



THE AMPLE SCHOOL FUNDING PROJECT

**WSSDA Legislative Assembly
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www.wasa-oly.org

WHY DID WASA UNDERTAKE THE AMPLE SCHOOL FUNDING PROJECT?

Since the State has elected not to initiate a comprehensive funding study, the Washington Association of School Administrators has begun a two phase project to:

1. Substantiate that current state funding levels are inadequate to fund Basic Education as required, and
2. Initiate and support studies to establish what additional resources are needed to reach the state's new performance standards.

PROJECT TASKS

- Hired a consultant to coordinate and perform the first phase of the project.
- Used a technical analysis advisory panel consisting of experienced fiscal and policy analysts to begin the project.
- Established an Ample School Funding Project Web site (www.wasa-oly.org/asfp.htm) to share results of the research papers.

PROJECT TASKS (cont.)

- Will build a Large Constituency Group to provide oversight:
 - WSLFA, AWSP, WSPTA, WSSDA, WSPSE, WASBO, WEA, SBE, WSASCD, etc.
 - ESDs and OSPI
 - Regions
 - Local School Districts
 - Business/Community Leaders
 - Citizen Education Advocacy Groups
 - Elected Officials

THE PROCESS

Prepare analysis of the adequacy of funding in each of the current basic education programs based on the decisions made in Doran I, II, and III and legislative responses.

Identify funding and formula changes needed to meet today's Basic Education requirements.

Calculate a GAP analysis based on Washington State's new standards and goals.

Propose remedies and solutions to the current system to provide ample funds to schools in an equitable manner.

CURRENT PROJECT STATUS

- A **Pupil Transportation Study** documenting problems with the state's funding formula and resulting underfunding in a large number of school districts is available on WASA's Web Site.
- A **Special Education Study** indicating that the state is requiring the use of special excess levies to fund this program (something specifically prohibited by various school funding decisions) is also available on WASA's Web Site.
- A paper addressing the main Basic Education program, **Apportionment** is underway and should be available in November

2004-05 WORK PLAN

August – December 2004

- Publish Transportation, Special Education & Apportionment Reports
- OPSI 2004-07 Budget Proposal
- Provide summary papers for “average” citizen
- Convene Oversight Committee
- Provide presentations at conferences, workshops & meetings
- Build legislative support

January – May 2005

- Work w/Legislature, OSPI, and Governor’s Office
- Publish LAP and Bilingual Education Reports
- Convene K-12 Education Summit
- Engage John Meyers (Meyers & Augenblick) to begin adequacy phase
- Provide outreach to garner grassroots support

FUNDING FOR THE PROJECT

\$70,000 TO DATE

- **WASA**
- **SIRS**
- **WSSDA**
- **OSPI**
- **AWSP** – considering request
- **WEA** – considering request

**Projected budget to complete the project:
\$100,000 - \$200,000**



FINDINGS

EXAMPLE: SPECIAL EDUCATION

SPECIAL EDUCATION

Since 1995 the State has been using a two-tier process to fund the special education program.

The special education formula consists of two funding streams:

1. A formula that provides differential funding rates for two categories of disability based on age of students, and
2. A Safety Net for districts demonstrating unmet funding needs.

SPECIAL EDUCATION

Requirements of the State Appropriations Act govern the operation of the safety net

To determine need for safety net funds:

- ✓ A district has to show that all legitimate expenditures for special ed **exceed** all available revenues.
- ✓ Excluded from legitimate expenditures are supplemental contracts and summer school costs if not required by an IEP.
- ✓ In calculating legitimate expenditures, **indirect costs are limited** to the restricted federal indirect rate plus one percent.
- ✓ The safety net committee is required to consider **additional available revenues** to a district from federal and local sources in the prior year.

SPECIAL EDUCATION

The indirect cost limitation reduces “legitimate expenditures” for safety net purposes.

- In 2002-03, the state average restricted federal indirect rate was 3.4 percent. So, the average indirect rate for safety net calculation purposes was 4.4 percent.
- The state average indirect rate for the special ed program is actually 16.6%. There is a 12.2% difference from what is allowed by the state for safety net purposes.
- This 12.2% difference reduced districts’ “legitimate expenditures” for safety net purposes by \$68.1 million.

SPECIAL EDUCATION

Implications of the local revenue maintenance requirement for safety net awards.

- A district applying for a safety net award must show a local revenue contribution in the same amount as the prior school year in the aggregate or on a per pupil basis.
- Failure to maximize safety net revenue in any year can mean that a district made up the difference with local funds. Any additional local revenues expended in one year become a local funds maintenance floor in ensuing years.

SPECIAL EDUCATION

The local revenue maintenance requirement is a barrier to safety net access.

- In 2002-03, the 92 safety net applicant districts were expected to provide **\$48.6 million in local revenues** and this amount was deducted from potential safety net awards.
- The local revenue amount ranged from \$0 to \$5,854 per student.
- Of 92 districts applying for \$16.6 million, 81 districts received awards totaling \$11.9 million.
- In 2002-03, the state's 296 school districts expended \$196.6 million in local revenues for special ed. Of that amount approximately \$20 million was for supplemental contracts.
- The net **\$176.6 million** was equivalent to almost 16% of levy revenues.

EXPECTED USES OF BASIC EDUCATION FUNDING RESEARCH

- As information is gathered it will be shared with legislators, other associations and school districts.
- It may be used to solve one program at a time, or may become part of a comprehensive solution.
- It may increase funding in different ways as part of a larger solution.

AMPLE SCHOOL FUNDING PROJECT WEB SITE

www.wasa-oly.org/asfp.htm

- **Project Design**
- **PowerPoint Presentations**
- **Final Report: State Funding of the Pupil Transportation Program**
- **Final Report: State Funding of the Special Education Program**

WHY WE ARE DOING THIS?

- ❖ The state is not currently meeting its constitutional obligation to fully fund basic education.
- ❖ In addition, the state has added new performance standards without the necessary resources to accomplish them.

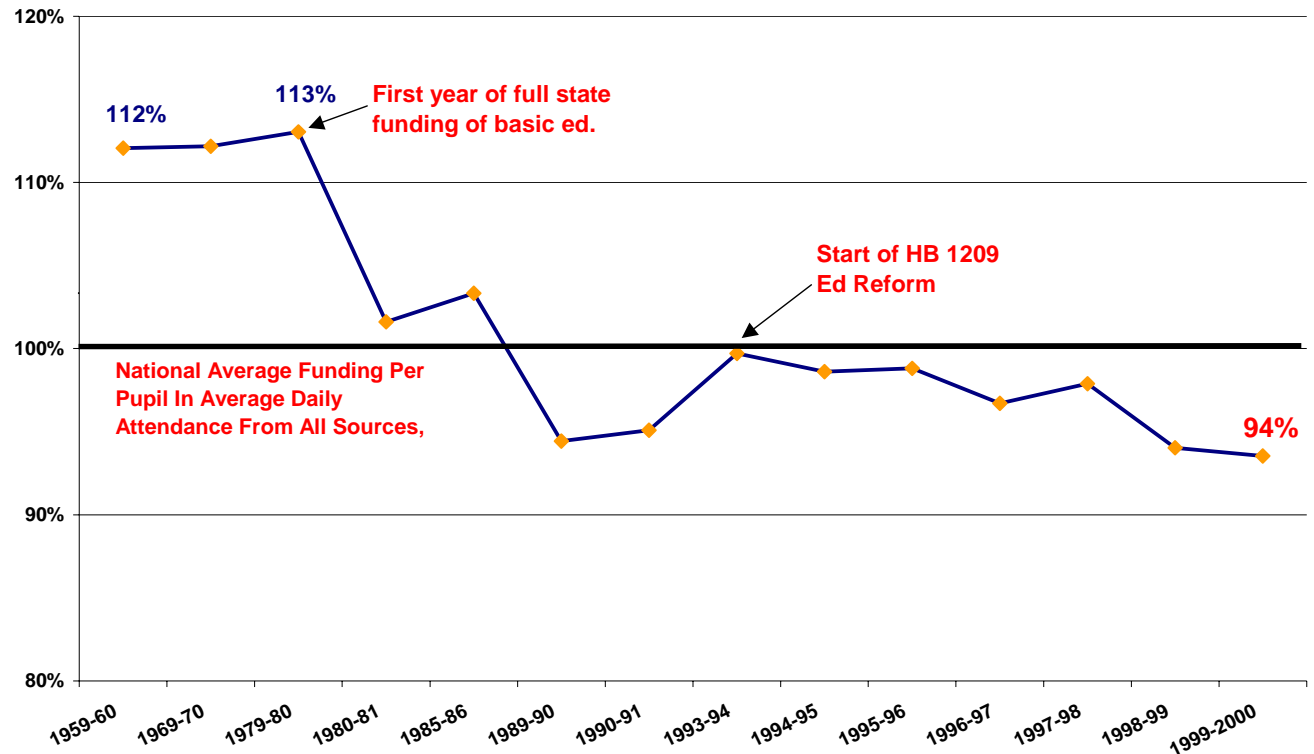
RECENT K-12 FINANCE STUDY RESULTS AND REQUEST FOR A STATE FINANCE STUDY DID NOT BEAR FRUIT

- Various recent studies made it evident that a number of problems exist with the current K-12 funding system.
- The Governor, the OSPI and many legislators called for a state K-12 finance study in 2003. The 2003 Legislature chose not to fund a study.
- In 2004 legislators were asked but did not support funding for a COMPREHENSIVE K-12 Finance Study. (OSPI's 2004 Supplemental Budget Request, & WASA, WSSDA, WEA.)

PER PUPIL EXPENDITURES

National standing on K-12 per pupil support

Washington's per pupil expenditures from all sources compared to national average, 1959-2000



Source: US Dept. of Education, Digest of Education Statistics, Table 168, 2002.

DORAN SCHOOL FUNDING CASES – FUNDING PRINCIPLES

Washington's current finance system is a legislative response to three court decisions in interpreting the "paramount duty" clause of the state constitution.

The court decisions in 1977, 1983 and 1988 described the state's duty under Article IX, section 1 of the Washington State Constitution. These cases established the following principles of school funding:

1. Education is the "paramount duty" of the state and takes precedence over all other state financial obligations.
2. The Legislature must define basic education and provide adequate funding for those programs.

FUNDING PRINCIPLES

(con't.)

3. Programs considered basic education are:
 - Regular Apportionment
 - Vocational Education
 - Special Education
 - Most of Pupil Transportation
 - Transitional Bilingual Education
 - Learning Assistance
4. The 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.

WASHINGTON STATE CONSTITUTION

- **Article IX, Section 1: “It is the *paramount* duty of the state to make *ample* provision for the education of all students...”**

(paramount: chief in importance; supreme; preeminent)*

(ample: more than enough; enough to fulfill the needs or purpose)*

* Webster’s New World Dictionary

WHY WE CAN'T WAIT

