



# **THE AMPLE SCHOOL FUNDING PROJECT**

## **Summary of Current Papers**

**WSSDA Annual Conference**  
**November 12, 2004, Spokane, WA**

# Why did WASA undertake the Ample School Funding Project?

The Legislature has not responded to repeated requests to conduct a comprehensive funding study. As a result, WASA has begun a two phase project to:

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

# CURRENT PROJECT STATUS

Papers Available at WASA Web Site  
([www.wasa-oly.org/asfp.htm](http://www.wasa-oly.org/asfp.htm))

- A **Pupil Transportation Study** documenting problems with the state's funding formula and resulting underfunding in a large number of school districts.
- A **Special Education Study** indicating that the state requires the use of special excess levies to fund this program (something specifically prohibited by various school funding decisions).
- A paper concerning state funding of the main basic ed. program, **General Apportionment**, is underway and a draft will be available soon.

# What are these papers about?

## **They document that the state's basic ed formulas:**

- Have not been reviewed for adequacy, even though contemporary needs have changed (e.g. Ed Reform)
- Are insufficient to carry out the state's new outcome-based expectations
- Are not uniform (funding % varies among districts)
- Provide less than full-funding necessitating levy dollars to fund basic education, and
- Do not meet the "ample provision" requirement of our constitution.

# 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: liberal, unrestrained, without parsimony and fully sufficient)

- **Article IX, Section 2: “ The Legislature shall provide for a *general* and *uniform* system of schools...”**

(general: applying to a whole kind, class; common, widespread)

(uniform: always the same; identical throughout a state; conforming to a given standard)

State funding of our public schools has been litigated a number of times starting in the 1970s.

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

- ❖ School Funding I (1978)
- ❖ School Funding II (1983)
- ❖ School Funding III (1988)

# FUNDING PRINCIPLES OF THE SCHOOL FUNDING CASES

Court decisions in School Funding I, II and III established various principles of school funding, including:

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.)

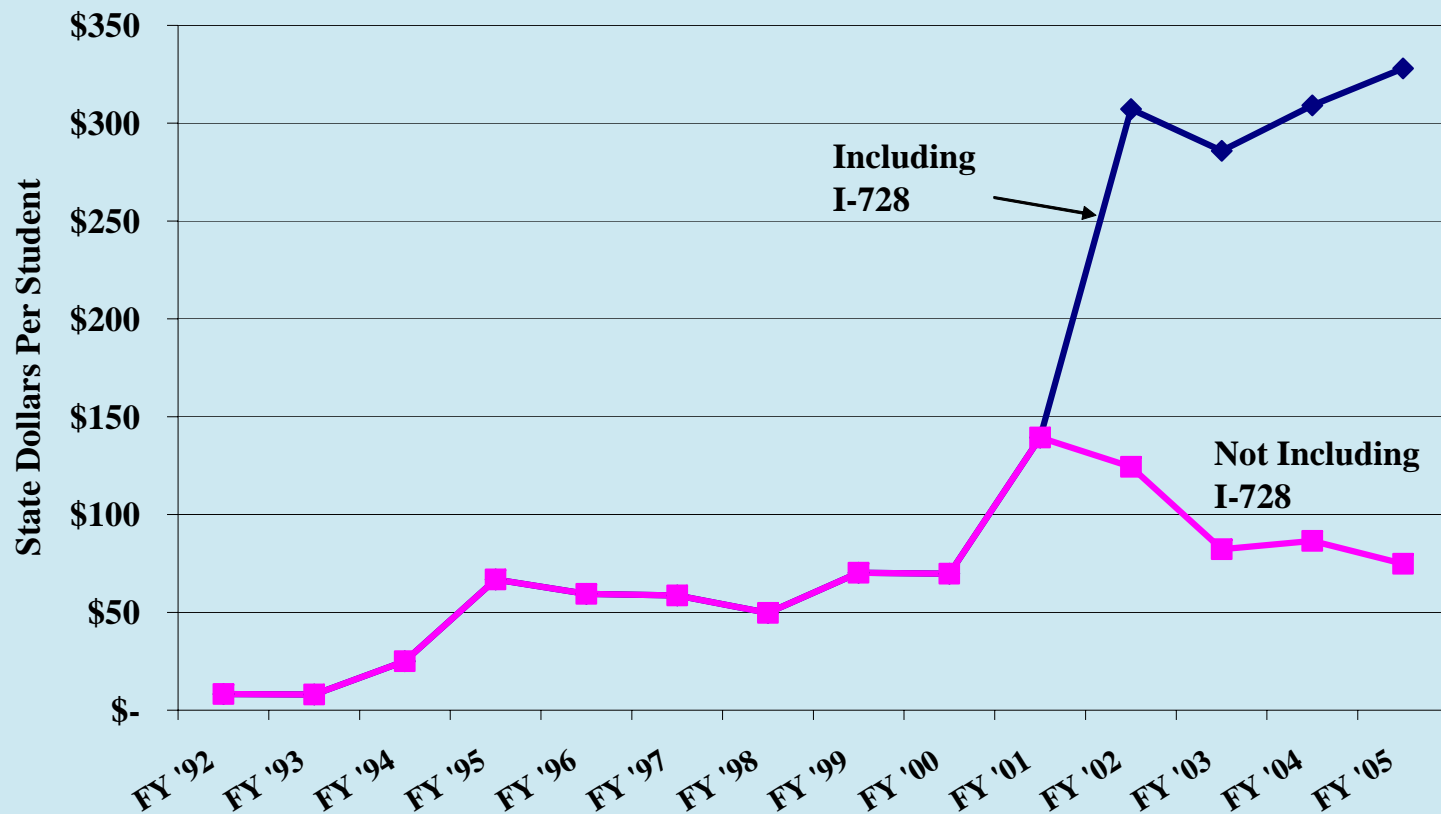
3. Programs considered basic education are:
  - Regular Apportionment including Vocational Education
  - Special Education
  - Most of Pupil Transportation
  - Transitional Bilingual Education
  - Learning Assistance
4. Local operations levies are allowed as long as they enrich programs outside of the legislative definition of basic education and are not used to reduce the state's obligation to fund basic education.
5. 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.

# State policy regarding student performance has evolved and changed

- In enacting ed reform in '92 and '93, the state began a process to increase standards and expectations of students, schools and school districts.
- Starting in 2008, passage of the 10<sup>th</sup> grade WASL is required for high school graduation.
- However, the Legislature did not make any changes in the basic education formula to reflect the increased expectations.

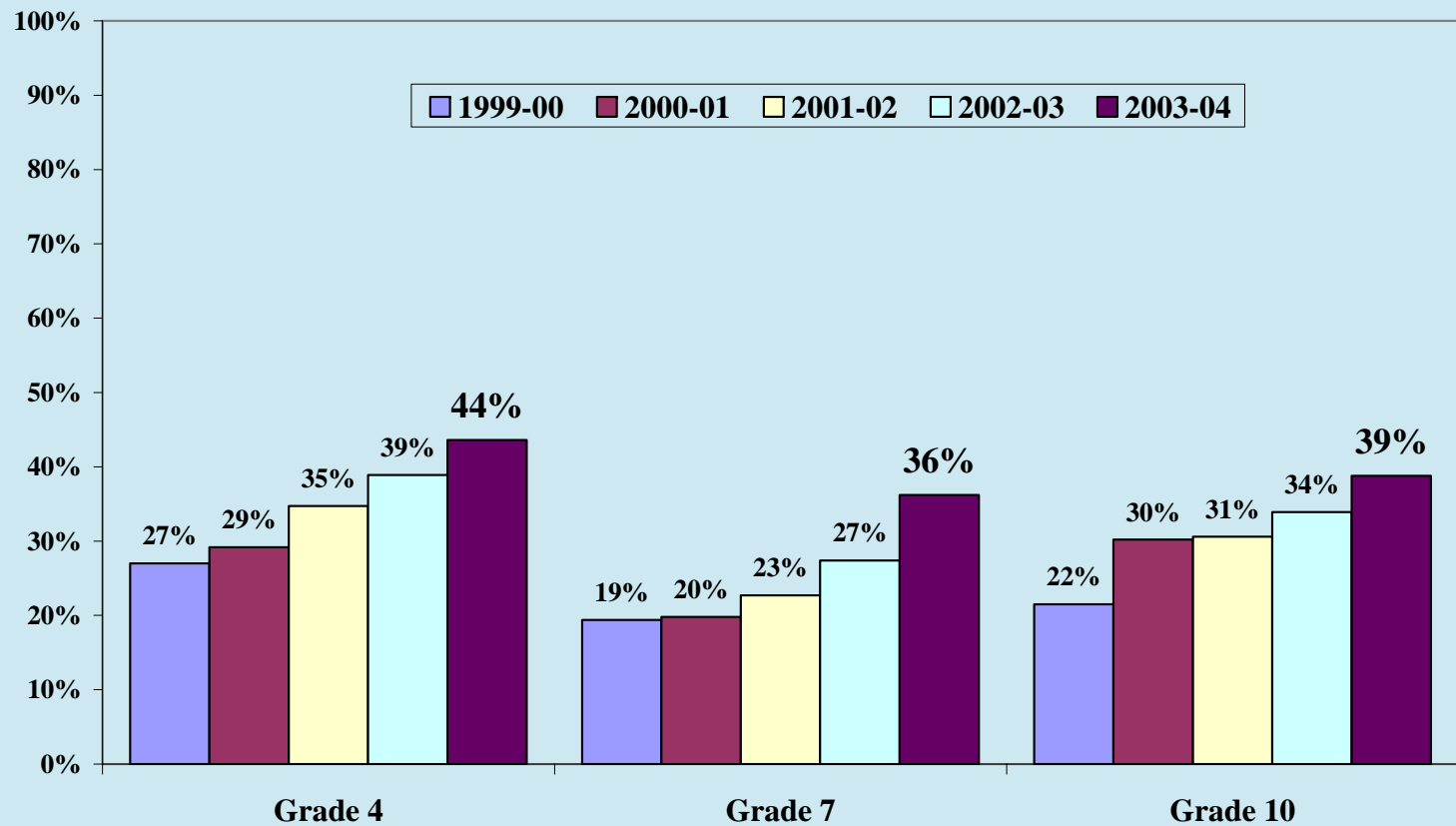
# State education reform programs have been funded outside of basic education

State Education Reform Dollars Per Student (1992-2005)  
With And Without Initiative 728



# Why is there anxiety?

Percent of Students Meeting Standards in Three Subjects  
(Reading, Mathematics Writing)

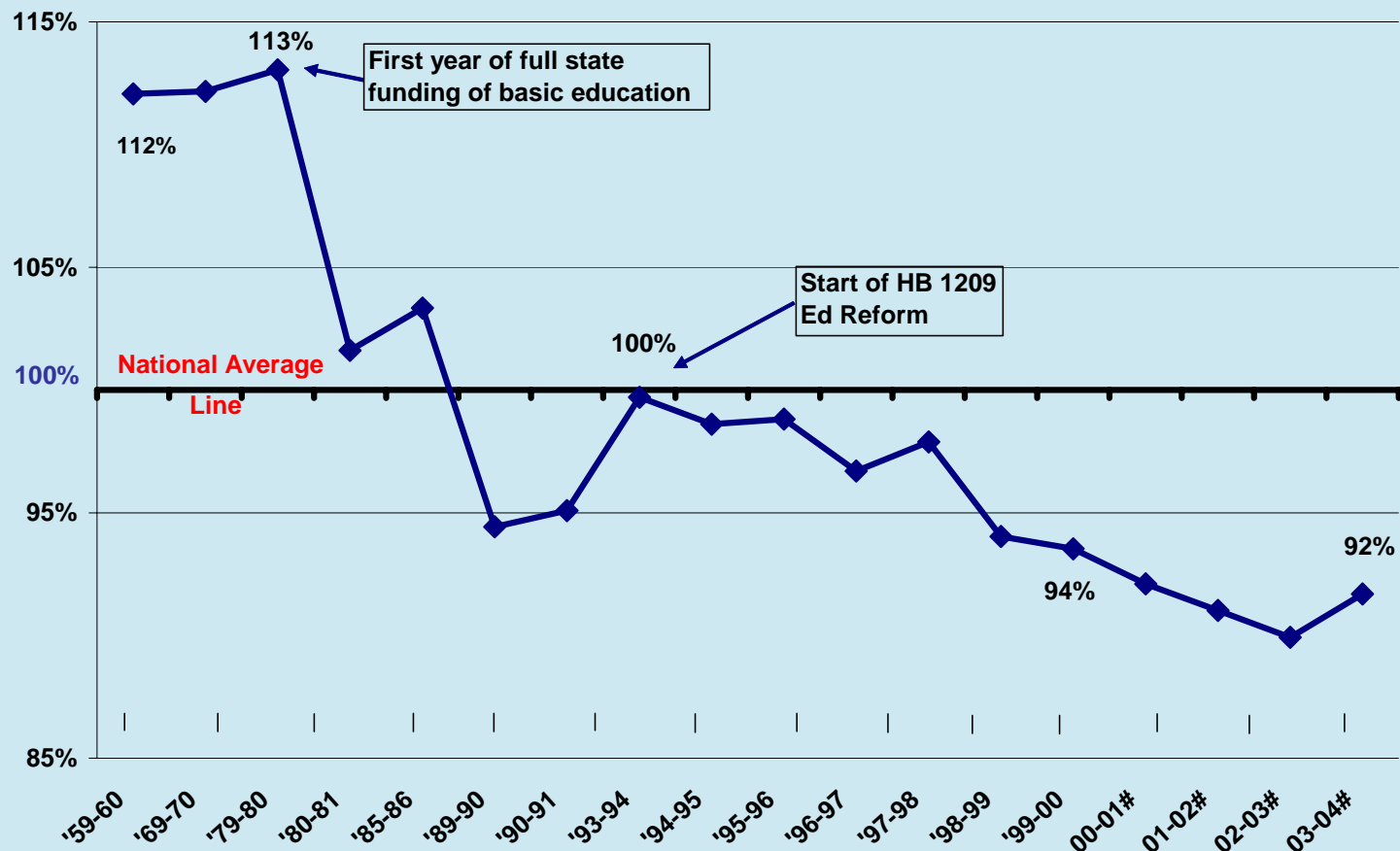


## The 2004 Legislature enacted HB 2195 (State Academic Standards)

- It requires school districts to prepare a **student learning plan** for each student not successful on any part of the WASL.
- This requirement is phased in, with student learning plans required this year for 9<sup>th</sup> graders and 5<sup>th</sup> and 8<sup>th</sup> graders in 2005-06.
- What is new is that districts are required to deal with students on an individual basis and there's a focus on individual student results.

# Expenditures per student as a percent of the national average have declined since the state took over “full” funding of basic education.

Washington Current Expenditures Per Pupil In Average Daily Attendance  
As A Percent of National Average (1959-2004)



Source: US Dept. of Education, Digest of Education Statistics, Table 168, 2002. # Rankings and Estimates, NEA, 2002,2003,2004..

Our state is below national average particularly in class size. This affects teachers' ability to deal with students as individuals.

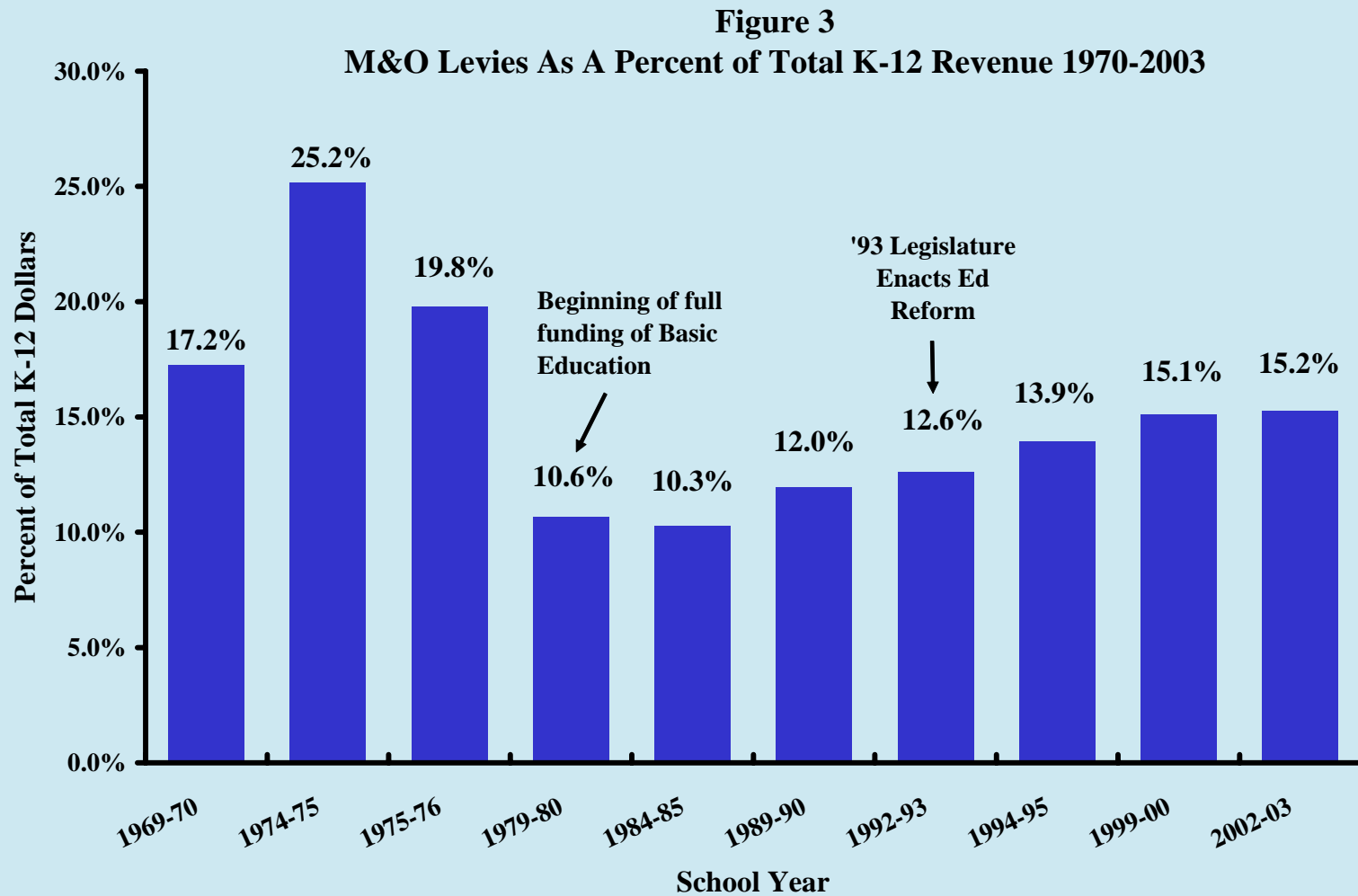
**Figure 4**  
**SELECTED K-12 NATIONAL COMPARATIVE DATA**  
**2002-2003 SCHOOL YEAR**

	Washington <u>State</u>	National <u>Average</u>	Wash. <u>Rank</u>	Percent of National <u>Average</u>
<b>Average Teacher Salaries</b>	\$ 44,958	\$ 45,891	18	98.0%
<b>Students Per Teacher</b>	17.8	14.7	46	121.1%
<b>Current Expend. Per Student</b>	\$ 7,579	\$ 8,428	34	89.9%

Source: Rankings and Estimates, May 2004 Update, National Education Association.

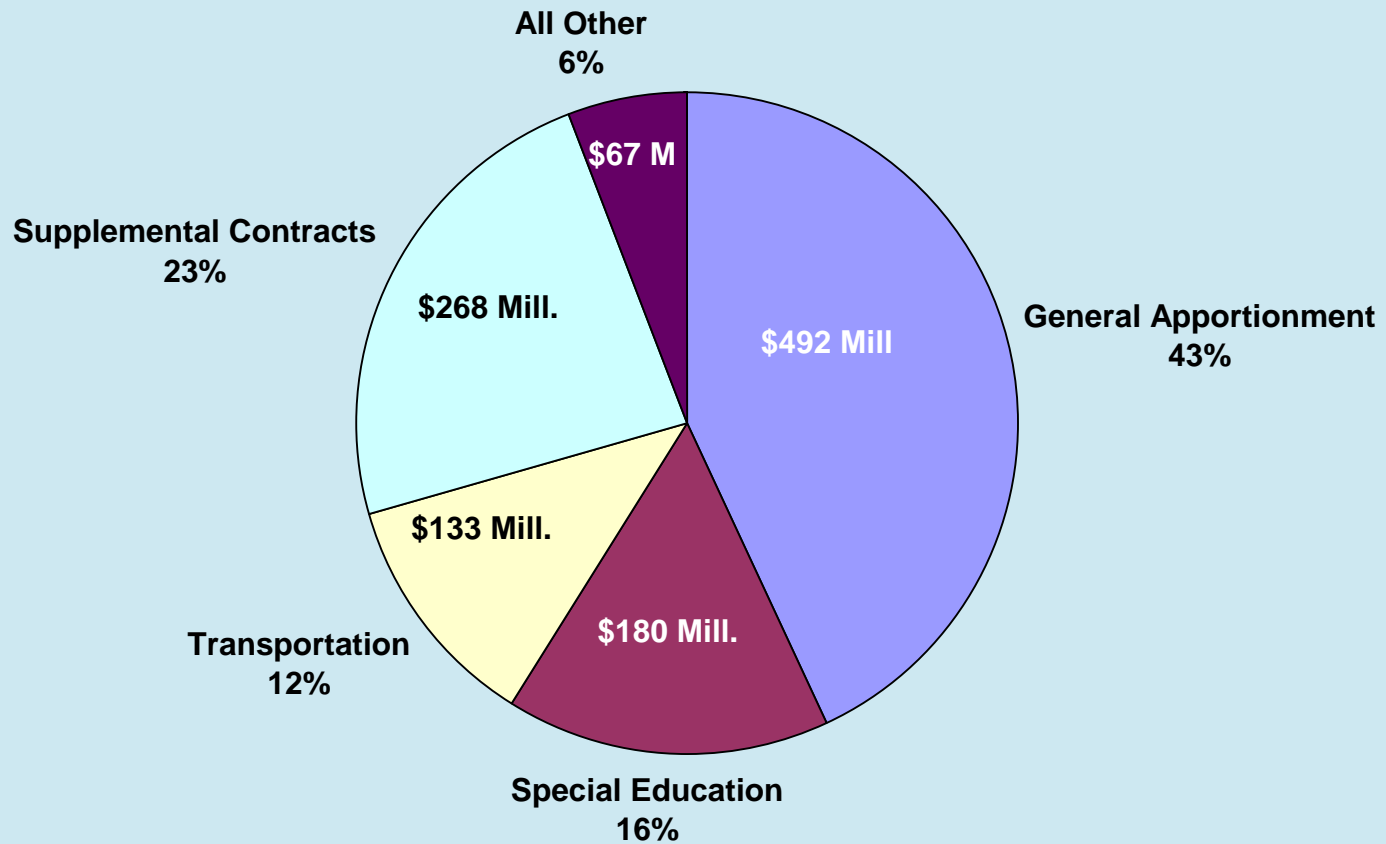
Note: "Students" refers to students in average daily attendance. This is similar to an FTE student.

Since 1979, the legislature has been giving the K-12 system more special levy capacity.



In 2002-03, \$805 million of levy dollars (71% of available levy \$) was spent in three basic education programs.

**Special Levy Expenditures in Selected Basic Education Programs 2002-03 School Year**



## Three of the main Basic Education funding formulas are old and out-of date

- Much of the current general apportionment formula was developed in 1972 and adopted in 1977.
- The pupil transportation formula is based on 1981 and 1982 data.
- The special education formula is of newer vintage, (1995), but requires use of special levy revenues.



# SUMMARY

## General Apportionment Program

There are other questions about the general apportionment formula besides adequacy of overall funding levels.

There are uniformity or equity questions concerning how the state allocates funds for classified and certificated staff.

# State classified staff allocations of the general apportionment formula are not uniform

## 2003-04 LEAP Document 12E State Classified Salary Allocations Per FTE Compared With Actual Base Salaries Of Selected Districts

	State Allocation Per Classified FTE	Percent Of State Avg. Allocation	Actual Base Salary Per Class. FTE	State Allocation As A % Of Actual Base Salary	
<b><u>Enrollment over 20,000</u></b>					
17 001 Seattle	\$32,173	115.5%	\$41,660	77.2%	
27 010 Tacoma	\$30,578	109.8%	\$37,552	81.4%	
32 081 Spokane	\$26,891	96.5%	\$35,703	75.3%	
17 414 Lake Washington	\$27,707	99.5%	\$32,295	85.8%	
<b><u>Enrollment 10,000 to 19,999</u></b>					
17 401 Highline	\$27,634	99.2%	\$33,321	82.9%	
27 403 Bethel	\$27,817	99.9%	\$33,586	82.8%	
03 017 Kennewick	\$27,413	98.4%	\$31,576	86.8%	
39 007 Yakima	\$27,939	100.3%	\$33,142	84.3%	
<b><u>Enrollment 5,000 to 9,999</u></b>					
17 412 Shoreline	\$29,245	105.0%	\$37,507	78.0%	
03 400 Richland	\$27,531	98.8%	\$30,912	89.1%	
32 354 Mead	\$27,404	98.4%	\$31,760	86.3%	
27 402 Franklin Pierce	\$27,070	97.2%	\$32,262	83.9%	
<b><u>Enrollment 1,000 to 4,999</u></b>					
27 083 University Place	\$26,928	96.7%	\$31,696	85.0%	
05 121 Port Angeles	\$27,285	98.0%	\$32,726	83.4%	
06 117 Camas	\$27,957	100.4%	\$32,993	84.7%	
17 400 Mercer Island	\$28,109	100.9%	\$38,401	73.2%	
Lowest	<b>Damman</b>	<b>\$21,266</b>	<b>76.4%</b>	<b>\$25,656</b>	<b>82.9%</b>
Highest	<b>Seattle</b>	<b>\$32,173</b>	<b>115.5%</b>	<b>\$41,660</b>	<b>77.2%</b>
State Average		<b>\$27,853</b>		<b>\$33,753</b>	<b>82.5%</b>

The difference between state formula classified salary allocations and district expenditures was \$123.1 Mill, equivalent to 10.8% of levy dollars.

**2002-03 General Apportionment Program Classified Staff  
State Formula Allocations Compared With K-12 System Actuals**

	<u>State Allocated</u>	<u>K-12 Actual</u>	<u>Difference</u>	<u>State Allocated As A % Of Actual</u>
<b>Classified Staff FTEs</b>	16,017	16,466	449	97.3%
<b>Average Salary Per FTE</b>	\$27,853	\$33,753	\$5,900	82.5%
<b>Total Classified Salary Expense **</b>	\$500,709,540	\$623,787,114	\$123,077,575	80.3%

\*\* Total Classified Salary \$ includes mandatory fringe benefits of 12.23%.

# State administrator apportionment formula staff allocations are not uniform

## 2003-04 Apportionment Formula Salary Allocation Per Certificated Administrator Versus Actual Average Cert. Administrator Base Salaries Of Selected Districts

<u>School District</u>	<b>Student FTE Enrollment</b>	<b>State LEAP 12E Salary Allocation Per Admin FTE</b>	<b>Percent Of State Average Admin Salary Allocation</b>	<b>Actual Average Admin Base Salary</b>	<b>State Allocation As A % Of Actual Avg. Base Salary</b>
<b><u>Enrollment over 20,000</u></b>					
Seattle	43,941	52,952	101.1%	88,153	60.1%
Tacoma	30,802	49,721	95.0%	93,205	53.3%
Spokane	29,635	50,250	96.0%	79,042	63.6%
<b><u>Enrollment 10,000 to 19,999</u></b>					
Highline	16,895	55,193	105.4%	86,645	63.7%
Bethel	15,844	52,873	101.0%	83,837	63.1%
Kennewick	13,553	48,474	92.6%	76,979	63.0%
<b><u>Enrollment 5,000 to 9,999</u></b>					
Shoreline	9,512	55,763	106.5%	89,259	62.5%
Richland	9,201	51,995	99.3%	90,037	57.7%
Mead	8,117	47,789	91.3%	81,959	58.3%
<b><u>Enrollment 1,000 to 4,999</u></b>					
University Place	4,996	48,400	92.4%	84,495	57.3%
Camas	4,121	57,580	110.0%	84,498	68.1%
Mercer Island	3,990	55,859	106.7%	90,889	61.5%
Wahluke	1,489	61,306	117.1%	80,617	76.0%
<b>Lowest (of all dist)</b>	<b>Evaline</b>	<b>\$30,583</b>	<b>58.4%</b>	<b>\$42,821</b>	<b>71.4%</b>
<b>Highest (of all dist)</b>	<b>Harrington</b>	<b>\$74,541</b>	<b>142.4%</b>	<b>\$86,230</b>	<b>86.4%</b>
<b>State Average</b>		<b>\$52,363</b>	<b>100.0%</b>	<b>\$83,394</b>	<b>62.8%</b>

The \$89.6 M difference between state formula administrator salary allocations and district expenditures is equivalent to 7.9% of levy \$\$

**2002-03 General Apportionment Program Certificated Staff  
State Formula Salary Allocations Versus K-12 System Actuals**

	<b>State Formula Allocated</b>	<b>K-12 Actual</b>	<b>Difference</b>	<b>Allocated As A % Of Actual</b>
<b>Certificated Administrator FTEs</b>	3,833	3,387	-445	113.1%
<b>Average Salary Per FTE</b>	\$52,363	\$83,394	\$31,031	62.8%
<b>Total Cert. Admin Expense **</b>	\$219,854,147	\$309,459,068	\$89,604,921	71.0%

\*\* Total Certif. Admin Expense includes mandatory fringe benefits rate 9.55%.



# SUMMARY

## **SPECIAL EDUCATION PAPER**

## School Funding I, II and III principles concerning the state's duty to fully fund special education.

- **Special excess levies** could not be required to fund any part of basic education.
- The state's special education funding mechanism must reflect actual costs as close as practicable to the cost of special needs in properly formulated IEPs.
- A state formula based on averages requires some means to provide supplementary funding such as a safety net process for districts that can show their program is underfunded.

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

1. Districts receive state **formula** allocations based on the number of disabled students in two age categories.
2. Districts are eligible for state **Safety Net** funds if they can demonstrate unmet funding needs.

In theory, the adequacy of the funding formula is not important if districts with unmet funding needs can access the safety net to meet those needs.

Does the theory work in practice?

Full funding of special education is not possible given the state's current restrictions on safety net access.

Two main restrictions are:

1. A local revenue maintenance of effort requirement.
2. Limiting awards to one category, "high cost" student.

# The local revenue maintenance requirement presents a large barrier to safety net access.

**Figure 3**  
**2002-03 Safety Net Applications and Awards Compared**  
**With Special Education Local Fund Expenditures**

	<u>Amount in Millions</u>	<u>Number Of School Districts</u>
Safety Net Applications	\$16.6	92
Safety Net Awards	\$11.9	83
Local Fund Expenditures*	\$180.2	258

\* From Appendix B.

# The local revenue maintenance requirement is not uniform

## Extract Of Selected School Districts From Appendix B Special Education Programs -- Revenue and Expenditure Differences Compared With Local Tax Revenues 2002-03 School Year

District	Special Ed. Program Revenues (1)	Special Ed. Program Expenditures (2)	Difference Revenue vs. Expenditures	Diff. As A % of Spec. Ed. Revenue	Difference As A Percent of Local Tax Revenues
<b>State Total</b>	<b>\$595,693,905</b>	<b>\$775,895,521</b>	<b>(\$180,201,617)</b>	<b>-30.3%</b>	<b>15.8%</b>
17001 SEATTLE	29,360,576	51,601,760	(22,241,184)	-75.8%	23.3%
27010 TACOMA	21,230,524	27,917,982	(6,687,458)	-31.5%	12.5%
32081 SPOKANE	19,024,148	25,532,368	(6,508,220)	-34.2%	17.5%
06037 VANCOUVER	14,359,989	16,330,730	(1,970,741)	-13.7%	7.6%
39007 YAKIMA	8,914,488	10,911,506	(1,997,018)	-22.4%	23.0%
29320 MT VERNON	3,861,390	5,691,510	(1,830,120)	-47.4%	30.0%
34033 TUMWATER	3,619,981	4,585,272	(965,291)	-26.7%	13.8%
05121 PORT ANGELES	3,258,347	4,364,221	(1,105,874)	-33.9%	22.2%
23309 SHELTON	2,759,745	3,299,480	(539,735)	-19.6%	15.0%
01147 OTHELLO	1,620,977	1,844,522	(223,545)	-13.8%	12.5%
08401 CASTLE ROCK	721,425	761,593	(40,169)	-5.6%	4.3%
36250 COLLEGE PLACE	547,420	733,804	(186,384)	-34.0%	15.3%
04127 ENTIAT	210,071	221,630	(11,558)	-5.5%	7.0%
09013 ORONDO	149,436	252,040	(102,604)	-68.7%	56.0%
10065 ORIENT	58,654	113,847	(55,193)	-94.1%	N/A

# The local revenue maintenance requirement varies on a per student basis

**Figure 4 (Truncated)**  
**2002-03 Local Revenue Per Student Maintenance Requirement**  
**For Districts Applying For Safety Net Funds**

<u>School District</u>	<u>Required Local Revenue Per Student</u>	<u>School District</u>	<u>Required Local Revenue Per Student</u>
SKYKOMISH	\$5,854	BELLINGHAM	\$788
ORONDO	\$3,161	MERIDIAN	\$779
DIXIE	\$3,138	TUMWATER	\$762
LAMONT	\$2,631	SOUTH WHIDBEY	\$748
DIERINGER	\$2,213	COLLEGE PLACE	\$731
BELLEVUE	\$2,079	ANACORTES	\$722
TAHOMA	\$1,798	RICHLAND	\$700
ISSAQUAH	\$1,785	QUILCENE	\$694
MT VERNON	\$1,597	CENTRAL KITSAP	\$677
SULTAN	\$1,494	CHIMACUM	\$657
GRAND COULEE DAM	\$1,466	DARRINGTON	\$642
EDMONDS	\$1,339	LONGVIEW	\$625
ORCAS	\$1,290	RITZVILLE	\$617
SEDRO WOOLLEY	\$1,272	QUILLAYUTE VALLEY	\$588
CAMAS	\$1,268	NOOKSACK VALLEY	\$586
WASHOUGAL	\$1,262	YAKIMA	\$563
NORTHSHORE	\$1,220	OMAK	\$559
CLOVER PARK	\$1,159	ESD 112	\$554
PENINSULA	\$1,116	FERNDAL	\$553
SPOKANE	\$1,051	ABERDEEN	\$525
PORT ANGELES	\$1,049	RAYMOND	\$502
STEILACOOM HIST.	\$972	PORT TOWNSEND	\$495
TACOMA	\$925	WALLA WALLA	\$478

## Conclusion -- Special Ed Funding

- Special Education is not fully funded by the state as required because access to safety net funds is restricted in various ways.
- In 2002-03 school districts expended \$180 million in local funds for this program, equivalent to 16% of available levy dollars.



# SUMMARY

## **Pupil Transportation Program Paper**

# The State must fund pupil transportation at 100% of eligible costs.

## The full funding requirement comes from:

- A 1977 Basic Ed Act requirement to fund pupil transportation at 100% by 1980-81.
- A 1983 court decision (School Funding II) holding that:
  - Pupil transportation is part of the state's basic education program for some students, and that
  - The Legislature must define and fully fund a pupil transportation program as defined by July 1, 1984.
- The resulting 1983 legislation, committing the state to 100% funding of transportation of eligible students to and from school as defined.

In 2002-03 the state funded about 59% of total operating transportation costs. The funding rate is not uniform.

**2002-03 State Transportation Operating Allocations Compared With District Operating Expenditures --Selected Districts**

<b>District</b>	<b>State Operating Allocation</b>	<b>Total Operating Expenditures</b>	<b>State Allocation As A Percent Of Expenditures</b>
<b>State Total or Avg.</b>	<b>\$ 188,621,212</b>	<b>\$ 321,080,787</b>	<b>58.7%</b>
Seattle	\$ 13,240,628	\$ 28,061,513	47.2%
Tacoma	\$ 4,809,409	\$ 10,668,998	45.1%
Spokane	\$ 4,917,207	\$ 7,369,000	66.7%
Port Angeles	\$ 738,107	\$ 1,360,526	54.3%
Vancouver	\$ 3,504,387	\$ 5,452,914	64.3%
Yakima	\$ 1,655,458	\$ 2,102,067	78.8%
Othello	\$ 628,734	\$ 717,910	87.6%
Shelton	\$ 841,088	\$ 1,420,127	59.2%
Tumwater	\$ 1,119,350	\$ 1,916,405	58.4%
Mount Vernon	\$ 718,930	\$ 1,578,039	45.6%
Entiat	\$ 106,849	\$ 156,851	68.1%
Castle Rock	\$ 273,841	\$ 494,748	55.3%
College Place	\$ 224,736	\$ 241,404	93.1%
Orient	\$ 189,496	\$ 162,397	116.7%

**Note: Operating expenditures is the sum of direct and indirect expenditures less revenues from other districts and school bus revenue.**

# The State's transportation formula has one-size fits all characteristics.

## **The formula is based on:**

- A single standard rate per mile for all districts,
- Mileage measured on a straight-line basis.
- An allocation formula for K-5 students living within one-mile from school that functions as a proxy for hazardous walking conditions.

## **The state's formula approach does not take account of:**

- Salary and other differential cost factors among districts.
- Physical barriers to straight-line travel.
- Demographic and topographic factors such as: traffic congestion, gravel roads, climate and hazardous walking conditions within one-mile.

# Conclusion – Transportation Program

- The state is required to fully fund transportation as defined. However, the current funding formula funds districts unevenly and averages 59%.
- Funding level differences among districts reflect one-size fits all elements of a funding formula that is more than 20 years old.
- In 2002-03 school districts expended \$133 million in local funds for pupil transportation, equivalent to 12 percent of available levy dollars.