related and condition-related projects share some common priority factors, including the type of space, local priority, joint funding in cooperation with other entities, and modified calendar (to encourage higher use of school buildings). In addition, projects can receive points based on unique factors depending on whether the school facility projects are growth-related or condition-related.

Since 1999, the state has been able to provide construction assistance for all eligible projects that have been submitted for funding. For this reason, while OSPI calculates points and ranks all projects annually, the prioritization system has not been formally used to screen projects and to receive assistance. Prior to 1999, there were several biennia where the state was unable to fund all eligible projects.

A sum of \$494 million was appropriated for the School Construction Assistance Program for the 2013–15 biennium. A total of \$387 million of the appropriation was needed for 2013–15 Construction projects, studies and surveys, and school mapping. In addition to the priority system, OSPI can impose a moratorium on the state funded portion of school construction projects, if there is a shortfall of funds in the Common School Construction Account.

In addition to the School Construction Assistance Program, the Legislature may provide additional capital funding for other capital grant programs. In the 2013–15 biennium, the Legislature appropriated funding for the following grant programs: Energy Grants (\$7.0 million), School Security Grants (\$10.0 million), Distressed School Grants (\$10.0 million), Delta High School (\$5.4 million), San Juan STEM (\$1.0 million), and Tahoma School District Land Acquisition Grant Funding (\$4.0 million).

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 non-voted 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 simple majority 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 through section 8007 construction grants. Eligible school districts must apply to the U.S. Department of Education for this type of funding.

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.

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.

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.

Figure 11 – State Summary – Capital Projects Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2014**

Revenues	
Local	\$ 394,824,454
State	308,186,971
Federal	64,665,702
Other	10,903,300
Total Revenues	778,580,427
Expenditures	
Capital Outlay	
Sites	93,474,571
Building	1,133,759,433
Equipment	128,175,679
Instructional Technology	35,329,860
Energy	128,175,679
Sales and Lease	424,365
Debt Service	
Bond/Levy Issuance	4,649,116
Principal	241,685
Interest and Other	214,536
Total Expenditures	1,446,618,352
Excess of Revenues Over (Under) Expenditures	(668,037,925)
Other Financing Sources (Uses)	
Bond Sales	1,136,261,523
Long-Term Financing	1,210,201
Transfers In	42,859,213
Transfers Out	(61,505,546)
Other Funding Uses	(181,844)
Other Sources	22,011,983
Total Other Financing Sources (Uses)	1,140,655,528
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	472,617,603
Beginning Fund Balance (September 1, 2013)	1,951,238,367
Correction of Prior Year(s) Errors	(158,221)
Ending Fund Balance (August 31, 2014)	\$2,423,697,749

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

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.

Figure 12 – State Summary – Debt Service Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2014**

Revenues	
Local	\$ 1,009,091,536
State	5,082,730
Federal	17,264,159
Total Revenues	<u>1,031,438,425</u>
Expenditures	
Debt Service	
Principal	663,057,020
Interest and Other	382,258,783
Total Expenditures	<u>1,045,315,803</u>
Excess of Revenues Over (Under) Expenditures	(13,877,378)
Other Financing Sources (Uses)	
Bond Sales	425,052,909
Transfers In	32,154,801
Transfers Out	(6,885,060)
Other Financing Uses	(409,271,908)
Other Financing Sources	
Total Other Financing Sources (Uses)	<u>41,050,742</u>
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>27,173,363</u>
Beginning Fund Balance (September 1, 2013)	485,091,091
Prior Year(s) Corrections or Restatements	(613)
Ending Fund Balance (August 31, 2014)	<u><u>\$ 512,263,842</u></u>

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 student transportation service.

A. TRANSPORTATION VEHICLE FUND

School districts use a Transportation Vehicle Fund, authorized by RCW 28A.160.130, to account for purchases of student 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 Section C.) Figure 13 provides a summary of 2013–14 revenues and expenditures for the Transportation Vehicle Fund. School districts may also finance bus purchases.

B. SOURCES OF REVENUE TO THE TRANSPORTATION VEHICLE FUND

Transportation Vehicle Fund revenue sources are state funding, local levies, and transfers from other funds. Proceeds from the sale of used school buses are also required to be deposited into this fund.

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 (for contracting districts) and/or payments based on replacement costs for school buses owned by the school district. Scheduled lifetimes of new buses are either 8 or 13 years depending on the type of bus. State funding provided \$50 million for school district owned school busses in the 2013–14 school year. This is in addition to state funding for transportation operations. (See Chapter 5 Section C. for a description of state funding of student transportation operating costs.)

School districts may levy a local property tax for deposit into 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 majority yes vote. (See Chapter 6 Section A. for a description of maintenance and operation levies.) In 2014, no district submitted a Transportation Vehicle Fund levy.

Transfers from other funds provided \$9.1 million in revenue to the Transportation Vehicle Fund in the 2013–14 school year.

C. STUDENT TRANSPORTATION

Each school district electing to provide student transportation to and from school is entitled to state student transportation funding through the Student Transportation Allocation Reporting System (STARS) that was fully implemented in the 2014–15 school year. STARS uses a regression analysis to calculate each school district's expected cost of providing student transportation services based on the number of students transported and other local characteristics. STARS provides districts with the lesser of their calculated expected costs or their prior year (adjusted) student transportation expenditures. The allocation system for student transportation provides the following:

- Allows school districts to determine which students are to be transported and which routes are to be used
- Authorizes school district to transport students enrolled in their schools who live in other school districts
- Requires school districts to establish safe walk areas for any school where the transportation service is provided within one road mile (except for special education program transportation)

The STARS formula is based on the following local site characteristics:

- The number of basic education program students transported
- The number of special program students transported
- The average distance between school bus stops and associated destinations
- The school district land area (excluding forest lands and other non-service areas)
- The number of roadway miles within the school district (excluding forest lands and other non-usable roadways)
- The number of destinations served
- The number of kindergarten routes operated
- The transportation provided to high school students by non-high districts.

The system is based on the expectation that districts will receive close to full funding for the operation of student transportation services associated with all basic education services. (For instance, while shuttle bus services to skills centers are not reported, the system is designed to cover the costs of such required auxiliary services.) Extended day academic programs are specifically included in the definition of basic transportation service beginning with the 2011–12 school year.

The new funding system also provides a comparative efficiency rating system using a linear programming statistical model. Each school district is compared to a target district made up of the weighted characteristics of the districts that are most similar. Each district is then compared with their target district to determine the efficiency percentage. Districts with an efficiency rating of less than 90 percent will have their transportation operations reviewed by their regional transportation coordinator to attempt to determine what changes a school district could make to operate the student transportation system more efficiently from operating more efficiently.

The replacement 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.160195-200 and chapter 392-142 WAC.

Payments for district owned school buses are based on the state-supported purchase price determined by an annual school bus quote process conducted by OSPI. (The state quote process allows school districts to purchase school buses without having to conduct an individual bid and without the requirement of purchasing the low quote). Depreciation payments are adjusted 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 can only be used for the purchase of new buses, or major repairs to student transportation vehicles receiving prior approval by OSPI.

Beginning in the 2005–06 school year, the formula was modified to use a five year average price for reimbursement payments until the final year on the system, when the actual state supported

price is used. This process provides school districts with reduced annual variation in school bus reimbursement. Beginning with the 2010–11 school year, state and local tax was removed from the 5-year annual price determination, but remains paid in full on the final year a bus is in the system. Beginning with the 2011–12 school year, the depreciation payment for school district owned vehicles is included in the August apportionment, instead of the September apportionment.

The Superintendent of Public Instruction also authorizes school bus drivers. Drivers must meet the following requirements for authorization, as specified in chapter 392-144 WAC:

- Have an acceptable driving record
- Demonstrate acceptable understanding of school bus operational concepts
- Have an acceptable background free of certain crimes
- Take annual in-service training as required
- Pass a biennial (or more frequent, if required by the medical examiner) Department of Transportation medical examination
- Hold a valid first aid card

About 1,500 drivers are authorized each year. In any given year there are about 10,000 authorized drivers.

During the Fall 2014 ridership count, school districts reported a 792,475 combined count of a.m. and p.m. students transported between home and school by school buses. In the 2013–14 school year school buses traveled 90.5 million miles transporting these students to and from school, over 3 million miles transporting students on academically related field trips, and over 5 million miles on extracurricular trips.

Payments to Contracting Districts

School districts that contract with private operators of school buses receive “in lieu of depreciation” payments from the state for buses operated under contract to the district instead of the replacement payments allocated 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 \$7.4 million in the 2013–14 school year.

Figure 13 – State Summary – Transportation Vehicle Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2014**

Revenues	
Local	\$2,858,676
State	50,407,043
Federal	
Other	
Total Revenues	<u>53,265,719</u>
Expenditures	
Capital Outlay	
Transportation Equipment	62,279,909
Debt Service	
Bond/Levy Issuance	15,948
Principal	1,050,562
Interest and Other	105,642
Total Expenditures	<u>63,452,061</u>
Excess of Revenues Over (Under) Expenditures	(10,186,342)
Other Financing Sources (Uses)	
Bond Sales	1,391,850
Long-Term Financing	463,714
Transfers In	9,101,662
Transfers Out	(2,293,485)
Other Financing Uses	(4)
Other	733,174
Total Other Financing Sources (Uses)	<u>9,396,911</u>
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(789,431)
Beginning Fund Balance (September 1, 2013)	113,767,303
Prior Year(s) Corrections or Restatements	<u>0</u>
Ending Fund Balance (August 31, 2014)	<u><u>\$112,977,872</u></u>

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

Chapter 10. Associated Student Body, Permanent, and Trust and Agency Funds

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

A. ASSOCIATED STUDENT BODY FUNDS

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 collected from students and nonstudents attending optional noncredit extracurricular events of the district that are cultural, athletic, recreational or social in nature, as well as donations and fundraisers.

The school district board of directors approves budgets for all associated student bodies in the district. 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 school district board of directors and are paid by warrant.

In the 2013–14 school year, school districts reported \$125.3 million in revenues to the Associated Student Body Fund. Figure 14 provides a summary of 2013–14 revenues and expenditures for the Associated Student Body Fund.

B. PERMANENT FUNDS

Permanent funds are used where resources are legally restricted such that only the earnings, not the principal, may be expended, and where those resources can be used for the support of the district. Such moneys that benefit individuals or specific organizations should be accounted for as private-purpose trust funds. The determining factor is who may benefit, not the legal requirement that only earnings may be spent. Scholarship moneys, for example, benefit individuals and are accounted for in private-purpose trust funds whether or not the principal may be expended.

C. TRUST AND AGENCY FUNDS

Trust and agency funds account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The two types of trust funds used in Washington state are the private-purpose trust fund and the pension (and other employee benefit) trust fund.

The private-purpose trust fund is used to account for assets donated to school districts to benefit individuals or organizations and is established when either principal and earnings or only earnings of the trust can be spent. Examples include moneys for scholarship, student aid, charitable, and other similar purposes. The authority to use the assets comes from the donor who specifies a use or range of allowed uses for assets held in trust, and the school board has the authority to determine the use of the assets only within the confines of the original trust agreement. Donated assets that are available for the general use of the district and permit only the earnings to be expended are accounted for in the permanent fund. The pension (and other employee benefit) trust fund is used only by districts that operate individual pension trust funds and hold resources in trust.

Agency funds are used to account for activities in which the district is acting in an agent capacity for some other organization, government, individual, or fund. Agency funds are purely custodial in nature (i.e., assets equal liabilities) and thus do not focus on the measurement of operations. An agency fund differs from a trust fund in that agency funds have no formal trust agreement, and the government’s role in them is purely custodial.

Figure 14 – State Summary – Associated Student Body Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended August 31, 2014**

Revenues	
General Student Body	\$ 47,721,561
Athletics	30,037,801
Classes	8,360,770
Clubs	36,449,616
Private Moneys	2,753,794
Total Revenues	<u>125,323,542</u>
Expenditures	
General Student Body	36,750,542
Athletics	37,503,699
Classes	8,130,743
Clubs	37,654,507
Private Moneys	2,787,832
Total Expenditures	<u>122,827,323</u>
Excess of Revenues Over (Under) Expenditures	<u>2,496,219</u>
Beginning Fund Balance (September 1, 2013)	71,747,569
Prior Year(s) Corrections and Restatements	<u>696</u>
Ending Fund Balance (August 31, 2014)	<u><u>\$ 77,244,484</u></u>

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 2013–14 school year.

This page left blank intentionally.

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 Professional Educator Standards Board is required. The Professional Educator Standards 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 to determine 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 master's degree shall not be less than the state allocated salary for an employee with a master's 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, et.cetera.). 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 1991–2014. Information prior to 1991 can be found in earlier editions of *Organization and Financing of Washington Public Schools* posted under Publications on the OSPI School Apportionment and Financial Services website 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 for a bachelor's degree and \$26,715 for a master's degree.

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 2000–01, 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 state budget funded this increase for all state-funded formula staff units; however, it did not provide for salary increases for federally funded or locally funded staff.

School employee advocates filed a lawsuit seeking a declaration that the Initiative required the state to fund the cost-of-living adjustment for all school employees, including those supported by federal and local revenues. In December 2002 the State Supreme Court sided with the plaintiffs and held that the language of the Initiative required state funding sufficient to provide a cost-of-living increase for all employees. However, the court struck down part of the Initiative that made the increase a part of the basic education mandate on the Legislature. During the following session, the Legislature amended the language of the law to conform to its original understanding that sufficient state funding is provided for costs-of-living increases for state-funded formula staff units.

The 2002 Legislature

The 2002 Legislature reduced the number of funded learning improvement days, originated during the 1999 Legislature, from three to two. The salary allocation for certificated instructional staff was reduced accordingly.

The 2003 Legislature

The Legislature amended I-732 to clarify that state funds for the automatic salary increases are provided for state-funded staff units only. In addition, the Legislature suspended I-732 for the 2003–05 biennium, citing a weak economy and a large state budget deficit. Therefore, no cost-of-living adjustments were provided for the 2003–04 or 2004–05 school years.

However, a salary adjustment was provided for state formula certificated instructional staff in their first seven years of service. Specifically, the Legislature provided funding to increase the salary of certificated instructional staff (CIS) units in the 2003–04 school year by the following percentages:

- 3.0 percent for CIS in their first and second years of service
- 2.5 percent for CIS in their third year of service
- 1.5 percent for CIS in their fourth year of service
- 1.0 percent for CIS in their fifth year of service

- 0.5 percent for CIS in their six and seventh years of service.

Similar increases for CIS were funded for 2004–05. No increase was funded for certificated administrative staff. No increase was funded for classified staff for 2003–04.

The 2004 Legislature

The 2004 Legislature provided a 1.0 percent increase for classified staff for 2004–05.

The 2005 Legislature

The 2005 Legislature provided a 1.2 percent increase for certificated instructional staff, certificated administrative staff, and classified staff for 2005–06. Also, minimum certificated administrative staff salary allocations were set at \$45,000 for the 2005–06 school year, which applied to 23 school districts.

The 2006 Legislature

The 2006 Legislature provided a 2.8 percent cost-of-living increase for the 2006–07 school year, plus a 0.5 percent “catch up” for when increases were suspended during the 2003–05 biennium, for certificated instructional staff, certificated administrative staff, and classified staff. Total salary increases were 3.3 percent.

The 2007 Legislature

The 2007 Legislature provided a 3.7 percent cost-of-living increase for the 2007–08 school year for state-funded certificated instructional staff, certificated administrative staff, and classified staff. The 2007 Legislature also provided varying “salary equity” increases.

In addition to Initiative 732 cost-of-living increases of 3.7 percent in the 2007–08 school year, salaries for certificated instructional staff in non-grandfathered salary districts were increased an additional 0.6 percent, resulting in total salary increases for certificated instructional staff in non-grandfathered districts of 4.3 percent in the 2007–08 school year. This reduced the total number of grandfathered salary districts from 34 to 24 and reduced the difference between the top grandfathered certificated instructional staff salary district (Everett) and the rest of the state from 6.3 percent to 5.7 percent.

Minimum certificated administrative staff salary allocations were increased from \$45,485 to \$54,405 in the 2007–08 school year, a statewide increase of 0.5 percent above the Initiative 732 salary increases. Individual districts receive varying amount based on their current position on the LEAP 1 schedule. The increase brought the total number of districts at the minimum salary level to 61 districts, and reduced the difference between the districts with the highest and lowest certificated administrative salary allocations from 68 percent to 49 percent.

Minimum classified staff salary allocations were increased from \$22,454 to \$30,111 in the 2007–08 school year, a statewide increase of 0.55 above the Initiative 732 salary increases. Individual districts received varying amount based on their current position on the LEAP 2 schedule. This brought the total numbers of districts at the minimum classified salary to 171, and reduced the difference between the districts with the highest and lowest classified salary allocations from 51 percent to 17 percent.

The 2008 Legislature

The 2008 Legislature provided a 3.9 percent cost-of-living increase for the 2008–09 school year for state-funded certificated instructional staff, certificated administrative staff, and classified staff. The 2008 Legislature also provided varying “salary equity” increases.

In addition to Initiative 732 cost-of-living increases of 3.9 percent in the 2008–09 school year, salaries for certificated instructional staff in non-grandfathered salary districts were increased an additional 1.2 percent, resulting in total salary increases for certificated instructional staff in non-grandfathered districts of 5.1 percent in the 2008–09 school year. This reduced the total number of grandfathered salary districts from 24 to 13 and reduced the difference between the top grandfathered certificated instructional staff salary district (Everett) and the rest of the state from 5.7 percent to 5.0 percent.

Minimum certificated administrative staff salary allocations were increased from \$54,405 to \$57,986 in the 2008–09 school year, a statewide increase of 2.7 percent above the Initiative 732 salary increases. Individual districts receive varying amount based on their current position on the LEAP 1 schedule. The increase brought the total number of districts at the minimum salary level to 89 districts, and reduced the difference between the districts with the highest and lowest certificated administrative salary allocations from 49 percent to 45 percent.

Minimum classified staff salary allocations were increased from \$30,111 to \$31,865 in the 2008–09 school year, a statewide increase of 1.9 above the Initiative 732 salary increases. Individual districts received varying amount based on their current position on the LEAP 2 schedule. This brought the total numbers of districts at the minimum classified salary to 225, and reduced the difference between the districts with the highest and lowest classified salary allocations from 17 percent to 15 percent.

The 2009 Legislature

The 2009 Legislature reduced the number of funded learning improvement days, originated at three during the 1999 Legislature and reduced from three to two during the 2002 Legislature, from two to one for the 2009–10 school year. The salary allocation for certificated instructional staff was reduced accordingly. The salary allocation for certificated administrative staff and classified staff remained the same as the previous school year.

The 2010 Legislature

The 2010 Legislature reduced the number of funded learning improvement days, originated at three during the 1999 Legislature and reduced from three to two during the 2002 Legislature and reduced from two to one during the 2009 Legislature, from one to zero for the 2010–11 school year. The salary allocation for certificated instructional staff was reduced accordingly. The salary allocation for certificated administrative staff and classified staff remained the same as the previous two school years.

The 2011 Legislature

The 2011 Legislature reduced the salary allocation for certificated instructional staff and classified staff by 1.9 percent and the salary allocation for certificated administrative staff by 3.0 percent for the 2011–12 and 2012–13 school years.

The 2012 Legislature

The 2012 Legislature made no changes to the 2012–13 salary allocation rates set by the 2011 Legislature.

The 2013 Legislature

The 2013 Legislature restored the salary allocation rates for 2013–14 and 2014–15 back to the rates for 2010–11, resulting in a 1.9 percent increase for certificated instructional staff and classified staff, and a 3.0 percent increase for certificated administrative staff.

The 2014 Legislature

The 2014 Legislature made no changes to the 2014–15 salary allocation rates set by the 2013 Legislature.

Figure 15 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2002–03

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	28,300	29,064	29,856	30,649	33,196	34,836	33,929	36,476	38,118
1	28,680	29,455	30,257	31,086	33,659	35,291	34,306	36,879	38,510
2	29,327	30,117	30,936	31,837	34,428	36,093	35,025	37,616	39,280
3	30,293	31,107	31,950	32,899	35,536	37,274	36,089	38,725	40,464
4	30,975	31,833	32,690	33,681	36,360	38,129	36,840	39,519	41,288
5	31,682	32,553	33,427	34,483	37,179	39,001	37,610	40,307	42,129
6	32,091	32,943	33,847	34,956	37,639	39,470	38,023	40,706	42,537
7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
11				41,243	44,196	46,344	44,309	47,263	49,410
12				42,545	45,642	47,854	45,707	48,708	50,921
13					47,123	49,401	47,154	50,189	52,467
14					48,611	51,006	48,644	51,775	54,073
15					49,876	52,333	49,908	53,121	55,479
16					50,873	53,379	50,906	54,183	56,588

Source: Engrossed Substitute Senate Bill 6387, Sec. 503 and Chapter 371, Laws of 2002.

Figure 16 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2003–04

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	29,149	29,936	30,752	31,568	34,192	35,881	34,947	37,570	39,262
1	29,540	30,339	31,165	32,019	34,669	36,350	35,335	37,985	39,665
2	30,060	30,870	31,709	32,633	35,289	36,995	35,901	38,556	40,262
3	30,747	31,574	32,429	33,392	36,069	37,833	36,630	39,306	41,071
4	31,285	32,151	33,017	34,018	36,724	38,510	37,208	39,914	41,701
5	31,840	32,716	33,594	34,655	37,365	39,196	37,798	40,509	42,340
6	32,251	33,108	34,016	35,131	37,827	39,667	38,213	40,910	42,750
7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
11				41,243	44,196	46,344	44,309	47,263	49,410
12				42,545	45,642	47,854	45,707	48,708	50,921
13					47,123	49,401	47,154	50,189	52,467
14					48,611	51,006	48,644	51,775	54,073
15					49,876	52,333	49,908	53,121	55,479
16					50,873	53,379	50,906	54,183	56,588

Source: Engrossed Substitute Senate Bill 5404, Sec. 503.

Figure 17 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2004–05

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	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697	40,439
1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125	40,855
2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520	41,269
3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895	41,687
4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313	42,118
5	32,000	32,879	33,762	34,829	37,552	39,392	37,987	40,711	42,551
6	32,413	33,273	34,186	35,306	38,016	39,866	38,404	41,114	42,963
7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
11				41,243	44,196	46,344	44,309	47,263	49,410
12				42,545	45,642	47,854	45,707	48,708	50,921
13					47,123	49,401	47,154	50,189	52,467
14					48,611	51,006	48,644	51,775	54,073
15					49,876	52,333	49,908	53,121	55,479
16					50,873	53,379	50,906	54,183	56,588

Source: Engrossed Substitute Senate Bill 6386, Sec. 503.

Figure 18 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2005–06

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	30,383	31,204	32,054	32,906	35,640	37,401	36,426	39,161	40,924
1	30,792	31,624	32,485	33,375	36,137	37,889	36,831	39,594	41,345
2	31,181	32,022	32,892	33,850	36,605	38,375	37,239	39,994	41,764
3	31,583	32,431	33,311	34,299	37,049	38,861	37,626	40,373	42,187
4	31,977	32,862	33,747	34,770	37,536	39,361	38,031	40,796	42,623
5	32,384	33,273	34,167	35,247	38,002	39,864	38,442	41,199	43,061
6	32,802	33,672	34,596	35,729	38,472	40,344	38,864	41,607	43,478
7	33,536	34,420	35,356	36,551	39,334	41,258	39,655	42,437	44,362
8	34,612	35,543	36,502	37,796	40,616	42,611	40,899	43,720	45,714
9		36,707	37,713	39,054	41,940	44,002	42,156	45,044	47,106
10			38,938	40,376	43,301	45,432	43,479	46,405	48,535
11				41,737	44,726	46,900	44,840	47,830	50,003
12				43,055	46,189	48,428	46,255	49,292	51,532
13					47,688	49,993	47,720	50,791	53,096
14					49,194	51,618	49,227	52,396	54,721
15					50,474	52,961	50,507	53,758	56,144
16					51,483	54,019	51,517	54,833	57,266

Source: Engrossed Substitute Senate Bill 6386, Sec. 503.

Figure 19 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2006–07

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	31,386	32,234	33,112	33,992	36,817	38,636	37,629	40,454	42,275
1	31,808	32,668	33,557	34,476	37,330	39,140	38,047	40,901	42,710
2	32,211	33,079	33,978	34,967	37,813	39,641	38,469	41,314	43,143
3	32,626	33,502	34,410	35,432	38,272	40,144	38,868	41,706	43,579
4	33,033	33,947	34,861	35,918	38,775	40,661	39,286	42,143	44,030
5	33,453	34,372	35,295	36,410	39,257	41,180	39,711	42,559	44,483
6	33,885	34,784	35,738	36,909	39,742	41,676	40,147	42,981	44,913
7	34,644	35,556	36,523	37,758	40,633	42,620	40,964	43,838	45,826
8	35,755	36,717	37,707	39,044	41,957	44,018	42,249	45,163	47,223
9		37,919	38,958	40,343	43,325	45,455	43,547	46,531	48,661
10			40,224	41,709	44,730	46,932	44,915	47,937	50,137
11				43,115	46,202	48,448	46,321	49,409	51,653
12				44,476	47,714	50,026	47,782	50,919	53,233
13					49,262	51,644	49,295	52,468	54,849
14					50,818	53,322	50,852	54,125	56,528
15					52,140	54,709	52,174	55,533	57,998
16					53,183	55,802	53,217	56,643	59,157

Source: Substitute House Bill 1128, Sec. 503

Figure 20 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2007–08

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	32,746	33,630	34,547	35,465	38,412	40,310	39,260	42,207	44,107
1	33,187	34,083	35,011	35,970	38,948	40,836	39,696	42,674	44,560
2	33,607	34,512	35,450	36,483	39,452	41,359	40,135	43,104	45,012
3	34,039	34,953	35,901	36,967	39,930	41,884	40,552	43,513	45,468
4	34,464	35,418	36,372	37,474	40,455	42,423	40,988	43,969	45,938
5	34,902	35,861	36,824	37,988	40,958	42,965	41,432	44,403	46,410
6	35,353	36,291	37,287	38,508	41,464	43,482	41,887	44,843	46,860
7	36,145	37,097	38,106	39,394	42,393	44,467	42,739	45,737	47,812
8	37,304	38,308	39,340	40,735	43,775	45,925	44,079	47,120	49,269
9		39,562	40,646	42,091	45,202	47,425	45,434	48,547	50,770
10			41,967	43,516	46,669	48,966	46,861	50,014	52,310
11				44,984	48,204	50,547	48,328	51,550	53,891
12				46,404	49,781	52,194	49,853	53,126	55,540
13					51,397	53,882	51,431	54,741	57,226
14					53,020	55,632	53,056	56,471	58,977
15					54,400	57,080	54,435	57,939	60,511
16					55,487	58,220	55,523	59,097	61,720

Source: Substitute House Bill 1128, Sec. 503.

Figure 21 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2008–09

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	34,426	35,356	36,319	37,285	40,383	42,378	41,274	44,372	46,369
1	34,889	35,832	36,808	37,816	40,946	42,931	41,733	44,863	46,847
2	35,331	36,283	37,269	38,354	41,476	43,481	42,195	45,316	47,321
3	35,786	36,747	37,743	38,864	41,979	44,033	42,632	45,746	47,801
4	36,232	37,235	38,238	39,397	42,531	44,599	43,091	46,225	48,295
5	36,693	37,701	38,713	39,937	43,059	45,169	43,558	46,681	48,791
6	37,167	38,153	39,200	40,484	43,591	45,713	44,036	47,144	49,264
7	37,999	39,000	40,061	41,415	44,568	46,748	44,932	48,084	50,265
8	39,218	40,273	41,359	42,825	46,021	48,281	46,341	49,538	51,797
9		41,591	42,731	44,250	47,521	49,858	47,765	51,038	53,374
10			44,120	45,749	49,063	51,478	49,265	52,580	54,993
11				47,291	50,677	53,141	50,807	54,194	56,656
12				48,784	52,335	54,872	52,410	55,851	58,389
13					54,034	56,646	54,069	57,550	60,162
14					55,740	58,486	55,778	59,368	62,003
15					57,191	60,008	57,227	60,911	63,615
16					58,334	61,207	58,372	62,129	64,887

Source: Engrossed Substitute House Bill 2687, Sec. 503

Figure 22 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2009–10

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA+0	MA+45	MA+90 OR PHD
	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135			
0	34,237	35,162	36,120	37,080	40,161	42,145	41,047	44,128	46,115
1	34,698	35,635	36,606	37,608	40,721	42,695	41,503	44,617	46,589
2	35,137	36,083	37,064	38,144	41,248	43,242	41,963	45,067	47,061
3	35,589	36,545	37,536	38,650	41,749	43,791	42,398	45,494	47,538
4	36,033	37,031	38,028	39,180	42,297	44,354	42,855	45,971	48,030
5	36,492	37,494	38,501	39,718	42,823	44,921	43,319	46,425	48,523
6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
11				47,032	50,399	52,849	50,528	53,897	56,345
12				48,517	52,048	54,571	52,122	55,545	58,068
13					53,737	56,335	53,773	57,234	59,831
14					55,434	58,165	55,471	59,042	61,663
15					56,877	59,679	56,913	60,577	63,266
16					58,014	60,871	58,051	61,788	64,531

Includes the reduction of learning improvement days from two to one.
 Source: Engrossed Substitute Senate Bill 1244, Sec. 503

Figure 23 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2010–11

YEARS OF SERVICE	EDUCATION EXPERIENCE						MA	MA+45	MA+90 OR PHD
	BA	BA+15	BA+30	BA+45	BA+90	BA+135			
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16					57,693	60,535	57,731	61,447	64,174

Includes the elimination of the final learning improvement day.
 Source: Engrossed Substitute Senate Bill 6444, Sec. 503

Figure 24 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2011–12

YEARS OF SERVICE	EDUCATION EXPERIENCE								
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR PHD
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					56,597	59,385	56,634	60,279	62,955

Source: Engrossed Second Substitute House Bill 1087, Sec. 503

Figure 25 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2012–13

YEARS OF SERVICE	EDUCATION EXPERIENCE								
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR PHD
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					56,597	59,385	56,634	60,279	62,955

Source: Engrossed Second Substitute House Bill 1087, Sec. 503

Figure 26 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2013–14

YEARS OF SERVICE	EDUCATION EXPERIENCE								MA+90 OR PHD
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16					57,693	60,535	57,731	61,447	64,174

Source: 3rd Engrossed Substitute Senate Bill 5034, Sec. 503

Figure 27 – K–12 Salary Allocation Schedule for Certificated Instructional Staff – School Year 2014–15

YEARS OF SERVICE	EDUCATION EXPERIENCE								MA+90 OR PHD
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16					57,693	60,535	57,731	61,447	64,174

Source: 3rd Engrossed Substitute Senate Bill 5034, Sec. 503

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, historically worked 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, and 1 classified staff per 3 certificated staff (in other words, 16 2/3 classified staff per 1000 FTE pupils). Certificated staff included certificated instructional staff (teachers and educational staff associates such as librarians, counselors, and student health services staff) and certificated administrative staff (such as principals), 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 to:

- 48 certificated instructional staff per 1000 pupils in 1987–88
- 49 certificated instructional staff per 1000 pupils in 1988–89
- 51 certificated instructional staff per 1000 pupils in 1989–90
- 52.3 certificated instructional staff per 1000 pupils in 1990–91

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.

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 (18.80:1).

The 2000 Legislature funded a new Better Schools program for the 2000–01 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. In the 2001–02 school year, school districts were allocated up to 55.4 certificated instructional staff per 1000 K–4 students (18.05:1). As state funding for Student Achievement increased (see next paragraph), Better Schools funding for additional certificated staff units decreased. In the 2002–03 school year, school districts were allocated up to 54.0 certificated instructional staff per 1000 K–4 students. In 2004–05, the K–4 funding ratio was reduced to 53.2, the original funding level when K–4 funding was implemented beginning in the 1999–2000 school year. The K–4 funding ratio remained at 53.2/1000 (18.80:1) through the 2009–10 school year.

The 2010 Legislature reduced the K–4 funding ratio for 2010–11, and split it into a K–3 funding ratio of 50.75 certificated instructional staff per 1000 pupils (19.70:1) and a separate grade 4 funding ratio of 46.27 certificated instructional staff per 1000 pupils (21.61:1).

The 2011–12 school year ushered in the era of staff funding based on prototypical schools models. The prototypical schools model replaced the staffing per 1000 pupils model that had been used for many years. The prototypical schools model assumed a number of factors, such as class size and planning time for teachers, and is modeled on prototypical schools with enrollments of:

- 400 pupils in elementary schools (grades K–6)
- 432 pupils in middle schools (grades 7–8)
- 600 pupils in high schools (grades 9–12)

The prototypical schools model is scalable, and funded staff units change proportionately as enrollment increases or decreases from the prototypical size. The prototypical assumption of class size that drives staff funding began at:

<u>Grade Level</u>	<u>Class Size</u>
K–3	25.23
4	27.00
5–6	27.00
7–8	28.53
9–12	28.74

Class size could vary based on other factors, such as smaller classes for schools with high poverty or classes in career and technical education. For example, during the 2014–15 school year, career and technical education classes were funded for a class size of 26.57. And high poverty schools, where more than fifty percent of the students are eligible for free and reduced price meals, were funded for a class size of 20.30 in K–1 and a class size of 24.10 in grades 2–3.

For the 2015–16 school year districts will receive an allocation for K–3 teachers based on a maximum class size of 25.23. If districts are able to staff to provide class size of less than 25.23 they will receive an allocation based on their actual class size until maximum funding in realized at the class sizes shown in the below chart.

Grade Level	Maximum Class Size	Minimum Class Size Non-High Poverty Schools	Minimum Class Size High Poverty Schools
K	25.23	22.00	18.00
1		23.00	19.00
2		24.00	22.00
3		25.00	24.00

See Figure 32 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 several 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 Publications/Personnel Summary Reports on the OSPI School Apportionment and Financial Services website at: <http://www.k12.wa.us/safs/>.

Figure 28 – Historical Comparison of Statewide School District Personnel Salaries, Annualized Average Salaries, and Per Capita Income

SCHOOL YEAR	ANNUALIZED AVERAGE				WASH. AVERAGE	AVERAGE BASE SALARY AS		ADJUSTED TO CONSTANT 2013–14 DOLLARS			
	BASE SALARY					A % OF AVERAGE INCOME					
	ALL CERTIFICAT ED		ALL CLASSIFIED			PER CAPITA INCOME	ALL CERTIFICA TED	ALL CLASSIFIED	SCHOO L YEAR CPI-U	ALL CERTIFICATE D	ALL CLASSIFIED
1989–90	\$32,085	A	\$20,518	A	\$19,201	167%	107%	1.284	\$58,907	\$37,670	\$35,252
1990–91	\$34,826	A	\$21,560	A	\$20,063	174%	107%	1.344	\$61,116	\$37,836	\$35,209
1991–92	\$36,665		\$22,715		\$21,391	171%	106%	1.389	\$62,228	\$38,552	\$36,305
1992–93	\$37,698		\$23,562		\$21,945	172%	107%	1.431	\$62,119	\$38,825	\$36,161
1993–94	\$37,777		\$23,837		\$22,541	168%	106%	1.470	\$60,611	\$38,245	\$36,166
1994–95	\$38,100		\$24,042		\$23,548	162%	102%	1.510	\$59,497	\$37,544	\$36,772
1995–96	\$39,900	B	\$25,092		\$24,861	160%	101%	1.554	\$60,543	\$38,074	\$37,723
1996–97	\$39,868	B	\$25,314		\$26,368	151%	96%	1.593	\$59,014	\$37,470	\$39,031
1997–98	\$40,914	B	\$26,332		\$28,231	145%	93%	1.622	\$59,491	\$38,288	\$41,050
1998–99	\$40,900	B	\$26,662		\$29,774	137%	90%	1.654	\$58,308	\$38,010	\$42,447
1999–2000	\$43,359	B	\$27,735		\$31,709	137%	87%	1.703	\$60,024	\$38,394	\$43,896
2000–01	\$44,588	B	\$28,896		\$32,250	138%	90%	1.754	\$59,942	\$38,847	\$43,355
2001–02	\$46,053	B	\$30,122		\$32,567	141%	92%	1.789	\$60,689	\$39,695	\$42,917
2002–03	\$47,677	B	\$31,512		\$33,136	144%	95%	1.826	\$61,556	\$40,686	\$42,782
2003–04	\$48,141	B	\$31,828		\$35,218	137%	90%	1.873	\$60,618	\$40,077	\$44,345
2004–05	\$48,481	B	\$32,513		\$35,955	135%	90%	1.932	\$59,182	\$39,688	\$43,891
2005–06	\$49,198	B	\$33,350		\$39,267	125%	85%	1.995	\$58,150	\$39,418	\$46,412
2006–07	\$50,900	B	\$34,735		\$41,529	123%	84%	2.054	\$58,433	\$39,876	\$47,675
2007–08	\$53,103	B	\$36,316		\$43,728	121%	83%	2.126	\$58,889	\$40,273	\$48,492
2008–09	\$55,902	B	\$38,402		\$41,638	134%	92%	2.148	\$61,358	\$42,150	\$45,702
2009–10	\$56,296	B	\$38,677		\$42,514	132%	91%	2.169	\$61,192	\$42,041	\$46,211
2010–11	\$56,226	B	\$38,914		\$44,145	127%	88%	2.226	\$59,552	\$41,216	\$46,755
2011–12	\$55,605	B	\$39,158		\$45,939	121%	85%	2.280	\$57,499	\$40,492	\$47,504
2012–13	\$55,653	B	\$39,487		\$46,853	119%	84%	2.319	\$56,597	\$40,157	\$47,648
2013–14	\$56,507	B	\$40,229		\$48,611	116%	83%	2.358	\$56,507	\$40,229	\$48,611
SALARY NOTES						SOURCES					
A Includes vocational-technical institutes.						2013–14 School District Personnel Summary Reports.					
B Includes contractor staff.						PER CAPITA INCOME NOTES					
ABBREVIATIONS						Per capita income is influenced by the increase in two income families.					
CPI-U = Consumer Price Index – Urban U.S.											

Figure 29 – Historical Comparison of Statewide School District Personnel Full-Time Equivalents and Annualized Average Salaries

SCHOOL YEAR	CERTIFICATED STAFF										CLASSIFIED STAFF	
	ADMINISTRATION				INSTRUCTIONAL				TOTAL		TOTAL	
	CENTRAL		UNIT		TEACHERS		ESA's		FTE	SALARY	FTE	SALARY
	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY	FTE	SALARY
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	1,055.6	\$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	1,008.1	\$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
1999–2000	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
2001–02	1,142.6	\$84,703	2,713.3	\$77,238	52,566.7	\$43,470	6,592.9	\$47,030	63,204.2	\$46,053	35,638.5	\$30,122
2002–03	1,168.7	\$88,245	2,741.6	\$80,318	53,100.1	\$44,961	6,710.0	\$48,614	63,912.3	\$47,677	36,157.3	\$31,512
2003–04	1,146.6	\$89,363	2,751.0	\$80,957	52,892.4	\$45,437	6,747.2	\$48,848	63,721.8	\$48,141	36,041.7	\$31,828
2004–05	1,126.0	\$91,145	2,799.4	\$81,880	53,253.8	\$45,722	6,911.9	\$49,135	64,273.5	\$48,481	36,602.0	\$32,513
2005–06	1,161.6	\$93,343	2,837.0	\$83,976	53,633.4	\$46,317	7,015.8	\$49,700	64,816.5	\$49,198	36,748.5	\$33,350
2006–07	1,171.2	\$97,440	2,804.0	\$88,228	53,956.6	\$47,880	7,151.2	\$51,272	65,262.1	\$50,900	36,882.5	\$34,735
2007–08	1,192.0	\$102,006	2,844.9	\$92,320	54,181.1	\$49,887	7,311.9	\$53,568	65,702.2	\$53,103	37,306.8	\$36,316
2008–09	1,158.5	\$106,892	2,876.9	\$96,959	54,657.7	\$52,568	7,384.7	\$56,397	66,221.2	\$56,296	37,516.2	\$38,402
2009–10	1,107.1	\$108,114	2,791.9	\$98,544	53,620.4	\$53,003	7,250.8	\$56,290	64,913.4	\$56,296	36,905.1	\$38,677
2010–11	1,109.8	\$109,392	2,792.6	\$99,005	53,881.0	\$52,930	7,299.3	\$55,977	65,241.9	\$56,226	37,110.0	\$38,914
2011–12	1,076.6	\$110,375	2,807.7	\$99,218	53,016.5	\$52,237	7,186.1	\$55,058	64,249.5	\$55,605	36,199.8	\$39,158
2012–13	1,106.3	\$110,873	2864.2	\$99,715	53,563.2	\$52,238	7,302.1	\$54,916	64,995.6	\$55,653	36,450.1	\$39,487
2013–14	1,141.7	\$113,763	2,958.7	\$101,835	54,727.6	\$52,969	7,617.41	\$55,594	66,599.7	\$56,507	37,273.8	\$40,229

Includes	Superintendent	Elementary Principal	Elementary Teacher	Library Media Specialist	Central Administration	Director/Supervisor
	Assistant/Deputy Supt.	Elementary Vice Principal	Secondary Teacher	Counselor	Unit Administration	Aides
	Other Administrators	Secondary Principal	Other Teacher	Physical/Occup. Therapist	Classroom Teachers	Crafts/Trades
		Secondary Vice Principal		Social Worker	Educational Staff Assoc.	Laborers
		Other Unit Administrators		Speech Path. or Audiologist	Duty 51 Extracurricular	Office/Clerical
				Psychologist		Operators
				Nurse		Professional
				Reading Resource Spec.		Service Workers

Figure 30 – Historical Comparison of Statewide School District Personnel for All Programs and Basic Education Programs

ALL PROGRAMS		2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14
All Certificated										
FTE staff		64,816.5	65,262.1	65,702.2	66,221.2	64,913.4	65,241.9	64,249.5	64,995.6	66,599.7
Avg. base salary per FTE		\$ 49,198	\$ 50,900	\$ 53,103	\$ 55,902	\$ 56,296	\$ 56,226	\$ 55,605	\$ 55,653	\$ 56,507
Avg. LEAP 1Sb/1 mix		1.541	1.541	1.541	1.548	1.566	1.571	1.579	1.579	1.571
Derived base		\$ 31,928	\$ 33,028	\$ 34,452	\$ 36,119	\$ 35,944	\$ 35,784	\$ 35,206	\$ 35,247	\$ 35,972
Administrative Cert										
FTE staff		3,998.6	3,975.2	4,036.9	4,035.4	3,899.0	3,902.3	3,884.3	3,970.6	4,100.3
Avg. base salary per FTE		\$ 86,697	\$ 90,942	\$ 95,180	\$ 99,811	\$ 101,262	\$ 101,959	\$ 102,310	\$ 102,824	\$ 105,156
Avg. LEAP 1Sb/1 mix		1.706	1.697	1.694	1.708	1.720	1.722	1.726	1.724	1.715
Derived base		\$ 50,804	\$ 53,584	\$ 56,189	\$ 58,440	\$ 58,886	\$ 59,205	\$ 59,290	\$ 59,658	\$ 61,306
Instructional Cert										
FTE staff		60,649.2	61,107.8	61,493.0	62,042.4	60,871.2	61,180.4	60,202.6	60,865.3	62,345.0
Avg. base salary per FTE		\$ 46,708	\$ 48,277	\$ 50,325	\$ 53,024	\$ 53,395	\$ 53,293	\$ 52,574	\$ 52,559	\$ 53,290
Avg. LEAP 1Sb/1 mix		1.530	1.531	1.531	1.537	1.556	1.561	1.570	1.569	1.561
Derived base		\$ 30,535	\$ 31,539	\$ 32,869	\$ 34,499	\$ 34,313	\$ 34,132	\$ 33,492	\$ 33,491	\$ 34,136
Avg. supplemental		\$ 5,401	\$ 5,876	\$ 6,626	\$ 7,734	\$ 8,219	\$ 8,824	\$ 9,438	\$ 9,794	\$ 10,153
All Classified										
FTE staff		36,748.5	36,882.5	37,306.8	37,516.2	36,905.1	37,110.0	36,199.8	36,450.1	37,273.8
Avg. base salary per FTE		\$ 33,350	\$ 34,735	\$ 36,316	\$ 38,402	\$ 38,677	\$ 38,914	\$ 39,158	\$ 39,487	\$ 40,229
BASIC EDUCATION PROGRAMS										
All Certificated										
FTE staff		51,279.9	51,248.0	49,711.1	50,091.9	50,315.4	51,613.4	51,670.9	52,278.7	53,569.6
Avg. base salary per FTE		\$ 49,630	\$ 51,296	\$ 53,632	\$ 56,449	\$ 56,723	\$ 56,579	\$ 56,065	\$ 56,143	\$ 57,027
Avg. LEAP 1Sb/1 mix		1.544	1.542	1.542	1.549	1.568	1.572	1.582	1.583	1.575
Derived base		\$ 32,140	\$ 33,259	\$ 34,770	\$ 36,450	\$ 36,186	\$ 35,983	\$ 35,429	\$ 35,475	\$ 36,219
Administrative Cert										
FTE staff		3,594.4	3,557.9	3,613.1	3,617.0	3,402.5	3,403.0	3,484.0	3,571.8	3,703.6
Avg. base salary per FTE		\$ 87,229	\$ 91,432	\$ 95,740	\$ 100,510	\$ 102,198	\$ 102,673	\$ 102,979	\$ 103,444	\$ 105,754
Avg. LEAP 1Sb/1 mix		1.703	1.693	1.690	1.706	1.718	1.721	1.725	1.723	1.715
Derived base		\$ 51,229	\$ 54,001	\$ 56,645	\$ 58,926	\$ 59,495	\$ 59,652	\$ 59,698	\$ 60,031	\$ 61,654
Instructional Cert										
FTE staff		47,538.7	47,533.7	45,951.4	46,348.7	46,786.9	48,066.6	48,042.5	48,563.9	49,732.1
Avg. base salary per FTE		\$ 46,766	\$ 48,269	\$ 50,300	\$ 52,984	\$ 53,392	\$ 53,298	\$ 52,643	\$ 52,646	\$ 53,380
Avg. LEAP 1Sb/1 mix		1.532	1.531	1.530	1.536	1.556	1.562	1.572	1.572	1.564
Derived base		\$ 30,530	\$ 31,534	\$ 32,865	\$ 34,493	\$ 34,306	\$ 34,130	\$ 33,491	\$ 33,487	\$ 34,134
All Classified										
FTE staff		19,575.8	19,607.3	19,745.2	19,861.6	19,308.1	19,246.7	19,209.0	19,355.9	19,823.6
Avg. base salary per FTE		\$ 35,720	\$ 37,210	\$ 38,934	\$ 41,145	\$ 41,656	\$ 41,849	\$ 41,900	\$ 42,247	\$ 43,200

*Beginning in 2007–08, an accounting methodology was changed which resulted in fewer special education certificated instructional staff being partially reported in basic education.

Figure 31 – Certificated Instructional FTE in All Programs – LEAP Document 1 Placement (2013–14)

Exp Years	Total	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	PhD / MA+90
0	2,163	946	41	24	102	84	0	599	255	112
1	2,466	867	123	51	116	93	0	712	357	146
2	2,325	622	198	73	122	108	0	682	345	176
3	2,162	428	201	94	141	98	0	621	394	184
4	1,903	255	193	107	161	101	0	518	397	173
5	2,183	203	139	130	235	160	0	524	541	251
6	2,559	133	151	158	265	176	0	562	710	403
7	2,617	127	122	131	256	204	0	498	777	502
8	2,676	68	83	93	299	244	0	463	799	627
9	2,611	66	57	86	251	234	0	425	780	712
10	2,325	26	39	61	239	246	1	347	653	712
11	2,262	19	36	64	172	215	1	322	650	784
12	2,413	22	31	27	207	268	0	287	684	887
13	2,323	7	18	26	149	287	0	260	672	904
14	2,253	16	15	15	102	318	0	258	605	925
15	2,185	5	10	15	125	286	2	195	558	988
16	2,074	3	5	11	104	321	3	132	476	1,020
17	1,868	2	5	3	73	276	3	102	465	939
18	1,699	4	4	7	70	270	2	94	350	898
19	1,526	3	4	6	48	232	4	61	310	857
20	1,526	4	3	8	44	282	8	60	297	821
21	1,526	3	0	1	35	293	9	60	235	891
22	1,504	0	1	2	47	277	13	47	233	884
23	1,377	1	2	2	39	264	22	34	201	812
24	1,337	0	1	2	27	273	24	41	155	813
25	1,207	0	0	2	27	240	18	21	137	761
26	1,089	0	1	1	23	215	25	25	112	687
27	1,021	0	1	1	17	207	27	18	94	657
28	978	1	0	1	22	222	21	15	89	606
29	917	0	0	2	14	181	33	10	108	570
30	788	0	0	1	22	147	19	15	89	494
31	710	1	0	0	19	103	35	12	78	462
32	605	0	1	0	27	113	25	12	58	369
33	643	0	0	0	12	115	39	9	91	378
34	620	0	0	0	19	105	50	18	64	365
35	524	0	0	0	12	77	54	11	66	304
36	368	0	0	1	7	67	40	9	33	212
37	322	1	0	0	6	65	27	8	38	176
38	210	0	1	0	5	35	18	4	22	125
39	174	0	0	0	3	24	24	4	22	97
40	105	0	0	0	3	23	8	1	13	57
41	68	0	0	0	4	9	4	1	3	47
42	52	0	0	0	0	6	6	2	5	33
43	31	0	0	0	1	5	1	1	0	23
44	17	0	0	0	0	3	8	0	0	6
45	12	0	0	0	1	2	4	0	0	5
46	9	0	0	0	0	3	1	0	2	3
47	1	0	0	0	0	0	1	0	0	0
48	1	0	0	0	0	0	1	0	0	0
49	2	0	0	0	0	0	1	0	0	1
50	1	0	0	0	0	0	0	0	0	1
51	3	0	1	0	1	0	0	0	0	1
52	1	0	0	0	0	0	0	0	0	1
58	1	0	0	0	0	1	0	0	0	0
62	1	0	0	0	0	0	0	0	1	0
	62,344	3,833	1,487	1,206	3,674	7,578	582	8,100	13,024	22,862

Figure 32 – 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**	K–12										K–3 Basic Education Programs			K–4 Basic Education Programs****		
		----- All Education Programs -----						----- Basic Education Programs* -----				Report T-165A***			Report T-165A***		
		----- Certificated Staff -----						Class. Total Staff	----- Report T-165B** -----			Enroll.	Cert. Instr.	Instr. Assts.	Enroll.	Cert. Instr.	Instr. Assts.
		Admin		Instructional		Total Staff	----- Certificated -----			Class. Total							
Central	Unit	Teacher	ESA	Total Staff	Admin	Instr.	Total	Enroll.	Cert. Instr.		Instr. Assts.	Enroll.	Cert. Instr.	Instr. Assts.			
89–90	768,356	1.36	2.93	52.50	5.75	62.62	31.60	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	3.93	50.59	54.53	19.31	242,034	52.44	2.91			
91–92	823,040	1.29	2.81	52.15	5.88	62.22	32.42	3.85	50.76	54.60	19.44	246,036	53.95	3.11			
92–93	849,759	1.23	2.82	52.17	5.93	62.23	33.23	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	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	3.76	51.28	55.04	19.76	250,070	54.60	3.24			
95–96	899,083	1.12	2.77	52.16	6.23	62.48	34.16	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	3.57	50.80	54.37	19.14	264,358	55.39	3.48			
97–98	929,914	1.13	2.79	52.71	6.26	63.08	35.14	3.59	50.70	54.29	19.49	267,841	55.22	2.95			
98–99	938,974	1.13	2.79	52.82	6.40	63.32	35.27	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	3.63	50.94	54.57	20.07	-	-	-	341,412	53.79	2.76
00–01	942,323	1.16	2.84	53.97	6.73	64.88	36.89	3.62	50.56	54.18	20.00	-	-	-	335,785	53.78	2.66
01–02	947,622	1.21	2.86	55.47	6.96	66.70	37.61	3.66	50.79	54.45	20.29	-	-	-	332,838	55.82	2.69
02–03	949,356	1.23	2.89	55.93	7.07	67.32	38.09	3.68	50.54	54.22	20.45	-	-	-	329,698	55.15	2.72
03–04	952,113	1.20	2.89	55.55	7.09	66.93	37.85	3.68	50.12	53.80	20.35	-	-	-	328,752	55.00	2.82
04–05	955,614	1.18	2.93	55.73	7.23	67.26	38.30	3.70	49.76	53.45	20.39	-	-	-	331,203	54.44	2.79
05–06	960,592	1.21	2.95	55.83	7.30	67.48	38.26	3.74	49.49	53.23	20.38	-	-	-	334,515	54.34	2.81
06–07	961,749	1.22	2.92	56.10	7.44	67.86	38.35	3.70	49.42	53.12	20.39	-	-	-	337,797	54.46	2.81
07–08	967,237	1.23	2.94	56.02	7.56	67.93	38.57	3.74	47.51	51.24	20.41	-	-	-	344,044	54.75	2.86
08–09	975,872	1.19	2.95	56.01	7.57	67.86	38.44	3.71	47.49	51.20	20.35	-	-	-	350,434	54.85	2.78
09–10	982,748	1.13	2.84	54.56	7.38	66.05	37.55	3.46	47.61	51.07	19.65	-	-	-	353,829	54.82	-
10–11	986,584	1.12	2.83	54.61	7.40	66.13	37.61	3.45	48.72	52.17	19.51	-	-	-	357,543	55.56	-
11–12	984,285	1.09	2.85	53.86	7.30	65.28	36.78	3.54	48.81	52.35	19.52	-	-	-	-	-	-
12–13	987,757	1.12	2.90	54.23	7.39	65.80	36.90	3.62	49.17	52.78	19.60	-	-	-	-	-	-
13–14	1,002,609	1.14	2.95	54.59	7.60	66.43	37.18	3.69	49.60	53.30	19.77	-	-	-	-	-	-

*Beginning in 2007–08, an accounting methodology was changed which resulted in fewer special education certificated instructional staff being partially reported in basic education. **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. Beginning in 2007–08, enrollment included state-funded full-day kindergarten. ***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. Excluded instructional assistants beginning 2009–10. ****Beginning in 1999–2000, enhanced staffing for kindergarten through third grade was expanded to also include fourth grade. Beginning in 2011–12, kindergarten through third/fourth grade staffing was no longer tracked..

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 43 percent, reaching 1,000,345 FTE students in the 2010–11 school year.

For the 2011–12 school year, enrollment declined for the first time in two decades. The enrollment fell by 0.21 percent to 998,201. This decline was the result of the policy change enacted by the Legislature that added the month of June to the average annual calculation. June is typically the lowest month of enrollment – resulting in a decline in enrollment when averaged over ten months.

Growth in enrollment of 1.1 percent is expected in the 2014–15 school year. Some major factors that affect enrollment growth:

Demographics – Births have been increasing since 2002. During this time frame, more juniors and seniors are remaining in school. The combination of these forces results in relatively small total enrollment increases.

Immigration – More families are moving into Washington state than are moving out. New families moving to this state bring children that must be educated.

Private Schools – Private school enrollment has been increasing steadily over the past few years.

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

Figure 33 shows average annual headcount enrollments for 2004–05 through 2013–14 as reported by school districts on Form P-223 and shown on SPI Report 1251H. Headcount enrollment for the 2004–05 through 2010–11 school years is the average number of individual students enrolled on the nine monthly count dates of the school year (September–May). Beginning with the 2011–12 school year, the headcount enrollment is the ten-month average of the months September through June. (Counts are in thousands.)

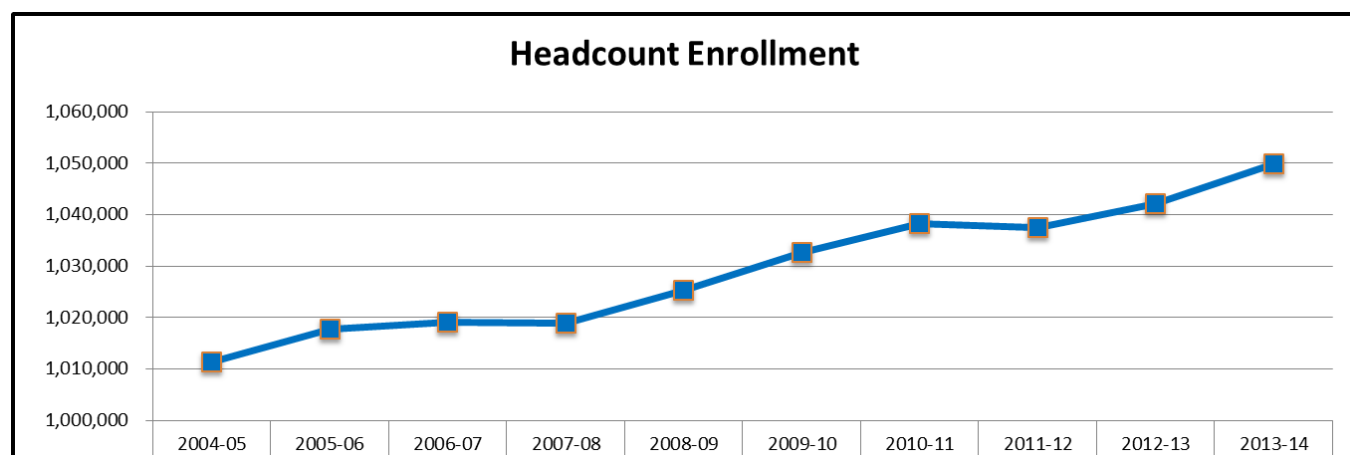
Figure 34 shows average annual full-time equivalent (FTE) students for 2004–05 through 2013–14 as reported by school districts on Form P-223 and shown on SPI Report 1251. Kindergarten students that are not enrolled in an approved state funded full-day kindergarten school are counted as a maximum of one-half 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, ancillary services provided to private school or home school students, and Open Doors [1418] Reengagement programs. Similar to Figure 34, for 2004–05 through 2013–14, the AAFTE is the average monthly enrollment of the nine monthly count days of the school year (September–May). Beginning with the 2011–12 school year, AAFTE is the average monthly enrollment for the ten monthly count days (September–June).

Figure 35 shows special education enrollment by age category for 2004–05 through 2013–14 as reported on Form P-223H. For the 2004–05 through 2010–11 school years, the special education enrollment is the average number of individual students in each category on eight count dates (October through May) from SPI Report 1735T. Beginning with the 2011–12 school year, the special education enrollment changed to a nine-month average (October through June).

Figure 36 shows private school enrollments from 2005–06 through 2014–15

Figure 33 – Historical Comparison of Statewide School District Enrollments – Average Annual Headcount

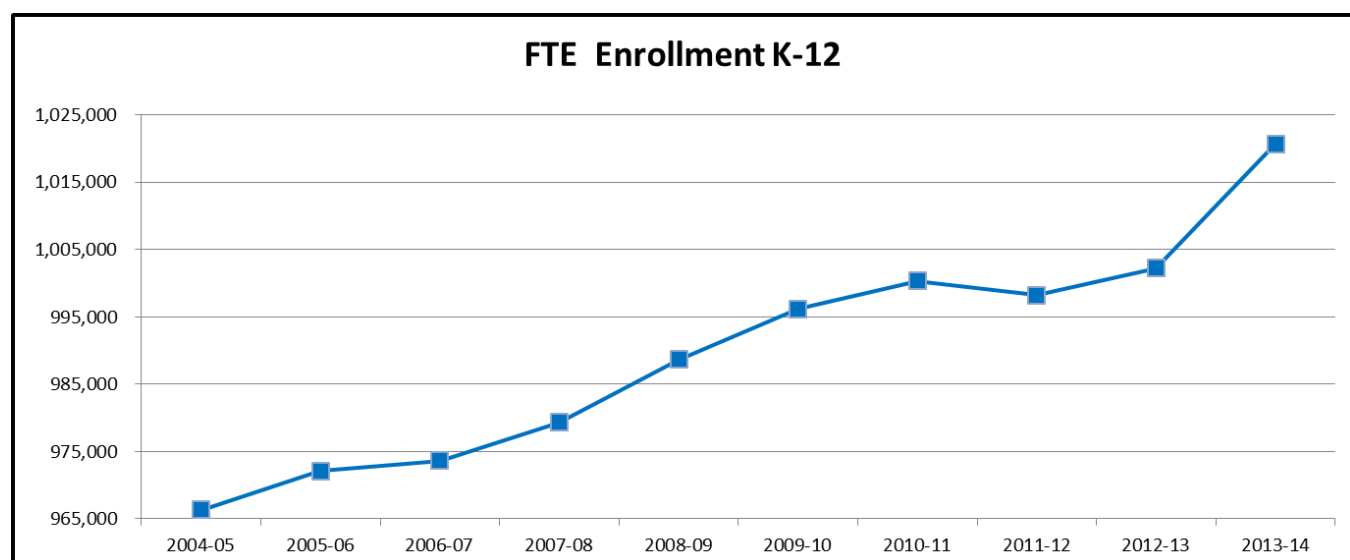
GRADE	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
K	71,660	72,765	72,915	72,262	74,139	75,375	76,666	78,487	81,246	82,053
1	74,925	75,959	76,609	76,750	76,171	77,915	79,025	79,326	80,882	83,684
2	74,155	75,227	76,100	76,914	77,448	76,506	78,129	78,708	79,164	80,752
3	73,413	75,205	76,059	76,990	77,968	78,277	77,178	78,294	78,885	79,453
4	75,324	74,505	75,820	76,827	78,078	78,798	78,994	77,406	78,554	79,224
5	75,809	76,377	75,308	76,669	77,807	78,789	79,528	79,294	77,603	78,751
6	78,534	76,739	76,866	75,975	77,238	78,260	78,946	79,429	79,145	77,841
7	80,688	79,545	77,454	77,775	77,009	78,121	78,864	79,191	79,567	79,624
8	81,123	81,296	80,076	78,077	78,689	77,670	78,677	79,096	79,377	80,069
9	89,005	89,205	89,092	87,703	86,139	86,016	84,428	83,498	83,158	82,839
10	82,020	82,830	83,161	83,209	82,188	81,241	81,843	79,961	80,222	80,710
11	76,510	79,137	78,745	78,364	79,561	79,206	78,488	78,144	76,765	77,168
12	72,687	73,256	74,630	75,008	76,442	79,542	80,425	79,205	79,652	78,639
SUMMARY										
K	71,660	72,765	72,915	72,262	74,139	75,375	76,666	78,487	81,246	82,053
GR. 1-3	222,493	226,391	228,768	230,654	231,587	232,698	234,332	236,328	238,930	243,889
GR. 4-6	229,667	227,621	227,994	229,471	233,123	235,847	237,467	236,128	235,302	235,816
GR. 7-8	161,811	160,841	157,530	155,852	155,698	155,791	157,542	158,287	158,945	159,693
GR 9-12	320,222	324,428	325,628	324,284	324,330	326,005	325,185	320,809	319,796	319,355
RUNNING START	5,538	5,794	6,234	6,290	6,501	6,920	7,021	7,381	7,983	9,026
TOTAL	1,011,391	1,017,840	1,019,069	1,018,813	1,025,378	1,032,636	1,038,213	1,037,420	1,042,202	1,049,832



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

Figure 34 – Historical Comparison of Statewide School District Enrollments – Average Annual FTE Enrollment

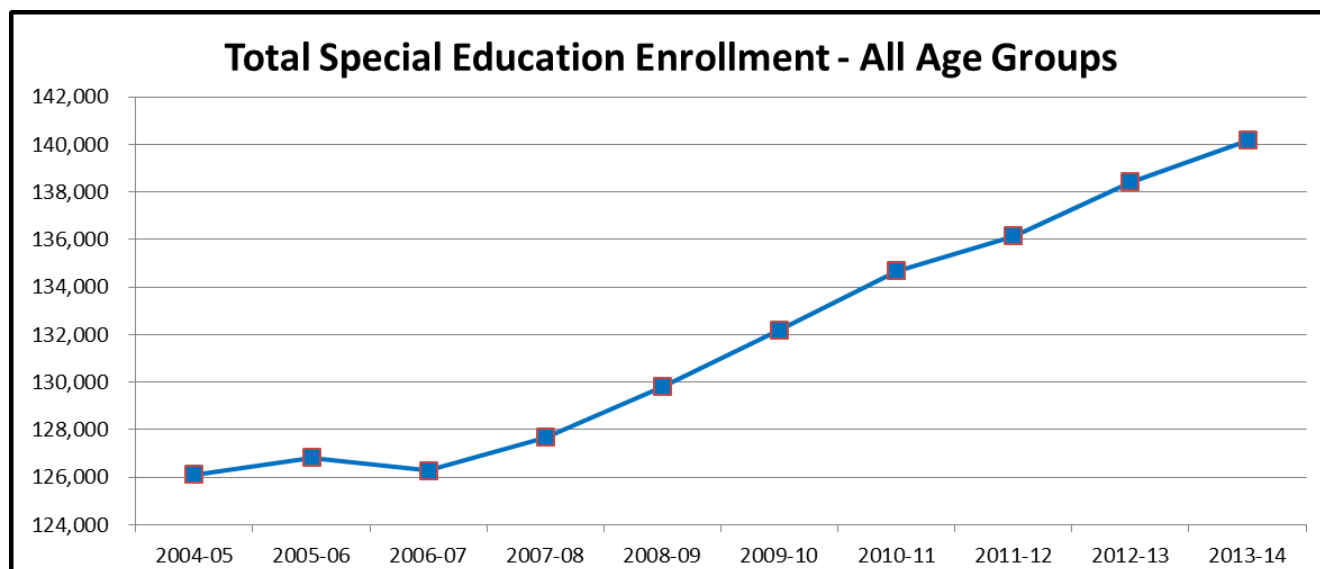
GRADE	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
K	35,796	36,335	36,394	39,824	44,666	45,605	46,235	47,807	49,439	58,898
1	74,835	75,825	76,437	76,572	76,019	77,739	78,839	79,181	80,736	83,539
2	74,061	75,088	75,939	76,714	77,269	76,336	77,934	78,531	78,990	80,592
3	73,300	75,056	75,871	76,776	77,749	78,080	76,968	78,084	78,666	79,258
4	75,232	74,336	75,655	76,619	77,834	78,578	78,766	77,188	78,332	79,007
5	75,665	76,202	75,103	76,460	77,578	78,542	79,272	79,064	77,381	78,525
6	78,373	76,528	76,630	75,720	76,977	78,025	78,669	79,147	78,887	77,577
7	80,464	79,304	77,192	77,465	76,727	77,830	78,564	78,850	79,270	79,318
8	80,802	80,987	79,753	77,713	78,306	77,320	78,312	78,687	78,996	79,676
9	88,360	88,606	88,533	87,071	85,427	85,346	83,805	82,890	82,584	82,341
10	81,137	82,106	82,456	82,520	81,472	80,592	81,168	79,264	79,588	80,117
11	72,098	74,562	74,429	74,625	75,480	75,044	74,001	73,370	71,848	71,933
12	65,855	66,422	67,952	69,382	70,574	73,336	73,717	72,426	72,798	71,640
SUMMARY	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
K	35,796	36,335	36,394	39,824	44,666	45,605	46,235	47,807	49,439	58,898
GR. 1-3	222,196	225,969	228,247	230,062	231,037	232,155	233,740	235,796	238,392	243,389
GR. 4-6	229,270	227,066	227,388	228,799	232,389	235,145	236,706	235,399	234,600	235,109
GR. 7-8	161,266	160,291	156,945	155,178	155,033	155,150	156,876	157,537	158,266	158,994
GR 9-12	307,450	311,696	313,370	313,598	312,953	314,318	312,691	307,949	306,818	306,030
RUNNING START	9,761	10,260	10,811	11,176	11,824	12,487	12,824	12,767	13,623	15,090
OTHER	634	492	456	661	756	1,340	1,271	946	1,076	3,179
TOTAL	966,373	972,109	973,611	979,298	988,658	996,200	1,000,344	998,201	1,002,213	1,020,689



Footnote: Other Enrollment includes enrollment in summer school, ancillary services, Open Doors [1418] Reengagement programs and the University of Washington.
 Source: SPI Form P-223, Monthly Report of School District Enrollment Eligible for Basic Support

Figure 35 – Historical Comparison of Statewide School District Enrollments – Average Special Education Program Headcount Enrollment

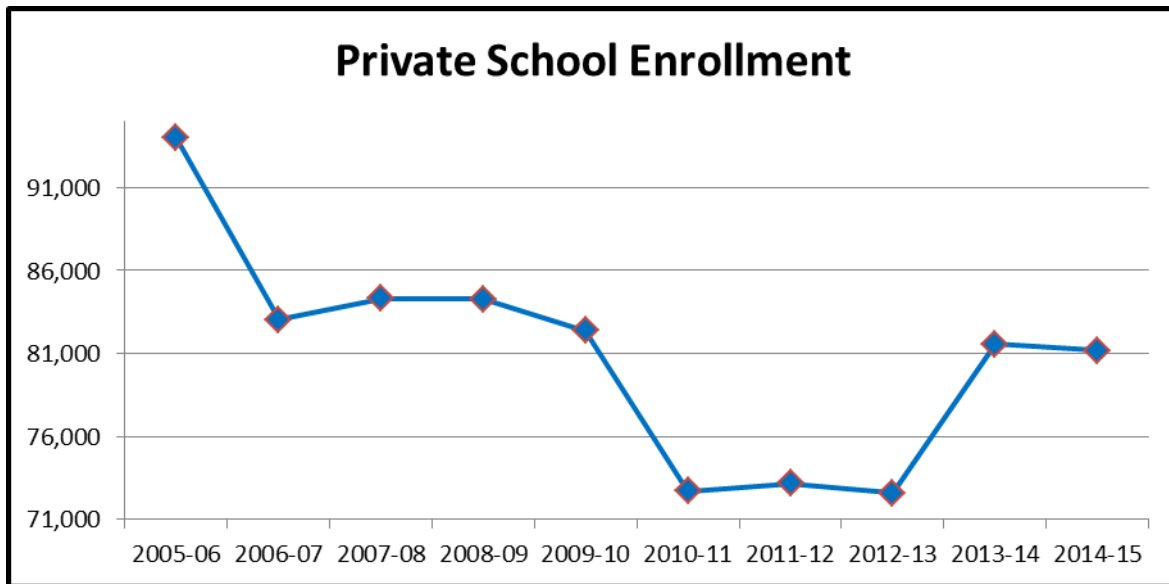
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Age 0-2	2,960	3,382	3,799	4,452	5,071	5,558	6,200	6,345	6,685	5,880
Age 3-PK				9,498	9,650	10,059	10,209	10,508	10,711	11,559
Age K-21	123,153	123,432	122,483	113,735	115,082	116,584	118,265	119,305	121,029	122,724
TOTAL	126,113	126,814	126,282	127,685	129,803	132,201	134,674	136,158	138,425	140,163



Footnote: Prior to 2007–08, Special Education students age 3 to Pre-K were counted with students age K–21.
 Source: SPI Form P-223H, Monthly Report of School District Special Education Enrollment.

Figure 36 – Approved Private School and Student Enrollment – Ten Year History

Total Approved Private Schools and Student Enrollments By Year		
Year	Schools	Enrollment
2005-06	502	93,979
2006-07	495	83,054
2007-08	516	84,301
2008-09	507	84,277
2009-10	546	82,366
2010-11	494	72,690
2011-12	497	73,172
2012-13	491	72,577
2013-14	505	81,574
2014-15	510	81,179



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:

- Choice Transfer 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 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 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 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 college credit.

The Choice laws are codified within RCW 28A.225; seventh and eighth grade Choice laws are codified in RCW 28A.230.

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 2013–14 fiscal school year cover the period September 1, 2013, through August 31, 2014.

Figure 37 shows expenditures for all funds. Note that General Fund expenditures make up over 78 percent 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 295 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 website 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 and by county. 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.

Figure 37 – Expenditures by Fund – 2013–14 School Year

Fund	Dollars	Percent of Total	\$ Per Student FTE
General Fund	\$10,763,802,742	79.9%	\$10,371
Capital Projects Fund			
Building	1,133,759,433	8.4%	1,092
Equipment	128,175,679	1.0%	124
Sites	93,474,571	0.7%	90
Instructional Technology	35,329,860	0.3%	34
Energy	50,349,107	0.4%	49
Sales and Lease	424,365	0.0%	0
Debt	5,105,336	0.0%	5
Total CPF Expenditures	1,446,618,352	10.8%	1,394
Debt Service Fund			
Principal	663,057,020	4.9%	
Interest	382,258,783	2.9%	
Total DSF Expenditures	1,045,315,803	7.8%	1,007
Transportation Vehicle Fund			
Equipment	62,279,909	0.5%	
Debt	1,712,152	0.0%	
Total TVF Expenditures	63,452,061	.5%	62
Associated Student Body Fund	122,827,323	.8%	118
Permanent Fund	7,336	0.0%	0
Other Trust and Agency Fund	32,462,102	0.2%	31
Total Expenditures All Funds	\$ 13,474,485,720	100.00%	\$12,983.26

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

Figure 37 displays a summarized total of all district funds for the 2013–14 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 2013–14 is used to calculate the dollars per FTE pupil calculation.

Figure 38 – General Fund Expenditures by Program, School Year 2013–14

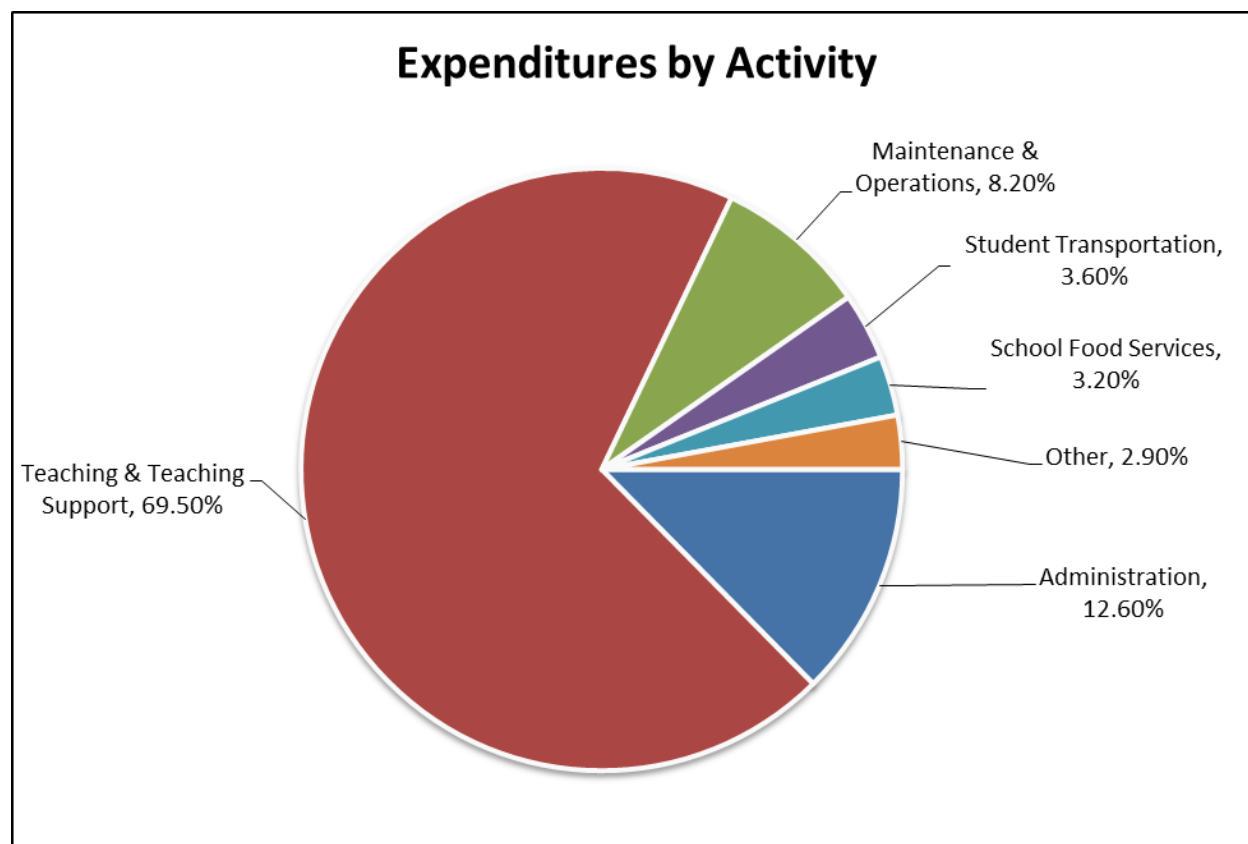
Fund	Dollars	Percent of Total	\$ Per Student FTE
Basic Instruction	\$ 5,795,631,108	53.8%	\$5,584
Federal Stimulus	5,146,987	.1%	5
Special Education	1,347,244,028	12.5%	1,298
Vocational/Skill Center	383,130,902	3.6%	369
Student transportation	437,477,467	4.1%	422
School Food Services	369,307,574	3.5%	356
Compensatory			
Disadvantaged	198,355,637	1.8%	191
Learning Assistance	192,295,993	1.8%	185
Limited English Proficiency	14,767,229	0.1%	14
Special and Pilot Programs	71,977,415	.7%	69
Institutions	11,069,662	0.0%	1
All Others	202,086,648	2.0%	210
Total Compensatory Education	690,552,584	6.4%	665
Other Instruction			
Highly Capable	14,522,746	0.1%	14
Traffic Safety Education	3,203,390	0.0%	3
Targeted Assistance	1,989,493	0.0%	2
All Others	110,820,720	1.0%	107
Total Other Instruction	130,356,348	1.1%	126
Community Support	61,863,847	0.6%	60
Other Support Services	1,543,091,896	14.3%	1,487
Total Expenditures - All Programs	\$10,763,802,742	100.0%	\$10,371

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

Figure 38 presents a summarized comparison of district student expenditures by program for the 2013–14 school year. Total average annual FTE pupil enrollment for 2013–14 is used to calculate the dollars per FTE pupil calculation 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.

Figure 39 – Expenditures by Activity, School Year 2013–14

Activity	Dollars	Percent of Total	\$ Per Student FTE
Administration	\$ 1,347,117,231	12.6%	\$1,298
Teaching & Teaching Support	7,489,653,746	69.5%	7,216
Maintenance & Operations	879,148,118	8.2%	847
Student Transportation	387,904,177	3.6%	374
School Food Services	341,046,052	3.2%	329
Other	318,933,418	2.9%	307
Grand Total	\$10,763,802,742	100.0%	\$10,371

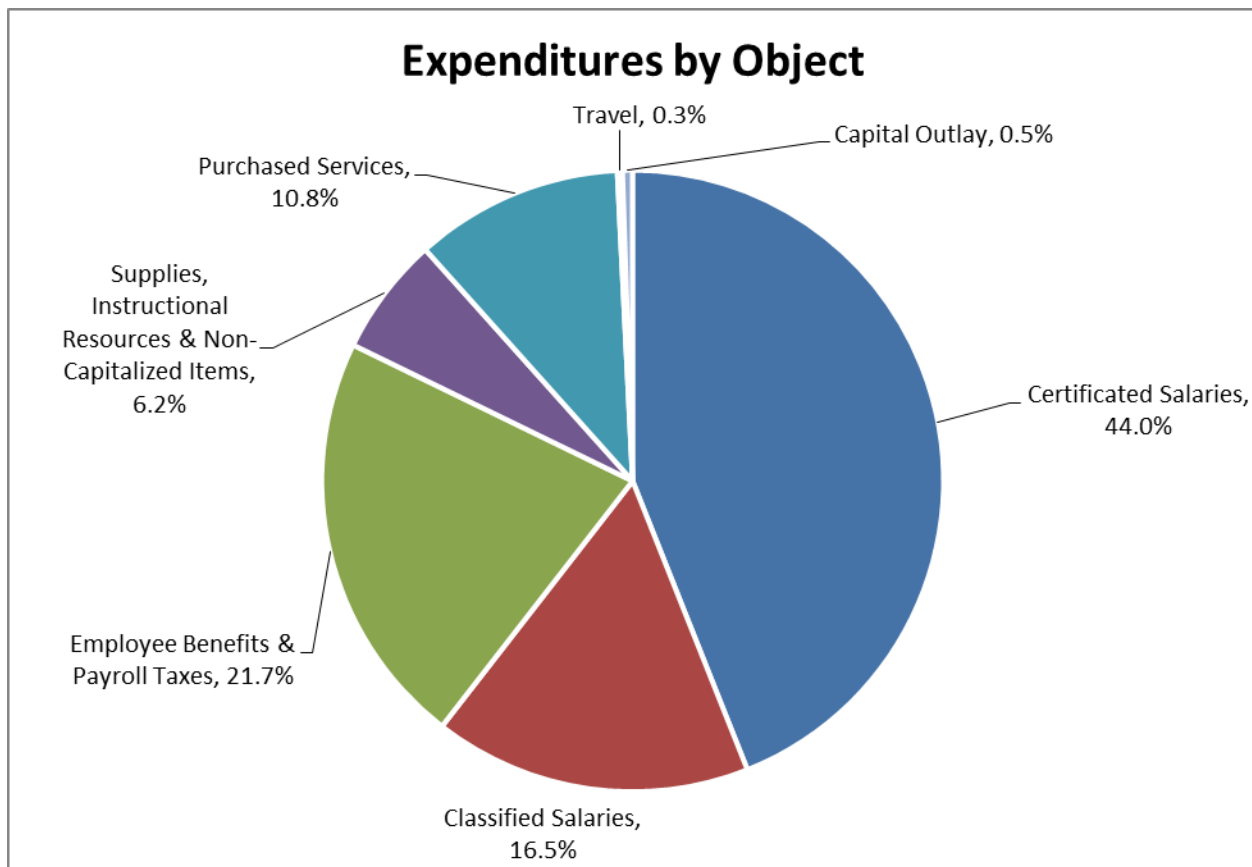


Source: SPI Report F-196 Annual Financial Statements for School Districts. * Administration expenditures include building principals, supervision of the food services, transportation, and grounds and maintenance activities.

Figure 39 presents a summarized comparison of district expenditures by activity. Activities categorize district expenditures by a functional area.

Figure 40 – General Fund Expenditures by Object – School Year 2013–14

Object	Dollars	Percent of Total	\$ Per Student FTE
Certificated Salaries	\$ 4,733,815,820	44.0%	\$4,561
Classified Salaries	1,779,875,557	16.5%	1,715
Employee Benefits & Payroll Taxes	2,335,146,946	21.7%	2,250
Supplies, Instructional Resources & Non-Capitalized Items	663,339,660	6.2%	639
Purchased Services	1,166,833,650	10.8%	1,124
Travel	28,301,531	0.3%	27
Capital Outlay	56,429,580	0.5%	55
Grand Total	\$10,763,802,742	100.0%	\$10,371



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

Figure 41 – State Summary – General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

Statement of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Year Ended August 31, 2014	
Revenues	
Local	\$2,458,750,395
State	7,409,839,117
Federal	872,682,821
Federal Stimulus	5,182,052
Other	<u>64,941,297</u>
<i>Total Revenues</i>	<u>10,811,395,682</u>
Expenditures (Less Capital Outlay)	
Basic Instruction	5,783,221,622
Federal Stimulus	4,978,969
Special Education Instruction	1,346,868,813
Vocational Education	340,352,076
Skill Center Instruction	39,403,313
Compensatory Education	689,198,896
Other Instructional Programs	129,145,193
Community Services	61,583,735
Support Services	2,310,983,172
Capital Outlay	56,429,580
Debt Service Principal	1,533,415
Interest and Other	<u>103,958</u>
<i>Total Expenditures</i>	<u>10,763,802,742</u>
<i>Revenues Over (Under) Expenditures</i>	<u>(47,592,940)</u>
Other Financing Sources (Uses)	
Bond Sales	2,182,000
Long-Term Financing	1,863,909
Transfers In	45,279,555
Transfers Out	(58,264,281)
Other Financing Uses	(54,842)
Other Financing Sources	<u>567,250</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(8,426,409)</u>
<i>Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	39,166,531
Beginning Fund Balance (September 1, 2013)	1,047,633,714
Prior Year(s) Corrections or Misstatements	<u>14,073,500</u>
<i>Ending Fund Balance (August 31, 2014)</i>	<u>\$1,100,873,745</u>

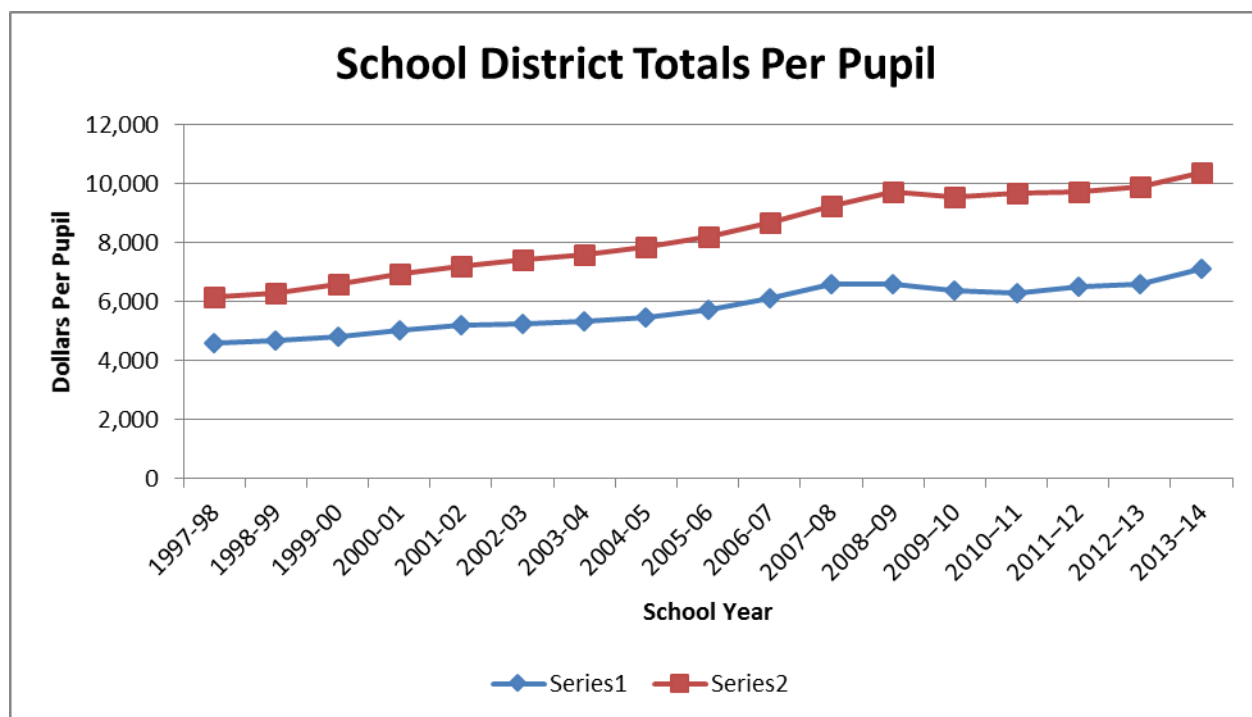
Source: SPI Report F-196, Annual Financial Statement for School Districts.

Figure 42 – General Fund Revenue Sources by Percent

School Year	Local Taxes	State Revenue	Federal Revenue	Local Fees and Other Revenue
1973–74	36.80%	47.28%	8.19%	7.73%
1974–75	31.95%	50.94%	9.03%	8.08%
1975–76	20.72%	61.72%	9.35%	8.21%
1976–77	21.34%	60.40%	9.06%	9.20%
1977–78	23.70%	57.02%	9.01%	10.27%
1978–79	20.20%	59.95%	8.98%	10.87%
1979–80	11.36%	70.87%	8.33%	9.44%
1980–81	7.90%	73.57%	8.59%	9.94%
1981–82	8.77%	79.71%	6.20%	5.32%
1982–83	10.85%	77.68%	6.58%	4.89%
1983–84	11.15%	77.51%	6.38%	4.96%
1984–85	10.92%	78.18%	6.09%	4.81%
1985–86	11.01%	77.74%	6.71%	4.54%
1986–87	11.17%	78.14%	6.56%	4.13%
1987–88	11.75%	77.78%	6.41%	4.06%
1988–89	11.88%	77.43%	6.47%	4.22%
1989–90	11.82%	77.74%	6.25%	4.19%
1990–91	11.50%	78.50%	6.00%	4.00%
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%	73.95%	7.12%	4.57%
1998–99	15.91%	73.95%	7.12%	3.02%
1999–2000	15.16%	72.58%	7.71%	4.55%
2000–01	15.22%	71.87%	8.20%	4.71%
2001–02	15.12%	71.22%	8.84%	4.82%
2002–03	15.59%	70.21%	9.46%	4.74%
2003–04	16.12%	69.71%	9.79%	4.38%
2004–05	16.24%	69.27%	10.11%	4.38%
2005–06	16.20%	70.29%	9.77%	4.52%
2006–07	16.08%	70.12%	9.23%	4.57%
2007–08	15.84%	70.98%	8.82%	4.36%
2008–09	15.79%	66.96%	13.14%	4.12%
2009–10	16.99%	65.62%	13.25%	4.15%
2010–11	18.44%	64.63%	12.76%	4.17%
2011–12	19.72%	66.44%	9.57%	4.27%
2012–13	23.68%	66.37%	8.96%	1.00%
2013–14	22.64%	68.22%	8.08%	1.00%

Figure 43 – Historical Comparison of Statewide School District General Fund – Revenues and Expenditure Per Pupil

School Year	Total FTE Enrollment	Total Revenue and Other Financing Sources Per FTE Pupil	State Revenue Per FTE Pupil	Total Expenditures Per FTE Pupil
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
2001–02	969,838	7,301	5,200	7,225
2002–03	972,639	7,512	5,274	7,436
2003–04	976,466	7,651	5,339	7,598
2004–05	980,716	7,891	5,470	7,876
2005–06	986,877	8,248	5,736	8,189
2006–07	985,385	8,781	6,157	8,721
2007–08	990,495	9,344	6,632	9,267
2008–09	996,431	9,928	6,648	9,807
2009–10	1,103,736	9,837	6,455	8,753
2010–11	1,017,158	9,760	6,308	9,694
2011–12	1,015,428	9,816	6,522	9,739
2012–13	1,018,977	9,919	6,583	9,886
2013–14	1,037,835	\$10,465	\$7,139	\$10,371



Sources: SPI Form F-196, Annual Financial Statement for School Districts. Per pupil is calculated using SPI Form P-223 plus enrollment reported in programs for preschool special education, and state institutions.

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 tulle 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 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

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.

in 1862, showed 53 schools in the territory and more than 2,000 children between 4 and 21 years.³

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 was 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.

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

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.

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 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 or 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.

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

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. With the passing of EHJR 4204 in November 2007, excess levies for school districts may be passed by a simple majority of the voters, without the 40 percent minimum as previously required.

INDEX

—A—

Appropriations Act, 14
 Associated Student Body Fund, 43, 117

—B—

Basic Education Act, 14, 16, 25, 58
 Basic education allocation, 58
 Better Schools, 17, 86
 Bilingual education, 80
 Board of directors, 35
 Budget process, 42
 Business and occupation tax, 51

—C—

Capital Projects Fund, 43, 75, 107, 109, 110
 Career and Technical Education and Skill Centers, 63
 Certificated administrative salaries, 65
 Certificated instructional salaries, 64
 Charter Schools, 37
 Choice law, 146
 Classified salaries, 65
 Commission on Student Learning, 15, 17
 County administered forests, 75

—D—

Debt Service Fund, 43, 75, 107, 110, 112
 Definitions
 AAFTE, 58
 CAS, 65
 CIS, 64
 ESD, 32
 Form F-196, 46
 FTE, 58
 Headcount, 77
 IEP, 26
 LEA, 79
 LEAP, 64
 RCW, 13
 SLD, 27
 TAV, 92
 WAC, 24
 Derived base salary, 64
 District classification, 36
 Doran Decision I, 25
 Doran Decision II, 25
 Doran Decision III, 26

—E—

Education centers, 41
 Education for All Act, 75
 Education Reform, 15, 81
 Educational service districts, 32

Enrollment increases, 134
 ESD Nursing Corps, 85
 Excess levies, 89

—F—

Federal Forests, 75
 Federal in lieu of taxes, 75
 Financial reports, 43
 Fire district payments, 75
 Fringe benefits, 73

—G—

General accounting practices, 42

—H—

High and nonhigh school districts, 36
 Highly capable students program, 86
 Home and hospital allocation, 77
 Home-based instruction, 41
 Home-based student enrollments, 63

—I—

Initiative 728, 17, 87
 Institutional education, 83
 Insurance benefits, 73
 interdistrict cooperative, 93

—L—

LAP, 80
 LEAP Document 1, 64
 LEAP Document 2, 64
 Legal foundation, 13
 Levy authority, 90
 levy base, 7
 Levy lid, 90
 Local deductible revenues, 74
 Local Effort Assistance, 79

—M—

Maintenance And Operation Levies, 89
 Maintenance salaries, 64

—N—

Nonemployee-related cost, 74
 Nonhigh Participation, 92
 Nonhigh school districts, 36
 nonpublic agency, 38

—P—

Payment schedule, 46
 Private school enrollment, 38
 Private Schools, 37
 Property tax, 51
 Pupil transportation, 77
 Pupil-teacher ratios, 133

—R—

Remediation Assistance Act, 80
 Ridership, 77
 Running start, 64, 146

—S—

Safety net, 26, 77
 Sale of bonds, 109
 Sales tax, 51
 School district audits, 47
 School Districts, 35
 Small schools, 61
 Special education allocation, 75

Staff mix factor, 64
 State Board of Education, 24, 29
 State constitution, 13
 State forests, 75
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance, 43
 Substitute teacher pay, 74
 Summer enrollments, 63
 Superintendent of public instruction, 24, 29
 Superintendent's duties, 35

—T—

Tax authority, 54
 Timber excise tax, 92
 Transitional Bilingual Education, 80
 Transportation Vehicle Fund, 43, 113
 Tribal Compact Schools, 37
 Trust Funds, 43, 117

—W—

Washington Administrative Code, 24
 Washington Assessment of Student Learning, 16

**Office of Superintendent of Public Instruction
Old Capitol Building
P.O. Box 47200
Olympia, WA 98504-7200**

**For more information about the contents
of this document, please contact:
T.J. Kelly, OSPI
email: Thomas.Kelly@k12.wa.us
Phone: 360-725-6301**

**To order more copies of this document,
please call 1-888-59-LEARN (1-888-595-3276)**

**Please refer to the document number below for quicker service:
15-0025**

**This document is available online at:
<http://www.k12.wa.us/>**

**This material is available in alternative format upon request.
Contact the Resource Center at 888-595-3276, TTY 360-664-3631.**



Office of Superintendent of Public Instruction
Old Capitol Building
P.O. Box 47200
Olympia, WA 98504-7200
2015