



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

*Organization and  
Financing of  
Washington's Public  
Schools*

**2020**



# Organization and Financing

## Of Washington's Public Schools

November 2020

**T.J. Kelly**  
**Chief Financial Officer**

**Prepared by:**

- **Michelle Matakas**, Director of School Apportionment and Financial Resources  
[michelle.matakas@k12.wa.us](mailto:michelle.matakas@k12.wa.us) | 360-725-6019



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

**This page left blank intentionally.**

# ABOUT THIS DOCUMENT

The Office of Superintendent of Public Instruction (OSPI) is pleased to present the fourteenth edition of Organization and Financing of Washington Public Schools. This edition updates most school fiscal data through the 2018–19 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](http://www.k12.wa.us/policy-funding/school-apportionment) (<http://www.k12.wa.us/policy-funding/school-apportionment>).

This publication is available electronically on the OSPI website under Policy & Funding, School Apportionment then “School Publications” <http://www.k12.wa.us>. A link is also provided from the “School Publications” menu at <http://www.k12.wa.us/policy-funding/school-apportionment>. 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 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  
Ralph Fortunato, Supervisor, School District/ESD Financial Reporting  
Eileen Frimberger, Project Manager  
Becky McLean, Supervisor, Enrollment and Institutions Funding  
Melissa Jarmon, Supervisor, Apportionment Payments  
Mike Sando, Supervisor, Charter School Engagement  
Paul Stone, Supervisor, School District/ESD Accounting

**This page left blank intentionally.**

# TABLE OF CONTENTS

<b>Executive Summary.....</b>	<b>13</b>
SECTION I. FOUNDATIONS OF SCHOOL FINANCE IN WASHINGTON STATE.....	22
<b>Chapter 1. Legal Foundations of School Finance.....</b>	<b>25</b>
A. State Constitution.....	25
B. State Laws.....	25
C. The Doran Decisions and Basic Education Funding .....	26
D. McCleary Et Al., v. State of Washington.....	28
E. Education Reform.....	28
F. ESHB 2261 and SHB 2276.....	30
G. Engrossed House Bill 2242.....	31
H. Engrossed Second Substitute House Bill 6362.....	34
I. Substitute Senate Bill 5313 .....	34
J. Key Federal Law.....	35
K. Washington Administrative Code.....	37
L. Court Decisions Affecting Educational Funding .....	38
<b>Chapter 2. Educational Organizations.....</b>	<b>43</b>
A. State Board of Education.....	43
B. Superintendent of Public Instruction .....	43
C. Washington State Professional Educator Standards Board.....	45
D. Washington State School Directors' Association.....	46
E. Washington State Charter School Commission .....	46
F. Educational Service Districts.....	46
G. School Districts .....	50
H. Charter Schools .....	53
I. Tribal Compact Schools.....	53
J. Private Schools.....	54
K. Nonpublic Agencies.....	54
<b>Chapter 3. Financial Management Fundamentals .....</b>	<b>58</b>
A. The Budget Process .....	58
B. General Accounting Practices .....	60

C. Financial Reports.....	60
D. School District Cash Flow.....	62
E. School District Audits.....	65
SECTION II. FUNDING FOR MAINTENANCE AND OPERATIONS OF SCHOOLS.....	66
<b>Chapter 4. Sources of State Support for Maintenance and Operations.....</b>	<b>69</b>
A. Retail Sales Tax.....	69
B. Business and Occupation Tax.....	69
C. Property Tax.....	69
D. Other.....	73
<b>Chapter 5. State Funding for Basic Education.....</b>	<b>74</b>
A. Basic Education.....	75
B. Special Education.....	94
C. Student Transportation.....	96
D. Local Effort Assistance.....	98
E. Learning Assistance Program (LAP).....	99
F. Bilingual Education.....	100
G. Education Reform Programs.....	101
H. Institutional Education.....	102
I. State Office (OSPI) – Statewide Programs.....	103
J. State Administration.....	105
K. Highly Capable Students.....	105
L. Educational Service Districts.....	106
M. School Food Services.....	106
<b>Chapter 6. Local Funding for Enrichment.....</b>	<b>107</b>
A. Enrichment Levies.....	107
B. Timber Excise Tax.....	109
C. Revenues From Other Districts.....	110
D. Other Local Receipts.....	111
<b>Chapter 7. Federal Funding for Maintenance and Operations.....</b>	<b>115</b>
A. School Food Services & USDA Commodities.....	116
B. Elementary and Secondary Education Act – Selected Programs.....	124
C. IDEA–Special Education, Supplemental.....	128
D. Special Purpose–Direct.....	129



E. Medicaid Administrative Match .....	129
F. Special Purpose–OSPI .....	129
G. Federal Forests.....	129
H. Head Start.....	129
I. Strengthening career and technical education for the 21st century act (Perkins V).....	129
J. Other Federal Revenues.....	130
<b>SECTION III. FUNDING OTHER SCHOOL DISTRICT FUNCTIONS.....</b>	<b>131</b>
<b>Chapter 8. School Construction and Other Capital Projects.....</b>	<b>133</b>
A. Capital Projects.....	133
B. Debt Service Fund .....	137
<b>Chapter 9. Purchase of School Buses .....</b>	<b>139</b>
A. Transportation Vehicle Fund .....	139
B. Sources of Revenue to the Transportation Vehicle Fund.....	139
C. Student Transportation .....	139
<b>Chapter 10. Associated Student Body, Permanent, and Trust and Agency Funds.....</b>	<b>143</b>
A. Associated Student Body Funds.....	143
B. Permanent Funds.....	143
C. Trust and Agency Funds.....	143
<b>SECTION IV. SCHOOL STATISTICS AND HISTORY .....</b>	<b>145</b>
<b>Chapter 11. History of School Personnel and Compensation .....</b>	<b>147</b>
A. Compensation Legislation.....	147
B. Personnel Staffing History.....	153
<b>Chapter 12. School Enrollment.....</b>	<b>161</b>
A. Enrollment History.....	161
B. Choice Enrollment .....	165
<b>Chapter 13. School District General Fund Revenues and Expenditures .....</b>	<b>167</b>
<b>Chapter 14. History of Education in Washington .....</b>	<b>175</b>
A. First Schools.....	175
B. Establishment of Common School System.....	175
C. Early Administration of Common Schools .....	175
D. Growth and Development of Common Schools During Territorial Period.....	176
E. Financial Support of Common Schools 1854 to 1956 .....	177

# Table of Figures

Figure 1: How Washington Public Schools Spend Their Money.....	15
Figure 2: General Fund Expenditures Breakdown.....	16
Figure 3: General Fund Expenditures by Program.....	16
Figure 4: Main Sources of Revenue for Washington Public Schools.....	17
Figure 5: General Fund Revenues by Source.....	17
Figure 6: Sources of State General Fund Revenue for 2017–19 Biennium.....	20
Figure 7: State General Fund Expenditures—By Functional Area.....	21
Figure 8: Major ESEA Programs of the Elementary and Secondary Education Act 2018–19.....	36
Figure 9: Educational Service Districts—Boundaries.....	48
Figure 10: Educational Service Districts—State Summary General Expense Fund FY 2018–19.....	49
Figure 11: Educational Service Districts—State Summary General Expense Fund FY 2018–19.....	50
Figure 12: Washington Public Schools—By County and Grade Level.....	55
Figure 13: Washington Private Schools—By County and Grade Level.....	56
Figure 14: Budget Process Time Schedule.....	58
Figure 15: School District Cash Flow into General Fund.....	62
Figure 16: Monthly Payments to School Districts Schedule Prior to 2019–20.....	64
Figure 17: Monthly Payments to School Districts Schedule Effective 2019–20.....	64
Figure 18: State General Fund Revenues by Source.....	70
Figure 19: 2017–19 State General Fund Revenues by Source.....	70
Figure 20: State General Fund Expenditures by Functional Area.....	71
Figure 21: 2017–19 Biennium General Fund-State Expenditures by Functional Area.....	71
Figure 22: State Appropriations for 2018–19 Fiscal Year.....	74
Figure 23: Prototypical School Sizes by Grade Level and Student FTE.....	76
Figure 24: Assumed Funded Class Size by Grade Level and/or Subject.....	77
Figure 25: Prototypical Model—Funded Staffing Positions.....	77
Figure 26: Prototypical Model—Districtwide Support by Staffing Position.....	78
Figure 27: Prototypical Model—Districtwide by Central Administration.....	79
Figure 28: Small School Districts with < 25 FTE Minimum Number of Certificated Staff.....	79
Figure 29: Small School Districts with >= 25 FTE Minimum Number of Certificated Staff.....	79
Figure 30: Non-high District Enrollment Conditions and Additional Units.....	79
Figure 31: Formulas for Calculating Certificated Instructional and Certificated Administrative Staff... 80	80
Figure 32: Small Schools Statistics.....	80
Figure 33: Districts with Remote and Necessary Schools.....	81
Figure 34: CTE Class Sizes.....	81
Figure 35: Regionalization Factors, Experience Mix for CIS; and District Salaries (LEAP).....	84
Figure 36: MSOC Rates.....	93
Figure 37: Activities Receiving More than \$1 Million.....	104
Figure 38: School Food Services Funds Spent by Category.....	106
Figure 39: History of Certified Excess General Fund Levies—1992–2019.....	111
Figure 40: Statewide—Illustrating Levy Authority and Local Effort Assistance.....	112

Figure 41: 2019 Levy Authority and Local Effort Assistance (LEA).....	113
Figure 42: 2020 Levy Authority and Local Effort Assistance (LEA).....	113
Figure 43: Maintenance and Operations—Sources of Federal Revenues.....	115
Figure 44: Free and Reduced-Price Meal Eligibility.....	116
Figure 45: Meals Served in the NSLP and SBP* .....	117
Figure 46: Students Served Lunch in the NSLP.....	117
Figure 47: Federal Reimbursement Dollars by Meal Served.....	117
Figure 48: Federal Support for School Lunch.....	118
Figure 49: Federal Support for School Breakfast.....	118
Figure 50: State Support for Public School Meal Programs by Category.....	118
Figure 51: Public Schools Food Services Revenue Breakdown.....	119
Figure 52: CEP Growth in Schools.....	120
Figure 53: CEP Growth in Districts.....	120
Figure 54: Value of USDA Food Distributed in Washington.....	121
Figure 55: Milk Reimbursement Amounts.....	122
Figure 56: Trends in the Fresh Fruit and Vegetable Program .....	122
Figure 57: Trends in SFSP Participation .....	123
Figure 58: SFSP Site Expansion .....	123
Figure 59: Trends in SSO Participation.....	124
Figure 60: State Summary—Capital Projects Fund.....	136
Figure 61: State Summary—Debt Service Fund.....	138
Figure 62: State Summary—Transportation Vehicle Fund.....	142
Figure 63: State Summary—Associated Student Body Fund.....	144
Figure 64: K–12 Salary Allocation Schedule for Certificated Instructional Staff— School Year 2017–18.....	153
Figure 65: Prototypical Assumption of Class Size.....	155
Figure 66: K–3 Maximum and Minimum Class Sizes .....	155
Figure 67: Historical Comparison of Statewide School District Personnel Salaries, Annualized Average Salaries, and Per Capita Income.....	157
Figure 68: Historical Comparison of Statewide School District Personnel Full-Time Equivalents and Annualized Average Salaries .....	158
Figure 69: Historical Comparison of Statewide School District Personnel for All Programs and Basic Education Programs .....	159
Figure 70: Historical Comparison of Statewide School District Staff Ratios K–12, K–3, and K–4 Staff per 1,000 Enrolled Students .....	160
Figure 71: Historical Comparison of Statewide School District Enrollments—Average Annual Headcount.....	162
Figure 72: Average Annual Full-time Equivalent (FTE) Students for 2009–10 through 2018–19.....	163
Figure 73: AAFTE Enrollment Trend .....	164
Figure 74: Special Education Enrollment by Age Category for 2009–10 through 2018–19.....	164
Figure 75: Private School Enrollments from 2009–10 through 2018–19.....	165
Figure 76: Expenditures by Fund—2018–19 School Year .....	167
Figure 77: General Fund Expenditures by Program, School Year 2018–19.....	168

Figure 78: Expenditures by Activity, School Year 2018–19.....	169
Figure 79: General Fund Expenditures by Object—School Year 2018–19.....	170
Figure 80: State Summary—General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.....	171
Figure 81: General Fund Revenue Sources by Percent .....	172
Figure 82: Historical Comparison of Statewide School District General Fund—Revenues and Expenditures Per Pupil.....	173

# 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 approximately 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. The Washington public school system consists of school districts, charter schools, and tribal compact schools. Unless more specificity is provided, the use of the term "districts" throughout this document is inclusive of school districts, tribal compact schools, and charter schools.

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, the Every Student Succeeds Act (ESSA) replaced No Child Left Behind (NCLB) on December 10, 2015. It is the reauthorization of the Elementary and Secondary Education Act (ESEA). ESSA became fully operational in school year 2017–18 with a transition period during school year 2016–17. The purpose of ESSA includes provisions that will help to ensure success for students and schools, see Section 1, Chapter 1 H-Key Federal Law for more details.

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. The governance structure of charter schools and tribal compacts schools differ slightly from the description in this paragraph. Specific variances are described later in this executive summary.

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 eligible school districts.

The financial management of schools rests with locally elected school boards in the state's 295 school districts. The financial management of charter schools rests with boards that are appointed by the charter school operators. Tribal compact schools' financial activities are managed by the tribes which operate those schools. The state, through OSPI, supervises the budgeting, accounting, and financial reporting of the public school system to provide consistent financial management and accountability. The State Auditor conducts regular examinations of public school's finances to ensure sound accounting practices and compliance with state and federal fiscal policy.

School districts, tribal schools, and charter schools 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 public schools regarding 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. Beginning with the 2019–20 school year, the expenditure data from the General Fund of school districts will include location codes and more detailed object codes which will align with the National Center for Education Statistics (NECS) data reporting requirements.

### **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.

Public schools 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 2018–19, OSPI administered:

- 10 formula-driven state programs funded through the apportionment process
- 34 state grant programs
- 13 federal grant programs
- 14 interagency grant programs
- 2 private grant programs
- Numerous programs funded under contracts between OSPI and school districts

The governing structure of charter school in Washington State includes an appointed school board and the Washington State Charter School Commission.

Tribal Compact Schools are considered separate governmental agencies which operate under a government to government agreement with OSPI. These schools are governed by the tribes and must operate in adherence to the previously mentioned agreements.

School districts and charter schools 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. Beginning with the 2018–19 school year educational entities required to submit a budget must also prepare a four-year budget projection including revenue, expenditures, and enrollment.

School districts, charter schools, and tribal compact schools 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’, tribal schools’, and charter schools’ 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?

Public schools record expenditures in five funds. About 75% of all expenditures are for the day-to-day maintenance and operations of the school district and are recorded in the General Fund. Total 2018–19 school year expenditures by fund are summarized below in millions.

**Figure 1: How Washington Public Schools Spend Their Money**

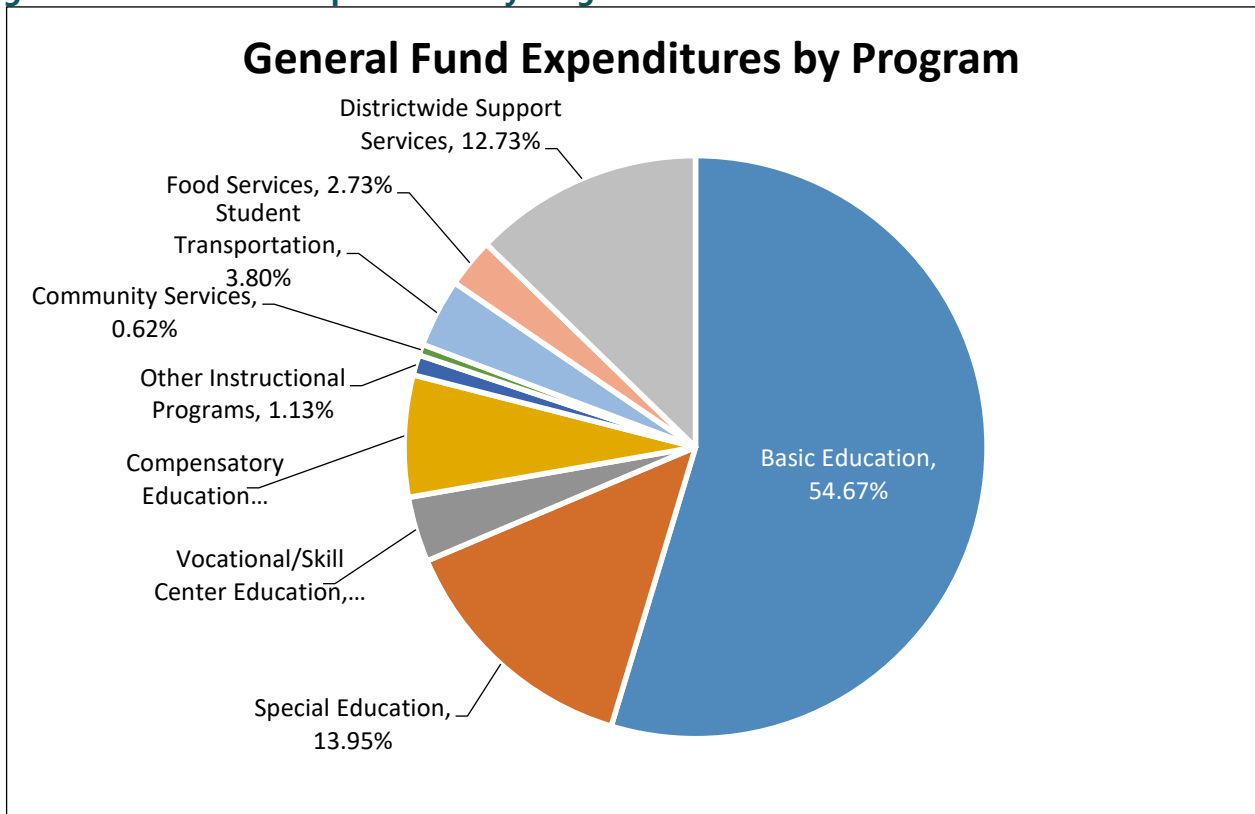
Fund	Amount	Percentage	Purpose
General Fund	\$15,910.9	75.35%	Maintenance and operations
Capital Projects Fund	\$3,559.5	16.86%	Facilities construction/remodeling
Debt Service Fund	\$1,429.5	6.77%	Repayment of bond debt
Transportation Vehicle Fund	\$74.4	0.35%	Purchase of school buses
Associated Student Body Fund	\$124.6	0.59%	Student body activities
Permanent Fund (amounts insignificant)	\$0.006	0.00%	Various dedicated purposes
Other Trust Agency Fund	\$16.7	0.08%	
<b>Total</b>	<b>\$21,115.6</b>	<b>100.00%</b>	

The largest program in the General Fund is basic education. Major programs in the General Fund for the 2018–19 school year are summarized below. *(Dollars are in millions.)*

**Figure 2: General Fund Expenditures Breakdown**

Program	Amount	Percent
Basic Education	\$8,698.6	54.67%
Special Education	\$2,220.0	13.95%
Vocational/Skills Center Education	\$575.6	3.62%
Compensatory Education Instruction	\$1,073.8	6.75%
Other Instructional Programs	\$179.6	1.13%
Community Services	\$98.0	0.62%
Student Transportation	\$604.3	3.80%
Food Services	\$434.9	2.73%
District Support Services	\$2,026.1	12.73%
<b>Total</b>	<b>\$15,910.9</b>	<b>100.00%</b>

**Figure 3: General Fund Expenditures by Program**



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](http://www.k12.wa.us/policy-funding/school-apportionment) (<http://www.k12.wa.us/policy-funding/school-apportionment>)



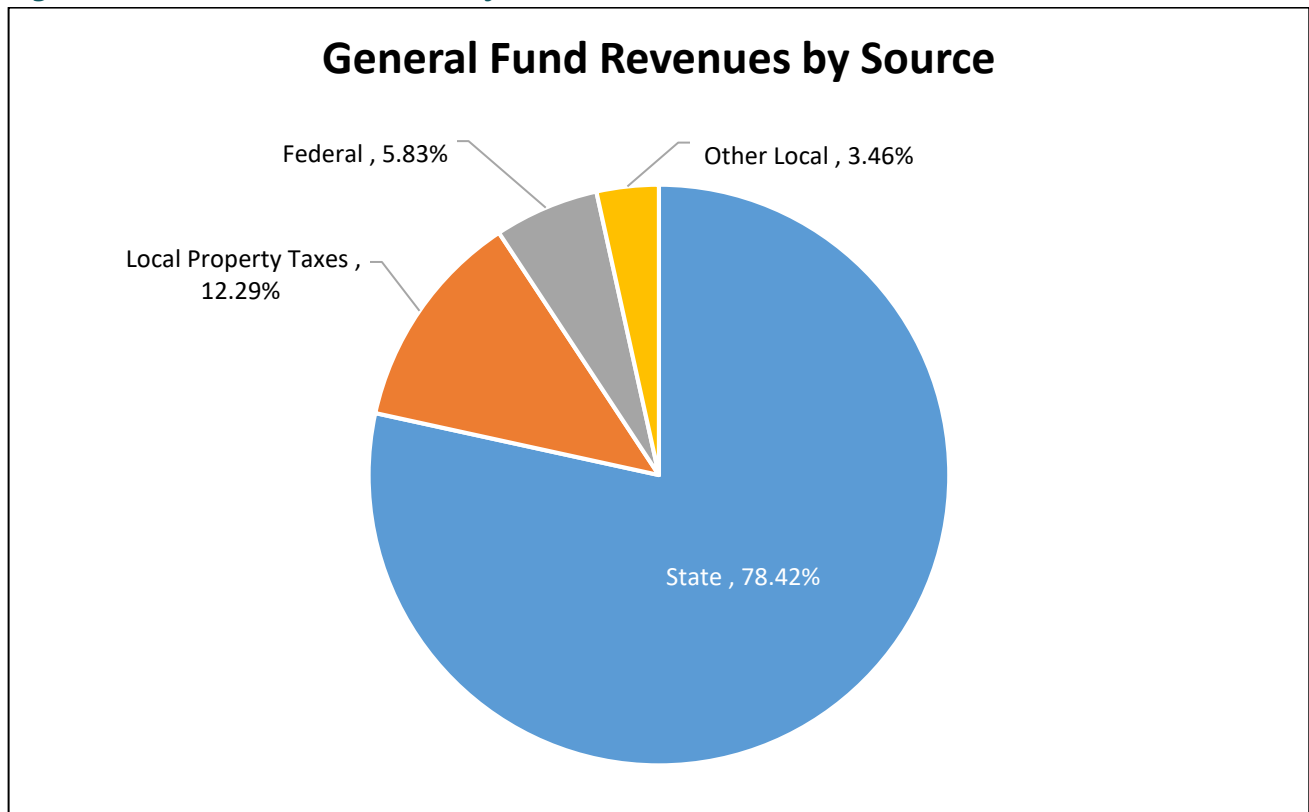
### 3) What are the Main Sources of Revenue for Washington Public Schools?

Over 78% of school district General Fund revenue comes from the state. Sources of revenue for the 2018–19 school year are shown below. (*Dollars are in millions.*)

**Figure 4: Main Sources of Revenue for Washington Public Schools**

Revenue Source	2018–19	Percent
State	\$12,858.4	78.42%
Local Property Taxes	\$2,014.5	12.29%
Federal	\$955.9	5.83%
Other Local	\$567.1	3.46%
<b>Total</b>	<b>\$16,395.9</b>	<b>100.00%</b>

**Figure 5: General Fund Revenues by Source**



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
- Regionalization factors applied to salary allocations based on property values of a school district.
- 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 2018–19 was \$8,793.72.

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.

For the 2018–19 school year districts received an allocation for K–3 teachers based on a class size of 17.00. In school year 2019–20, the Legislature reinstated K–3 class size compliance. This policy means the number of teachers allocated in the funding formula in grades K–3 is dependent upon whether districts hire 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.

Districts are required to employ at least 46 certificated instructional employees per 1,000 students. State funding formula use an average salary for distributing dollars to school districts, adjusted for regional differences and, in some cases, increased to reflect higher costs for districts with more experienced educators. School districts negotiate employee salaries and benefits in local negotiations with its employees. However, state law sets a minimum and maximum salary for basic education certificated instructional staff. These requirements are adjusted for inflation and regional differences and do not include supplemental contracts.

State funding formulas for the other programs are more simple. The state special education allocation per student is based on 99.5% of the district’s basic education allocation per student aged K–21. This funding is provided for up to 13.5% of a district’s basic education population. The special education allocation for infants and toddlers age 0–2 and students age 3–pre-kindergarten is 1.15% of the district’s basic education allocation per student. It should be noted that the allocation formula for the special education program changes starting with school year 2020–21. 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. Charter Schools and Tribal Compact schools are distributed apportionment and grant reimbursements directly through the Office of the Superintendent of Public Instruction.

### **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. Charter schools and tribal compact schools are not granted such authority. 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 enrichment levies. Beginning with calendar 2020 levies, state law limits the majority of school district enrichment levies to a limit of the lesser of \$2,500 per pupil, as increased by inflation, or \$2.50 per \$1,000 assessed property valuation. Districts with greater than 40,000 annual full-time equivalent (FTE) students the previous school year may levy up to \$3,000 per pupil, as increased by inflation.

Local effort assistance (LEA) 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. A district is eligible for LEA funding when the amount generated by a levy of \$1.50 per \$1,000 assessed property valuation per pupil in the school districts is less than the state local effort assistance threshold of \$1,550 per pupil, increased by inflation.

**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 schools and 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 and cost allocation, and the funding assistance percentage.

- **Eligible Area**—Eligible area is the square footage of instructional space for which the state will provide funding assistance. It compares the district’s current inventory of instructional space to its projected enrollment, multiplied by the student space allocation (SSA).
- **Construction Cost Allocation**—The Construction Cost Allocation (CCA) is the state’s recognized cost per square foot. OSPI submits requests to the Legislature for periodic increases in the CCA 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% of recognized project costs and can be as much as 100% 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 revenues generated from the Common School Trust Lands and state-issued general obligation bonds. The composition of total state funding from these sources change 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 73% of all State General Fund revenue. Sources of State General Fund revenue for the 2017–19 Biennium are shown below. Revenues for the 2019–21 Biennium are also shown here as forecasted by the Economic and Revenue Forecast Council in February 2020. (*Dollars are in millions.*)

**Figure 6: Sources of State General Fund Revenue for 2017–19 Biennium**

Revenue Source	2017–19		2019–21	
	Dollars	Percentage	Dollars	Percentage
Retail Sales Tax	\$21,339	48.34%	\$24,048	47.51%
Business and Occupation Tax	8,587	19.45%	9,643	19.05%
Property Tax	5,142	11.65%	7,888	15.59%
Real Estate Excise Tax	2,183	4.95%	2,025	4.00%
All Other	6,891	15.61%	7,008	13.85%
<b>Total</b>	<b>\$44,143</b>	<b>100%</b>	<b>50,611</b>	<b>100%</b>

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

About 58% of all State General Fund expenditures are for public education programs. Higher education receives approximately 7.4%, and kindergarten through grade 12 receives approximately 50.6%. State General Fund expenditures by major functional area are shown below for the 2017–19 Biennium. (*Dollars are in millions.*)

**Figure 7: State General Fund Expenditures—By Functional Area**

Revenue Source	2015–17		2017–19	
Public Schools (K–12)	\$17,959	47.9%	\$21,945	50.6%
Higher Education	3,129	8.3%	3,231	7.4%
Human Services	12,398	33.1%	13,997	32.3%
General Government, Legislative, Judicial	982	2.6%	1,045	2.4%
Natural Resources	290	0.8%	352	0.8%
Other	2,753	7.3%	2,816	6.5%
<b>Total</b>	<b>\$37,510</b>	<b>100%</b>	<b>43,385</b>	<b>100%</b>

**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 Office of Superintendent of Public Instruction, the State Board of Education, and other state education agencies, 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. The public school system shall include common schools, and such...high schools, normal schools, 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 L](#) of this chapter.

### Article III

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:

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 Washington state's public school system. Common schools are public schools subject to local voter control operating a program for kindergarten through twelfth grade or any part thereof. Other types of schools established in the RCW, such as charter schools and

technical schools, are non-common schools that are not governed by elected school district boards of directors.

Separate chapters define the roles and responsibilities of the Superintendent of Public Instruction (Chapter 28A.300 RCW), the State Board of Education (Chapter 28A.305 RCW), educational service districts (Chapter 28A.310 RCW), school districts (Chapters 28A.320, .330 RCW). 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 provides:

*“...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.
- 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 funding formula and laws restricting salaries and limiting the amount and use of local levies are intended to assure relative uniform salaries for teachers statewide.
- 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.

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 Affecting Educational Funding."

## **E. Education Reform**

In the past 20 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 20 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 1,000 to 49. The basic education K–4 staffing ratio increased to 55.4:1,000 in the 2001–02 school year and decreased to 54:1,000 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. With

Engrossed House Bill 2242, professional learning days (PLD) were introduced for certificated instructional staff (CIS). Beginning with school year 2018–19 and ending with school year 2020–21, the state must phase-in an allocation of up to three days of PLD for state funded CIS.

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 state assessment at the time.

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. ESHB 2261 and SHB 2276**

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. 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.

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.

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.

Other funding in SHB 2776 includes categorical programs, special education, small school funding, career and technical education (CTE), and skill 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.

## **G. Engrossed House Bill 2242**

EHB 2242, passed in the 2017 Legislative Session, established a comprehensive plan for enhancing the state's program of basic education. The key components of the bill include the following:

- Changes to the salary allocation model for staff allocated through the state funding formula.
- Changes to some components of the general apportionment and categorical program funding models.
- Changes to the calculation structure and/or limitation on state property taxes, school district enrichment levies, and local effort assistance payments.
- Changes to school district auditing and accounting standards.
- Establishment of the School Employees Benefits Board.

### **Allocations for School District Employee Compensation**

The new law, effective with the 2018–19 school year, repealed the state salary schedule to allocate salaries for certificated instructional staff, thus eliminating use of a district’s “staff mix” of CIS based on education and years of experience. In lieu of this funding model, the state allocates salary funding to school districts based on minimum statewide average salaries for each of the three school staffing categories. Beginning with the 2018–19 school year, the minimum allocated salaries were to be increased in equal increments to the following amounts for the 2019–20 school year, adjusted by inflation from the 2017–18 school year:

- Certificated Instructional Staff (CIS)—an average salary of \$64,000
- Certificated Administrative Staff (CAS)—an average salary of \$95,000
- Classified Staff (CLS)—an average salary of \$45,912
- These minimum allocated salaries are regionalized to reflect regional differences in the cost to recruit and retain staff and are annual adjusted for inflation.

The bill also required the state, beginning with the 2018–19 school year, to phase in allocations for a total of three professional learning days for state allocated CIS. The learning days must meet the definitions and standards for professional learning and did not create an entitlement for an individual CIS to receive any number of learning days.

### **Basic Education Funding Formulas for General Apportionment and Categorical Programs**

The following changes were made to the prototypical school funding model and categorical programs effective with the 2017–18 school year:

- Learning Assistance Program: A new LAP allocation was provided to fund an additional 1.1 hours of instruction per week for students in high poverty schools.
- Special Education: Funding for students with disabilities was historically limited to 12.7% of the resident student population of a school district. This bill increases that percentage to 13.5%.
- Career and technical education (CTE) and skill centers: The allocation for CTE class size is reduced to 23 students, and skill centers is reduced to 20 students.
- Highly Capable Program: The funded enrollment percentage is increased from 2.314 of current year enrollment to 5%.
- Transitional Bilingual Instruction Program: For students in middle and high school, the funded instructional hours are increased by 2 hours to 6.778 hours per week.

### **State Property Tax, Enrichment Levies, and Local Effort Assistance**

A new state property tax commenced in calendar year 2018 for the support of the common schools. For taxes levied for collection in calendar year 2018 through 2021, the aggregate rate for both the current state levy and the new state levy would be \$2.70 per \$1,000 of assessed valuation. The new state tax is deposited in the State General Fund.



Beginning with calendar year 2019, maintenance and operations levies were renamed “enrichment levies,” and school districts were subject to new levy limitations. A district’s maximum enrichment levy is the lesser of \$2,500 per pupil or a rate of \$1.50 per \$1,000 of assessed valuation.

Local effort assistance (LEA) allocations were amended to provide funds in proportion to the ratio of a school district’s actual enrichment levy compared to the maximum enrichment levy. To qualify for LEA, a school district must have a maximum enrichment levy that is less than \$1,500 per pupil. Local Effort Assistance is provided on a per-pupil allocation basis so that the sum of levy funding and LEA for a qualifying district levying the maximum rate is \$1,500 per pupil.

### **School District Accounting and Auditing Standards**

EHB 2242 required the State Auditor, beginning with the 2019–20 school year, to include in their regular financial audits a review of school district enrichment levies, including supplemental contracts.

Beginning with the 2019–20 school year districts are required to establish a local revenue sub fund of the general fund in which to deposit revenues from enrichment levies. Also, in this year, districts are required to use revenue-to-expenditure accounting to separately document expenditures from respective sources.

Finally, the legislation requires school districts to developed four-year budget plans that include enrollment projections and future cost estimates, including supplemental contracts.

### **School Employee Benefit Board (SEBB)**

EHB 2242 also established the School Employee Benefit Board (SEBB) and delegated to the board the following responsibilities:

- Developing school employee benefit plans that include comprehensive, evidence-based health care benefits.
- Authorizing premium contributions, including employee share of the cost for family coverage that does not exceed the required employee share of the cost for employee-only coverage.
- Determining the terms of employee and dependent eligibility criteria and enrollment policies, subject to the condition that employees must work at least 630 hours per year to qualify for coverage.
- Determining the terms for participation in the SEBB plans, and the penalties for failing to comply with participation criteria.
- Participating with the Health Care Authority and in coordination with the Public Employee Benefits Board in the selection of carriers to provide health and dental plans.
- Reporting to legislative policy and fiscal committees by November 30, 2021, regarding whether the provisions of the act have resulted in a cost savings to the state.

The bill required, by January 1, 2020, school districts to participate in the SEBB program, including districts and employees currently participating in the PEBB program.

## **H. Engrossed Second Substitute House Bill 6362**

ESSHB 6362, passed in the 2018 legislative session, made changes to the provisions in EHB 2242 in the areas of school district salary allocations, school district accounting requirements, and other various areas of the prototypical school funding formula.

### **Allocations for School Employee Salaries**

ESSHB 6362 eliminated the phase-in schedule of the new salary allocations and required the target values stated in EHB 2242 to be allocated in full by the 2018–19 school year.

In addition, regionalization factor changes were increased for any school district which shares a boundary with any other district with a regionalization factor more than one tercile higher. The district with the lower regionalization factor was provided a 0.06 increase, if that district was located west of the Cascade Mountains.

### **School District Accounting Requirements**

The bill required school districts to track expenditures of local funds for the 2018–19 school year using the sub fund accounting structure. These expenditures were to be tracked locally, and not reported to OSPI for the 2018–19 school year. Beginning with the 2019–20 school year, districts will track expenditures of local funds separately and report results to OSPI as part of the annual financial reports.

### **Other Prototypical School Formula Changes**

The special education excess cost multiplier was increased from 0.9309% to 0.9609%, thus generating more per student allocation for severing students with disabilities.

For the 2018–19 and 2019–20 school years, hold harmless funds were provided to districts that meet certain criteria. A school district qualifies if the total state allocation, enrichment levy, and local effort assistance in either of the 2018–19 or 2019–20 school years is less than what the district would have received under the laws as of January 1, 2017. Voters of these school districts must approve an enrichment levy for the district to be eligible for the hold harmless payment.

## **I. Substitute Senate Bill 5313**

Passed in the 2019 legislative session, ESSB 5313 changed the levy authority limits of school districts as well as the local effort assistance (LEA) calculations.

Beginning with taxes levied in calendar year 2020, a school district's maximum enrichment levy is the lesser of \$2.50 per \$2,000 of assessed valuation or \$2,500 per pupil for districts with fewer than 40,000 full-time equivalent students. Any district with greater than 40,000 full-time equivalent students, have a maximum enrichment levy of the lesser of \$3,000 per pupil, or \$2.50 per \$1,000.

Local effort assistance (LEA) calculated in calendar year 2020 will be provided to school districts that do not generate an enrichment levy of at least \$1,550 per pupil when levying at a rate of \$1.50 per \$1,000 of assessed value. An eligible school district's maximum LEA is the difference between the district's per pupil levy amount, based on a rate of \$1.50 per \$1,000 of assessed value, and \$1,550 per pupil, multiplied by the district's resident enrollment. Districts that are eligible for LEA,

but do not levy \$1.50 receive LEA in proportion to the lesser of \$1.50 or the school district's actual levy.

## **J. Key Federal Law**

### **Every Student Succeeds Act (ESSA)**

The Every Student Succeeds Act (ESSA) replaced No Child Left Behind (NCLB) as reauthorized under the Elementary and Secondary Education Act of 1965 (ESEA). The ESSA became effective for school year 2017–18 with a transition period during school year 2016–17.

The purpose of the ESSA includes provisions that will help to ensure success for students and schools. Below are just a few. The law:

- Advances equity by upholding critical protections for America's disadvantaged and high-need students.
- Requires—for the first time—that all students in America be taught to high academic standards that will prepare them to succeed in college and careers.
- Ensures that vital information is provided to educators, families, students, and communities through annual statewide assessments that measure students' progress toward those high standards.
- Helps to support and grow local innovations—including evidence-based and place-based interventions developed by local leaders and educators.
- Sustains and expands this administration's historic investments in increasing access to high-quality preschool.
- Maintains an expectation that there will be accountability and action to effect positive change in our lowest-performing schools, where groups of students are not making progress, and where graduation rates are low over extended periods of time.

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

### **Supplement/Supplant (SNS)**

Under most U.S. Department of Education grants, states and local education agencies (LEAs) 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. ESSA substantially changed the SNS provision under Title I, Part A. LEAs no longer have to analyze individual costs against the three presumptions of supplanting (required under NCLB). However, LEAs are required to demonstrate they are in compliance with the SNS provision by using a methodology to allocate state and local fund sources to buildings in a Title I-neutral manner. LEAs must be able to demonstrate that state and local funds were not reduced due to Title I status.

It is important to note that each covered ESEA program has a different SNS provision. LEAs must ensure they are considering each program's SNS requirement independently.

**Maintenance of Fiscal Effort**

LEAs may receive funds under most ESEA 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% 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% 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. Schools under 40% low-income, who wish to transition to a schoolwide model, may request a waiver from OSPI.

Below is a table listing major ESEA programs awarded to Washington in school year 2018–19.

**Figure 8: Major ESEA Programs of the Elementary and Secondary Education Act 2018–19**

Title	Name	Purpose	Amount
Title I	Part A—Improving Basic Programs Operated By Local Educational Agencies	Aid for pupils in high-poverty schools	\$228,027,059
	Part C—Education of Migratory Children	Education for migratory children	28,024,616
	Part D—Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk	Education for children in institutions for neglected & delinquent children	2,283,610
Title II	Part A—Supporting Effective Instruction	Teacher and principal training, recruitment and retention programs	33,288,630
Title III	Language Instruction for English Learners and Immigrant Students	Language instruction to foster English fluency	16,707,785
Title IV	Part A—Student Support and Academic Enrichment Grants	Student support and enrichment	15,579,355
	Part B—21st Century Community Learning Centers	After-school programs	17,038,361
Title V	Part B, Subpart 1—Small Rural School Achievement Program	Direct grants for small, rural LEAs	
	Part B, Subpart 2—Rural and Low Income Schools Program	State grants for small, rural LEAs	1,474,869
Title VI	Indian, Native Hawaiian and Alaska Native Education	Direct grants for special programs for Native Americans	
Title VII	Impact Aid	Aid for LEAs affected by presence of federal land	

## **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 2018–19, Washington state’s allocation for IDEA, Part B-Grants to States was \$231,413,434. In addition, the state’s IDEA, Part B Preschool award for the same period was \$8,182,084.

## **K. Washington Administrative Code**

The Washington Administrative Code Process requirements for rule adoption and revision are governed by Chapter 34.05 RCW, the Administrative Procedures Act. 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](#).

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.

## **L. 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% 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:

- 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.
- 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.
- Third, the Superior Court refused to hold that the special education program funding formula must single-handedly fund both direct and indirect costs.
- 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 imposed ongoing sanctions against the Legislature for its continued failure to present a plan.

Following the passage of HB 2242, the Court determined on November 15, 2017, that the state had achieved nearly full compliance with its orders and with the provisions of ESHB 2261 and SHB 2776. The Court retained jurisdiction and continued to impose sanctions, however, because HB 2242 delayed complete implementation of the law’s new funding allocation model until the 2019–20 school year. With the enactment of SB 6032 the following year, the Court ruled on June 7, 2018, that the state had complied with the Court’s orders to fully implement its statutory program of basic education. With that, the Court lifted the sanctions order and terminated its retention of jurisdiction in *McCleary v. State*.

## 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, Washington State School Directors' Association, and the Washington State Charter School Commission, at the state level; educational service districts at the regional level; and school districts, charter schools, and tribal compact schools 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 the Washington School Improvement Framework for recognition and support of schools in collaboration with the Superintendent of Public Instruction; 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 state's voters.

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% 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 \$10 billion in the 2018–19 state fiscal year. Approve and monitor the nine ESDs and 295 local school districts’ expenditure budgets. (For 2018–19, the ESD General Fund budgets total \$353 million and the local school districts and charter schools have annual General Fund budgets totaling \$16 billion.)
- Administer the state school construction assistance program and other grant programs (\$276 million in the 2018–19 school year), provide facilities services, and assist local school districts with boundary issues.
- Provide technical help in finance and instructional matters to ESDs and school districts. Monitoring and consultation is conducted in such areas as basic education, assessment, curriculum development, civil rights, programs for special student populations, and educational technology.
- Issue certificates for teachers, school support personnel, and administrators of the K–12 system. Approximately 120,000 people were employed in public schools during the 2018–19 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
  - Workforce Training and Education Coordinating Board, member
  - Traffic Safety Commission, 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
- Washington Student Achievement Council, member
- School Safety and Student Wellbeing Advisory Committee, member

Besides powers and duties, the vision, mission, values, and commitment to equity of the Superintendent of Public Instruction are as follows:

**Vision**

All students prepared for post-secondary pathways, careers, and civic engagement.

**Mission**

Transform K–12 education to a system that is centered on closing opportunity gaps and is characterized by high expectations for all students and educators. We achieve this by developing equity-based policies and supports that empower educators, families, and communities.

**Values**

- Ensuring Equity
- Collaboration and Service
- Achieving Excellence through Continuous Improvement
- Focus on the Whole Child

**Commitment to Equity**

Each student, family, and community possesses strengths and cultural knowledge that benefits their peers, educators, and schools.

Ensuring educational equity:

- Goes beyond equality; it requires education leaders to examine the ways current policies and practices result in disparate outcomes for our students of color, students living in poverty, students receiving special education and English Learner services, students who identify as LGBTQ+, and highly mobile student populations.
- Requires education leaders to develop an understanding of historical contexts; engage students, families, and community representatives as partners in decision-making; and actively dismantle systemic barriers, replacing them with policies and practices that ensure all students have access to the instruction and support they need to succeed in our schools.

**C. Washington State Professional Educator Standards Board**

The Professional Educator Standards Board (PESB) consists of thirteen members, twelve appointed by the Governor and one member representing the Superintendent of Public Instruction (OSPI), the majority of whom are practicing educators. PESB is responsible for policy and oversight of Washington’s system of educator preparation, certification, continuing education, and assignment. PESB works to advance educator workforce development and continuing education, increase

workforce diversity, and respond to educator shortage. PESB also serves as an advisory body to the OSPI on issues related to educator recruitment, hiring, mentoring and support, professional growth, retention, evaluation, and revocation and suspension of licensure.

In addition, PESB administers the Paraeducator Board. The Paraeducator Board consists of nine members appointed to four-year terms. The Governor appoints the Chair. The Paraeducator Board ensures statewide professional standards and training for paraeducators, so they are equipped to support diverse student learning. The Board empowers paraeducators to pursue career advancement in education by supporting accessible pathways.

## **D. 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.

## **E. Washington State Charter School Commission**

Established in Initiative 1240, the Washington State Charter School Commission is an independent state agency whose mission is to authorize high quality public charter schools throughout the state, particularly schools designed to expand opportunities for at-risk students, and to ensure the highest standards of accountability and oversight of these schools.

## **F. Educational Service Districts**

Educational service districts (ESDs) are nine regional administrative units that serve the entire state. See Figure 9: Educational Service Districts—Boundaries, for a map showing the boundaries of the ESD system.

Statutes authorizing and 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 elected for a four-year term. Each member represents a geographic area of the ESD that are reviewed after every national census to maintain an equitable division of total student enrollment among an ESDs board members. The board members are elected to a four-year term by the school directors of each school district within the ESD. Currently three ESDs have nine member boards. The State Board of Education has a statutory authority relating to the number and boundaries of ESDs.

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

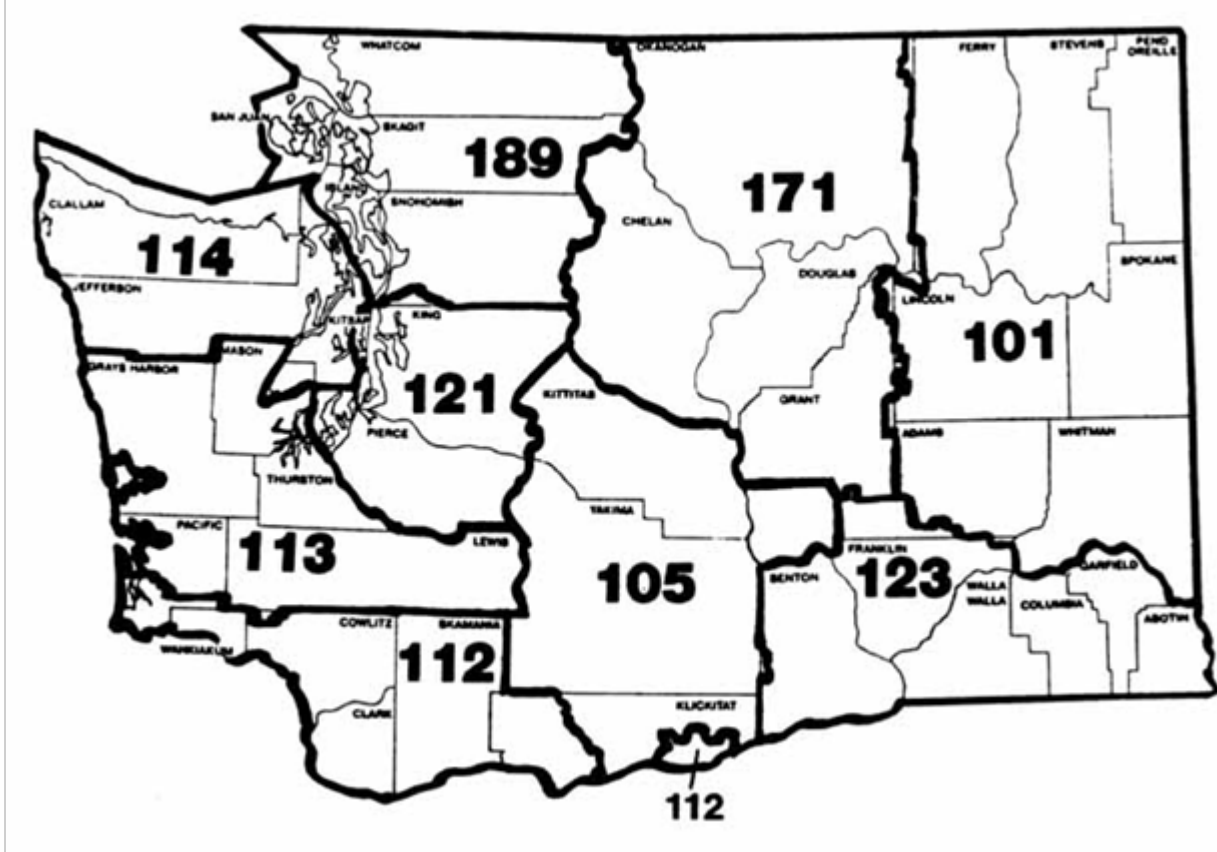
- *"Provide cooperative and informational services to local school districts;*
- *Assist the superintendent of public instruction and the state board of education in the performance of their respective statutory or constitutional duties; and*
- *Provide services to school districts...to assure equal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

ESDs are not taxing districts and depend on the state, the federal government, and local school districts and others 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 2018–19, the revenue of the ESDs totaled about \$410,476,936. Of that amount, \$109,284,828 or 26% were state funds. (See

Figure 11: Educational Service Districts—State Summary General Expense Fund FY 2018–19.)

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, teacher professional development, 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 9: Educational Service Districts—Boundaries





**Figure 10: Educational Service Districts—State Summary General Expense Fund FY 2018–19**

Educational Service Districts by Number	District Office	School Districts Served	Students Served 2018–19
Northeast Washington Educational Service District 101	Spokane	59	92,323
Educational Service District 105	Yakima	25	64,669
Educational Service District 112	Vancouver	30	100,692
Capital Region Educational Service District 113	Olympia	44	73,191
Olympic Educational Service District 114	Bremerton	15	47,124
Puget Sound Educational Service District 121	Renton	35	420,100
Educational Service District 123	Pasco	23	75,440
North Central Educational Service District 171	Wenatchee	29	47,145
Northwest Educational Service District 189	Anacortes	35	164,949
<b>Total</b>		<b>295</b>	<b>1,091,873</b>

**Source:** SPI Form P-223 School Enrollment Report, October 2018 as of August 18, 2019.

**Figure 11: Educational Service Districts—State Summary General Expense Fund FY 2018–19**

<b>Revenues</b>	
Local Sources	\$17,642,363
State Sources	99,550,410
State Allotment	7,503,930
Federal Sources	81,515,373
Cooperative Programs	68,671,615
Other Programs	52,857,891
Other Operating Revenue	
<b>Total Operating Revenue</b>	<b>327,741,581</b>
<b>Operating Expenses</b>	
General Operations and Administration	25,872,117
Instructional Support Programs	211,978,911
Non Instructional Support Programs	69,969,607
Professional Fees	380,452
Pension Expense	(4,759,955)
OPEB Expense	3,007,234
Depreciation/Depletion	4,650,583
<b>Total Operating Expenses</b>	<b>311,098,950</b>
<b>Operating Income (Loss)</b>	<b>16,642,631</b>
<b>Nonoperating Revenues (Expenses)</b>	
Interest and Investment Income	1,789,512
Interest Expense and Related Charges	(1,960,445)
Lease Income	867,663
Gains (Losses) on Capital Asset Disposition	57,342
Change in Joint Venture	78,986
Change in Compensated Absences	(128,269)
Other Nonoperating Revenues	1,197,602
Other Nonoperating Expenses	73,252
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,975,642</b>
<b>Income (Loss) Before Other Items</b>	<b>18,618,273</b>
Special Items	(616,377)
<b>Increase (Decrease) in Net Position</b>	<b>18,001,897</b>
<b>Net Position – Beginning Balance</b>	<b>1,985,308</b>
<b>Prior Period Adjustment</b>	<b>1,535,133</b>
<b>Net Position – Ending Balance</b>	<b>\$21,522,338</b>

## 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 2018–19 school year. They enrolled 1,086,716 students in October 2018.

### **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.

- Make to the educational service district superintendent on or before the fifteenth day of October an annual report verified by affidavit. The report contains such items of information as the following number of schools or departments taught during the year; the number of children, male and female, enrolled in the school, and the average daily attendance; the number of teachers employed, and their compensation per month; the number of days school was taught during the past school year, and by whom; the number of volumes, if any, in the school district library; the number of school houses in the district, and the value of them; and the aggregate value of all school furniture and apparatus belonging to the district. 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 107 first class districts in 2018–19. They served approximately 89.38% of all public school students. First class districts range in size from 48,003 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 188 second class districts in 2018–19. They served 10.35% 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 250 high school districts in 2018–19 serving students, or 98.77% 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**—there are 12 grades in a district for which a student is eligible to enroll. Usually non-high districts do not have a high school program grades 9–12. There were 45 non-high school districts in 2018–19 serving students or 1.23% 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 12.)

## **H. Charter Schools**

Washington State Initiative 1240 was approved by voters in November of 2013, 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.

For the 2018–19 school year, there will be a total of twelve charter schools operating. Nine of which are located in the Puget Sound area of the state, while the other three 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 charter schools report their enrollment and financial data to OSPI in the same manner as school districts, their data is included in the statewide totals presented throughout this document.

## **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.

For the 2018–19 school year, there was a total of six tribal compact schools operating.

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.

Data reported by tribal compact schools, including enrollment and actual revenue and expenditure data, is included in the statewide totals presented throughout this document.

## **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 2018, there were 522 approved private schools enrolling 84,058 pupils including preschoolers. (See Figure 13.) Private school enrollment constituted 6.29% of students enrolled in grades K–12 in both public and private schools.

## **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 that intend 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 to approve or deny. 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 who is enrolled in the school district. Information about the application process and a current NPA list can be found at the Special Education website (<https://www.k12.wa.us/student-success/special-education/laws-and-procedures/current-nonpublic-agencies>)

As of October 2018, the 295 operating school districts, 12 charter schools, and 6 tribal compact schools in Washington state reported a total of 1,102,498 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.

**Figure 12: Washington Public Schools—By County and Grade Level**

County	Preschools*	Elementary (K–6)	Middle (7–8)	High (9–12)	Grand Total
Adams	44	2,910	776	1,364	5,094
Asotin	36	1,612	526	1,077	3,251
Benton	359	20,110	5,739	11,945	38,153
Chelan	118	6,739	1,993	3,957	12,807
Clallam	74	4,592	1,287	4,604	10,557
Clark	673	41,418	12,303	24,843	79,227
Columbia	1	236	61	112	410
Cowlitz	179	9,218	2,697	5,136	17,230
Douglas	64	4,079	1,183	2,237	7,563
Ferry	8	492	111	219	830
Franklin	153	11,382	3,205	6,007	20,747
Garfield	10	175	49	103	337
Grant	183	11,613	3,253	5,903	20,952
Grays Harbor	156	5,696	1,585	3,088	10,525
Island	125	4,528	1,227	2,301	8,181
Jefferson	25	1,602	490	719	2,836
King	2,487	160,891	43,655	82,780	289,813
Kitsap	455	18,937	5,436	11,169	35,997
Kittitas	70	2,828	749	1,585	5,232
Klickitat	0	1,742	497	945	3,184
Lewis	112	6,274	1,835	3,502	11,723
Lincoln	17	1,021	324	673	2,035
Mason	134	5,039	1,705	2,951	9,829
Okanogan	71	5,222	2,102	3,047	10,442
Pacific	15	1,537	484	850	2,886
Pend Oreille	15	838	274	550	1,677
Pierce	1,564	74,119	20,498	38,877	135,058
San Juan	13	1,000	329	519	1,861
Skagit	243	10,382	2,942	5,786	19,353
Skamania	0	636	168	299	1,103
Snohomish	1,125	59,002	16,555	33,570	110,252
Spokane	691	42,043	11,875	23,297	77,906
Stevens	50	3,423	1,023	1,778	6,274
Thurston	397	22,823	6,376	13,166	42,762
Wahkiakum	0	252	93	164	509
Walla Walla	80	4,499	1,369	2,922	8,870

County	Preschools*	Elementary (K–6)	Middle (7–8)	High (9–12)	Grand Total
Whatcom	336	15,000	4,227	7,915	27,478
Whitman	55	2,624	755	1,384	4,818
Yakima	487	29,075	8,482	16,692	54,736
<b>Total</b>	<b>10,625</b>	<b>595,599</b>	<b>168,238</b>	<b>328,036</b>	<b>1,102,498</b>

**Source:** SPI Form P-223 School Enrollment Report, October 2018 as of August 18, 2019.

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

As of October 2018, the approved 522 Private Schools operating in Washington state reported a total of 84,058 pupils enrolled in private schools. The following chart breaks this reporting down by county and grade level.

**Figure 13: Washington Private Schools—By County and Grade Level**

County	Preschool	Elementary School (K–5)	Middle School (6–8)	High Schools (9–12)	Grand Total
Adams	2	14	10	47	73
Asotin	54	75	8	0	137
Benton	233	860	369	104	1,566
Chelan	77	439	111	112	739
Clallam	80	161	53	0	294
Clark	448	1,865	817	624	3,754
Cowlitz	58	340	139	96	633
Ferry	3	9	7	22	41
Franklin	43	247	114	178	582
Grant	93	301	94	43	531
Grays Harbor	20	109	64	1	194
Island	101	199	66	21	387
Jefferson	31	123	35	10	199
King	4,570	18,265	9,297	10,662	42,794
Kitsap	258	1,045	455	214	1,972
Kittitas	0	52	30	0	82
Klickitat	63	65	15	0	143
Lewis	53	211	93	11	368
Lincoln	0	59	22	28	109
Mason	30	67	30	0	127
Okanogan	0	22	11	6	39
Pacific	0	0	2	6	8



County	Preschool	Elementary School (K-5)	Middle School (6-8)	High Schools (9-12)	Grand Total
Pierce	667	3,728	1,780	2,190	8,365
San Juan	2	70	62	101	235
Skagit	51	374	188	107	720
Snohomish	753	3,014	1,304	973	6,044
Spokane	790	2,480	1,177	1,620	6,067
Stevens	7	57	14	4	82
Thurston	305	982	483	249	2,019
Walla Walla	56	443	222	244	965
Whatcom	430	1,365	597	418	2,810
Whitman	0	68	15	34	117
Yakima	281	760	372	449	1,862
<b>Total</b>	<b>9,559</b>	<b>37,869</b>	<b>18,056</b>	<b>18,574</b>	<b>84,058</b>

**Source:** SPI Form P-105B, School Enrollment Report, October 2018.

# Chapter 3. Financial Management Fundamentals

Responsibility for financial management of each school district and charter school rests with the local school board and the superintendent or the administrator they retain to manage the operations of the school district or charter school. However, the district’s or charter’s financial management is regulated by state law and supervised by the Superintendent of Public Instruction. School districts and charter schools 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 and charter schools. The Washington State Auditor audits school district and charter school financial records for compliance with laws and regulations, general accounting practices, and adequate internal controls.

## A. The Budget Process

Each school district charter school develops and adopts its own budget and four-year budget plan summary prior to the beginning of each school year. The budget process is governed by state law (Chapters 28A.505 RCW and 28A.710 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 Chapters 28A.505 RCW and 28A.710 RCW.

The time schedule for preparation, adoption, and filing of the annual budget and four-year budget plan summary is set forth in Chapter 392-123-054 WAC as follows:

**Figure 14: Budget Process Time Schedule**

Final Action Date	First Class Districts	Second Class Districts	Public Charter Schools
July 10	<p>Final date to prepare budget and four-year budget plan summary.</p> <p>Final date to have copies of said budget and four-year budget plan summary available to the public.</p> <p>Final date to forward said budget and four-year budget plan summary to ESD for review and comment.</p>	<p>Final date to prepare budget and four-year budget plan summary.</p> <p>Final date to have copies of said budget and four-year budget plan summary available to the public.</p> <p>Final date to forward said budget and four-year budget plan summary to ESD for review and comment.</p>	<p>Final date to prepare budget and four-year budget plan summary.</p> <p>Final date to have copies of said budget and four-year budget plan summary available to the public.</p> <p>Final date to forward said budget and four-year budget plan summary to the charter school’s authorizer.</p>

<b>Final Action Date</b>	<b>First Class Districts</b>	<b>Second Class Districts</b>	<b>Public Charter Schools</b>
August 1		Final date for board of directors to meet in public hearing and adopt said budget and four-year budget plan summary.	
August 3		Final date to forward adopted said budget and four-year budget plan summary to the ESD for review, alteration, and acceptance.	
August 31, or last business day prior to August 31 should August 31 occur on a nonbusiness day	Final date for the board of directors to meet in public hearing and adopt said budget and four-year budget plan summary.	Final date for the budget review committee to approve said adopted budget and accept adopted said four-year budget plan summary.	Final date for the board of directors to meet in public hearing and adopt said budget and four-year budget plan summary.
September 3	Final date to file adopted said budget and four-year budget plan summary with ESD.		Final date for the charter school to file adopted said budget and four-year budget summary plan with OSPI and the charter school's authorizer.
September 10	Final date for ESD to file said adopted budget and four-year budget plan summary with OSPI.	Final date for OSPI to return a copy of the approved said adopted 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. Charter schools' budgets are required by law to be filed with the Superintendent of Public Instruction following the charter school board's submission of the budget to the charter school's authorizer. Charter schools' four-year budget summary plans are required both by law and signed charter school contract to be filed with the Superintendent of Public Instruction. In the absence of specific legislation, the adoption and filing of all four-year budget summary plans prepared under RCW 28A.505.040 follow the same time schedule as outlined for the budget in WAC 392-123-054.

## **B. General Accounting Practices**

The *Accounting Manual for Public School Districts in the State of Washington* prescribes uniform accounting practices for school districts, charter schools, and tribal compact schools. The Accounting Manual is developed by the Washington State School District Accounting Advisory Committee under the joint direction of the Superintendent of Public Instruction and the State Auditor. Authority for the Accounting Manual is provided under RCW 43.09.200, RCW 28A.505.140 and WAC 392-123-010.

The manual provides for a basic double entry modified accrual system of accounting with general ledger controls over revenues, expenditures, receivables, inventories, liabilities, fund balance, and budgetary accounts. School districts with an average FTE (full-time equivalent) enrollment of less than 1,000 pupils for the preceding fiscal year may use a cash basis system of accounting per RCW 28A.505.020. The accounting principles and procedures included in the manual represent basic minimums necessary for the achievement of school district reporting objectives. It is intended that the school districts maintain detailed revenue and expenditure accounts as well as required periodic reports.

The accounting system described in the accounting manual is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds that school districts, charter schools, and tribal compact schools 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. Districts are not required to report monthly budget status reports to OSPI.

### **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.

**Figure 15: School District Cash Flow into 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 taxpayers	Property taxes	Daily, with bulk of payments occurring in the months of April and October
Local school district	School lunch receipts; ASB activity receipts, etc.	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.

<b>Report 1191</b>	Estimated Funding Account 3100
<b>Report 1191ED</b>	Student Full Time Enrollment and Calculated Staff Units
<b>Report 1191EE</b>	Calculated Staff Units—Elementary School
<b>Report 1191EM</b>	Calculated Staff Units—Middle School
<b>Report 1191EH</b>	Calculated Staff Units—High School
<b>Report 1191CTE</b>	Career and Technical Education—High School
<b>Report 1191MSCTE</b>	Career and Technical Education—Middle School
<b>Report 1191SC</b>	Skill Center
<b>Report 1191MSOC</b>	Materials, Supplies, and Operating Costs
<b>Report 1191FG</b>	Grants Administration
<b>Report 1191FS</b>	School Food Services Allocation
<b>Report 1191SE</b>	Special Education Allocation
<b>Report 1191SER</b>	Special Education Rate
<b>Report 1191SN</b>	Learning Assistance, Bilingual, and Highly Capable Allocation
<b>Report 1191SI</b>	State Institutions (for districts with state-funded programs)
<b>Report 1191TRN</b>	Transportation Operations and Depreciation Allocations
<b>Report 1192CSC</b>	Class Size Compliance
<b>Report 1197</b>	Monthly Apportionment by Account
<b>Report 1197OFee</b>	Authorizer Oversight Fee (Charter School Authorizers Only)
<b>Report 1220</b>	Special Education Allocation
<b>Report 1159</b>	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 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 and, in the case of basic education, certain local revenues. The payment schedule prior to 2019–20 school year is as follows:

**Figure 16: Monthly Payments to School Districts Schedule Prior to 2019–20**

Month	Payment Percent	Month	Payment Percent
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>
		<b>Total:</b>	<b>100%</b>

During the 2017 Special Session engrossed House Bill 2242 changed the allocation schedule effective 2019–20 school year:

**Figure 17: Monthly Payments to School Districts Schedule Effective 2019–20**

Month	Payment Percent	Month	Payment Percent
September	9.0%	March	9.0%
October	8.0%	April	9.0%
November	5.0%	May	5.0%
December	9.0%	June	6.0%
January	8.5%	July	12.5%
February	9.0%	<u>August</u>	<u>10.0%</u>
		<b>Total:</b>	<b>100%</b>

**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 \$750,000 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: <https://www.sao.wa.gov/reports-data/audit-reports/>

**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 Basic Education

Chapter 6. Local Funding for Enrichment Enhancement to Basic Education

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 2018–19 school year, a combination of state, local, and federal revenues provided a total of \$15.9 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 2018–19 school year 78.42% 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 20, public schools make up 50.6% of all budgeted State General Fund expenditures in the 2017–19 Biennium.

Taxes are the primary sources of State General Fund revenue as shown in Figure 18.

### A. Retail Sales Tax

Washington state's chief revenue source is the retail sales tax. The state levies a tax of 6.5% 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 2017–19 biennial budget, the retail sales tax provides 48.34% 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% for manufacturing and wholesaling, 0.471% for retailing, and 1.5% for all services. The Business and Occupation Tax is Washington's second largest source of revenue from within the state; it accounts for 19.45% of State General Fund revenues from state sources in the 2017–19 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 11.7% of State General Fund revenue from state sources in the 2017–19 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% 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% of true and fair value, or an effective 2% levy limit.

**Figure 18: State General Fund Revenues by Source**

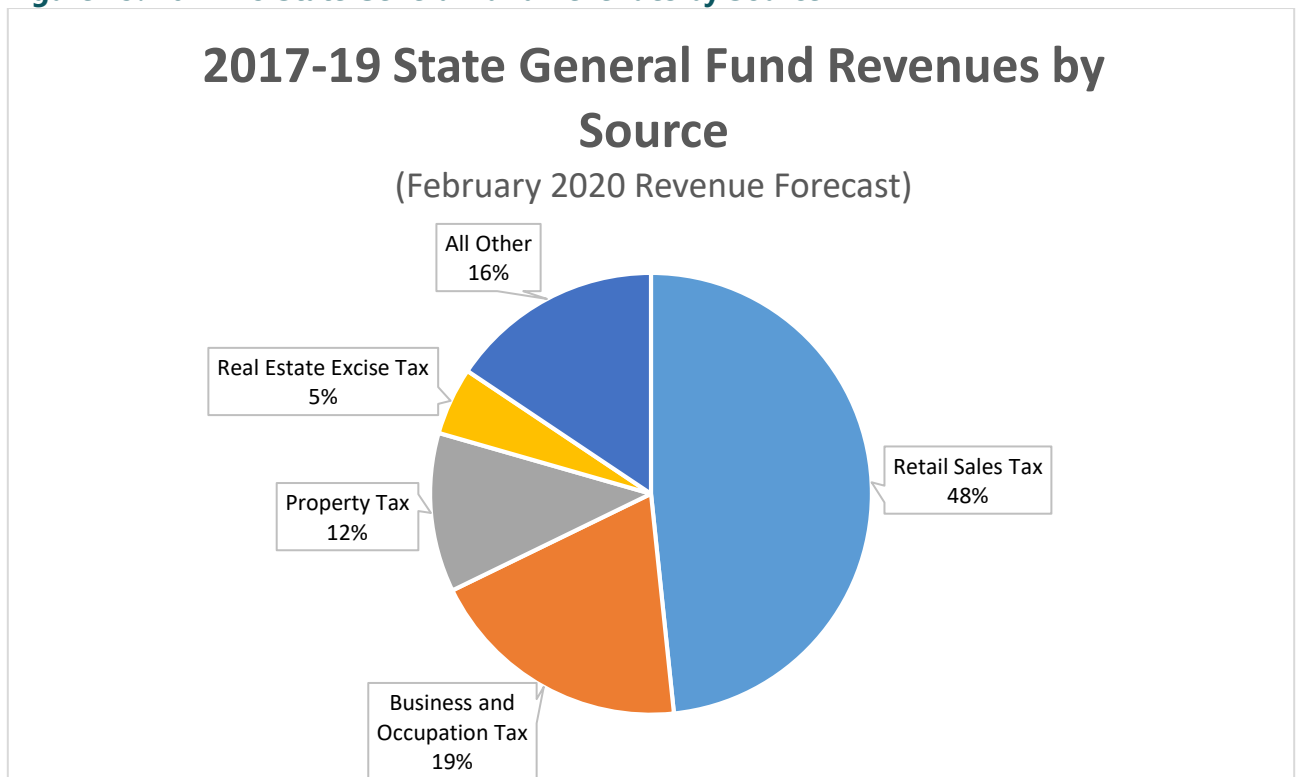
**State General Fund Revenues by Source**

2011-13 Biennium through 2017-19 Biennium

(Dollars in Millions)

Source	2011-13	%	2013-15	%	2015-17	%	2017-19	%
Retail Sales	\$13,914	45.4	\$15,856	48.4	\$18,386	49.0	\$21,339	48.3
Business and Occupation	6,432	21.0	6,638	19.7	7,450	19.9	8,587	19.5
Property Taxes	3,800	12.4	3,963	11.8	4,133	11.0	5,142	11.7
Real Estate Excise Tax	934	3.0	1,357	4.0	1,891	5.0	2,183	5.0
All Other	5,577	18.2	5,822	17.3	5,633	15.0	6,891	15.6
<b>Total</b>	<b>\$30,657</b>	<b>100</b>	<b>\$33,666</b>	<b>100</b>	<b>\$37,492</b>	<b>100</b>	<b>\$44,143</b>	<b>100</b>

**Figure 19: 2017-19 State General Fund Revenues by Source**



**Source:** Economic and Revenue Forecast, February 2020.

**Figure 20: State General Fund Expenditures by Functional Area**

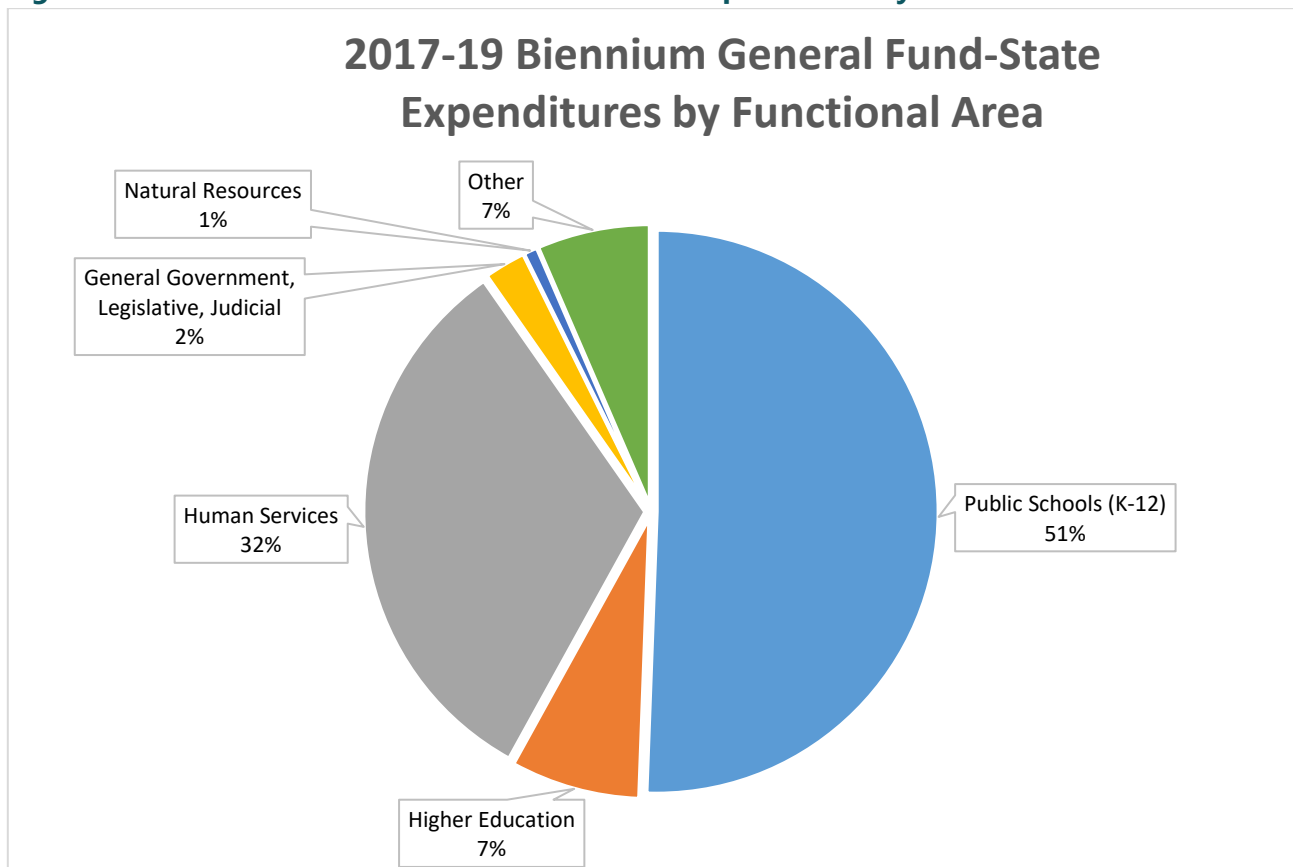
**State General Fund Expenditures by Functional Area**

2011-13 Biennium through 2017-19 Biennium

(Dollars in Millions)

Source	2011-13	%	2013-15	%	2015-17	%	2017-19	%
Public Schools	\$13,523	44.0	\$14,866	45.4	\$17,959	47.9	\$21,945	50.6
Higher Education	2,349	7.6	2,670	8.2	3,129	8.3	3,231	7.4
Human Services	11,274	36.7	11,833	36.1	12,398	33.1	13,997	32.3
General Government	824	2.7	907	2.8	982	2.6	1,045	2.4
Natural Resources	299	1.0	261	0.8	290	0.8	352	0.8
Other	2,490	8.1	2,214	6.8	2,753	7.3	2,816	6.5
<b>Total</b>	<b>\$30,759</b>	<b>100</b>	<b>\$32,750</b>	<b>100</b>	<b>\$37,510</b>	<b>100</b>	<b>\$43,385</b>	<b>100</b>

**Figure 21: 2017-19 Biennium General Fund-State Expenditures by Functional Area**



**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	3.375	-
Other	<u>1.225</u>	<u>2.35</u>
<b>Total</b>	<b>\$10.00</b>	<b>\$10.00</b>

In 1972, a constitutional limit of 1.0% 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% 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. The greater of the county's real or personal property ratio, as determined by the Department of Revenue, is applied to the \$10 limit adjusting this limit based on the level of assessment in each county.

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% 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% limitation. This same 106% limitation applied to other taxing district's regular levies, but in the late 1980's the 6% growth applied to the highest lawful levy since 1985, except for the state school levy. 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% 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%. As a result, the state levy rate declined further. The resulting school levy rate for 2017 collections was \$1.89 based on equalized assessed valuations. For tax years 2018 through 2021 the legislators created a second part to the State School levy and changed it from a budget based tax to a rate based tax. The equalized levy rate is \$2.70 per market value for the 2018, 2020, and 2021 tax years. The equalized rate for the 2019 tax year was \$2.40 per \$1,000 market value.

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 2020, the combined indicated ratio ranged from 78.8% for Okanogan to 97.9% for Columbia County. The statewide average combined indicated ratio is 90.4%. Dividing the state tax rate of \$2.70 by 90.4% yields \$2.98, 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% of true and fair value, the 2020 levy rate of \$2.70 would be adjusted to \$3.60 by dividing by 0.75. If a county was determined to be at 100% assessment level, the full \$2.70 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. 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.

## Chapter 5. State Funding for Basic Education

State funding for public schools is determined by the Legislature in the biennial (two-year) operating budget. State funding for public schools 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 (prototypical model, special education, student transportation, etc.) 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 78% of all school district operating (General Fund) revenues. The State appropriations to K–12 education (excluding construction) for the 2019 state fiscal year are summarized below:

**Figure 22: State Appropriations for 2018–19 Fiscal Year**

2019 State Fiscal Year	Total (in Millions)	Percent of Total
Basic Education	\$7,127	59.6%
Compensation Increase	2,100	17.6%
Special Education	1,036	8.7%
Student Transportation	534	4.5%
Local Effort Assistance (LEA)	409	3.4%
Learning Assistance Program (LAP)	346	2.9%
Bilingual Education	158	1.3%
Education Reform	133	1.1%
State Office (OSPI) Statewide Programs	47	0.4%
Highly Capable (Gifted)	24	0.2%
Institutional Education	13	0.1%
State Administration	10	0.1%
Educational Service Districts	9	0.1%
Food Services	8	0.1%
<b>Total</b>	<b>\$11,954</b>	<b>100%</b>

**Source:** 2017–19 Biennial Operating Appropriations Act, 2019 Supplemental Budget.

- Amounts shown are State appropriations for the 2019 state fiscal year from the 2017–19 Biennial Operating Appropriations Act (Part V, Education, Chapter 415, Laws of 2019). 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 prototypical 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) to determine the number of allocated certificated instructional, certificated administrative and classified staff units to 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 materials, supplies, and operating costs and substitute teachers are then added into the formula. Finally, several adjustments must be made before the allocation is determined.

As of January 27, 2020, the average basic education allocation per FTE student in the 2019–20 school year was \$9,130. Each district's allocation per student varies based on the formula factors described below.

The state funding formula use an average salary for distributing dollars to school districts, adjusted for regional differences and, in some cases, increased to reflect higher costs for districts with more experienced educators. 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 minimum and maximum average salary for basic education certificated instructional staff. State law also sets a minimum salary for a certificated instructional employee with at least five years of experience. State minimum and maximum salary requirements are adjusted for inflation and regional differences and do not include supplemental contracts.

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:

**Figure 23: Prototypical School Sizes by Grade Level and Student FTE**

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 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 or subject matter. The following chart details the assumed funded class size, by grade level and/or subject for the 2018-19 school year.

**Figure 24: Assumed Funded Class Size by Grade Level and/or Subject**

Grade Level	Class Size (Basic Education)
Grades K–3	17.00
Grade 4	27.00
Grades 5–6	27.00
Grades 7–8	28.53
Grades 9–12	28.74
Career and Technical Education (Grades 7–8)	23.00
Career and Technical Education (Grades 9–12)	23.00
Skill Centers	20.00
Laboratory Science (Grades 9–12)	19.98

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%, and for secondary grades (7–12) is 20%. 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.

In the 2017–19 biennium, districts received funds for a K–3 class size of 17.00 without demonstrating an actual class size. However, beginning with the 2019–20 school year the K–3 class size enhancement is no longer for allocation purposes only. In the 2019 legislative session for the 2019–20 biennium the class size compliance was reinstated, and districts will receive an allocation based on their actual class size until maximum funding is realized. 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 can staff to provide class size of less than 25.23, they will receive an allocation based on their actual class size until maximum funding of 17.00 is realized.

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.

**Figure 25: Prototypical Model—Funded Staffing Positions**

Other School Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Base Enrollment	400	432	600	Student FTE

Other School Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Principals	1.253	1.353	1.880	CAS
Teacher Librarians	0.663	0.519	0.523	CIS
Guidance Counselors	0.493	1.216	2.539	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	0.0825	-	-	CLS

In the 2019–20 biennium a funding enhancement is provided to 20 schools with the lowest overall student school score in the 2018–19 school year for additional guidance counselors. To receive enhancement, schools must demonstrate actual staffing that meets or exceeds the units listed in the above chart. Elementary schools received an additional 0.307 and middle schools received 0.512 guidance counselor per prototypical school.

#### 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:

**Figure 26: Prototypical Model—Districtwide Support by Staffing Position**

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% 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%, they are separated into certificated administrative staff and classified staff at a ratio of 25.47% and 74.53% respectively. The following chart illustrates how the funding for central administrative staffing is derived:

**Figure 27: Prototypical Model—Districtwide by Central Administration**

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:

**Figure 28: Small School Districts with < 25 FTE Minimum Number of Certificated Staff**

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:

**Figure 29: Small School Districts with >= 25 FTE Minimum Number of Certificated Staff**

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:

**Figure 30: Non-high District Enrollment Conditions and Additional Units**

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 1,000 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\*

**Figure 31: Formulas for Calculating Certificated Instructional and Certificated Administrative Staff**

Instructional	4.5 [Voc FTE X .046]
Administration	0.25 [Voc FTE X .004]
	<u>60 or less High School FTE</u>
Instructional	9.0 [Voc FTE X .046]
Administration	0.5 [Voc FTE X .004]
	<u>60 to 300 High School FTE</u>
Instructional	$9.0 + [(FTE - 60)/43.5 \times .8732] - [Voc FTE \times .046]$
Administration	$0.5 + [(FTE - 60)/43.5 \times .1268] - [Voc FTE \times .004]$

\* 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 2018–19, there were 8 small districts and 5 remote and necessary plants with enrollment under 25 FTE, 48 small districts and 3 remote and necessary plants with enrollment between 25 and 100 FTE, 15 non-high districts that received 0.5 additional certificated instructional staff units and 118 school districts that had small high schools.

**Figure 32: Small Schools Statistics**

Small Schools	Number
Districts with less than 25 FTE	8
R&N plants with less than 25 FTE	5
Districts with 25–100 FTE	48
R&N plants with 25–100 FTE	3
Non-highs between 50–180 FTE	15



Small Schools	Number
Small high schools (under 300 FTE) *	118

\* One district has two small high schools.

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

**Figure 33: Districts with Remote and Necessary Schools**

District	School	Grades Served
Orcas Island	Waldron Island Elementary School	K–6
Cascade	Beaver Valley Elementary School	K–5
Ferndale	Beach Elementary School	K–5
Steilacoom Historical	Anderson Island Elementary School	K–5
Lake Chelan	Holden Village School	K–4
Woodland	Yale Elementary School	K–4
Blaine	Point Roberts School	K–3
Lopez	Decatur Elementary School	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 75 of this document. The following class sizes are used to determine the amount of assumed funded teacher units:

**Figure 34: CTE Class Sizes**

Program/Grade Level	Class Size
Middle School CTE (Grades 7–8)	23.00
High School CTE (Grades 9–12)	23.00
Skill Centers	20.00

Other school staffing is generated through multiplying enrollment FTE by a staffing factor. These staffing factors are derived by converting the allocations described in Figure 25 into per student ratios.

#### Ancillary Services for Private School and Home-Based Students and Summer Enrollment

In addition, the formula provides for funding to school districts for some summer enrollments and private school or homebased students receiving ancillary services. The actual total number of hours served are divided by 1,000 for all grades 4–12 to convert hours to annual average fulltime equivalent (AAFTE). School districts were funded for approximately 777.60 summer AAFTEs in 2018–19 and 0.22 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 \$8,135.13 per AAFTE non-vocational student and \$9,059.51 per AAFTE vocational student for 2018–19. 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% of moneys generated by Running Start enrollment.

### **b. Certificated Instructional Salaries**

The Washington Legislature in 2017 and 2018 made significant changes to how school districts were funded for school staff salaries. The Legislature discontinued "staff mix" after the 2017–18 school year and no longer provides funding to each school district for teacher salary and benefits tied to their education level (degree and credits) and certificated years of experience.

State salary allocations for certificated instructional staff (CIS), certificated administrative staff (CAS), and classified staff (CLS) were substantially increased, as well as how salaries are adjusted in the future. State salary allocations are now updated as necessary to provide market-rate salaries, and regionalization adjustments reflect economic differences between school districts, such as housing costs for staff. Districts with housing costs (median residential value) that exceed the statewide average receive one of five regionalization factors (1.00; 1.06; 1.12; 1.18 or 1.24).

Certificated instructional staff unit salary allocations are calculated by multiplying the statewide salary allocation rate for CIS (\$65,216 for 2018–19 and \$66,520 for 2019–20) times the school district's regionalization factor for that school year. Beginning in the 2019–20 school year, there is also a 0.04 experience factor added for school districts with above-average education and experience for their certificated instructional staff.

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 levels.
- There is a 2.0% CIS salary increase allocation for 2019–20.
- For 2018–19 there is a minimum salary of \$40,760 times the school district's regionalization factor for that school year.
- For 2019–20 there is a minimum salary of \$41,575 (+2.0%) times the school district's regionalization factor plus experience factor for that school year.

See

Figure 35: Regionalization Factors, Experience Mix for CIS; and District Salaries (LEAP) for table of salary totals, regionalization amounts, and experience factor added to school year 2018–19 and 2019–20.

**c. Certificated Administrative Salaries**

Certificated administrative staff unit salary allocations are calculated by multiplying the statewide salary allocation rate for CAS (\$96,805 for 2018–19 and \$98,741 for 2019–20) times the school district’s regionalization factor for that school year. There is no experience factor for certificated administrative staff salaries.

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.
- There was a 2.0% CAS salary increase for 2019–20.

See

Figure 35 for table of salary totals and regionalization amounts added to school year 2018–19 and 2019–20.

**d. Classified Salaries**

Classified staff unit salary allocations are calculated by multiplying the statewide salary allocation rate for CLS (\$46,784.33 for 2018–19 and \$47,720 for 2019–20) times the school district’s regionalization factor for that school year. There is no experience factor for certificated administrative staff salaries.

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

- “Maintenance salaries” are the continuation of the previous biennium’s salary levels.
- There was a 2.0% CLS salary increase for 2019–20.

See

Figure 35 for table of salary totals and regionalization amounts added to school year 2018–19 and 2019–20.

**Figure 35: Regionalization Factors, Experience Mix for CIS; and District Salaries (LEAP)**

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
			2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
School Year	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
14005 - Aberdeen	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21226 - Adna	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
22017 - Almira	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
29103 - Anacortes	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
31016 - Arlington	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
02420 - Asotin-Anatone	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17408 - Auburn	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
18303 - Bainbridge Island	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
06119 - Battle Ground	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
17405 - Bellevue	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
37501 - Bellingham	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
01122 - Benge	1.00	1.00	65,984	66,520	96,805	98,741	46,784	47,720
27403 - Bethel	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
20203 - Bickleton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
37503 - Blaine	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
21234 - Boistfort	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
18100 - Bremerton	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
24111 - Brewster	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
09075 - Bridgeport	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
16046 - Brinnon	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
29100 - Burlington-Edison	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
06117 - Camas	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
05401 - Cape Flattery	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27019 - Carbonado	1.06	<b>1.10</b>	69,129	73,172	102,613	104,665	49,591	50,583
04228 - Cascade	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
04222 - Cashmere	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
08401 - Castle Rock	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
20215 - Centerville	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
18401 - Central Kitsap	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
32356 - Central Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21401 - Centralia	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21302 - Chehalis	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
32360 - Cheney	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
33036 - Chewelah	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27901 - Chief Leschi	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
16049 - Chimacum	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
02250 - Clarkston	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
19404 - Cle Elum-Roslyn	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27400 - Clover Park	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
38300 - Colfax	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36250 - College Place	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
38306 - Colton	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
33206 - Columbia (Ste)	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36400 - Columbia (Wal)	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
33115 - Colville	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
29011 - Concrete	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
29317 - Conway	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
14099 - Cosmopolis	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13151 - Coulee-Hartline	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
15204 - Coupeville	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
05313 - Crescent	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
22073 - Creston	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
10050 - Curlew	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
26059 - Cusick	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
19007 - Damman	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31330 - Darrington	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
22207 - Davenport	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
07002 - Dayton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32414 - Deer Park	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27343 - Dieringer	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
36101 - Dixie	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32361 - East Valley (Spo)	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
39090 - East Valley (Yak)	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
09206 - Eastmont	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
19028 - Easton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27404 - Eatonville	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31015 - Edmonds	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
19401 - Ellensburg	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
14068 - Elma	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
38308 - Endicott	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
04127 - Entiat	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
17216 - Enumclaw	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
13165 - Ephrata	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
21036 - Evaline	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
31002 - Everett	1.24	1.24	80,868	82,485	120,038	122,439	58,013	59,173
06114 - Evergreen (Clark)	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
33205 - Evergreen (Ste)	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17210 - Federal Way	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
37502 - Ferndale	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
27417 - Fife	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
03053 - Finley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27402 - Franklin Pierce	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
32358 - Freeman	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
38302 - Garfield	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
20401 - Glenwood	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
20404 - Goldendale	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13301 - Grand Coulee Dam	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39200 - Grandview	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39204 - Granger	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31332 - Granite Falls	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
23054 - Grapeview	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32312 - Great Northern	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27904 - Green Dot Destiny	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
17906 - Green Dot Excel	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
17910 - Green Dot Rainier	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
06103 - Green Mountain	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
34324 - Griffin	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
22204 - Harrington	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
39203 - Highland	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17401 - Highline	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
06098 - Hockinson	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
23404 - Hood Canal	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
14028 - Hoquiam	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17911 - Impact	1.18	1.18	76,955	78,417	114,230	116,514	55,206	56,310
10070 - Inchelium	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31063 - Index	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
17411 - Issaquah	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
11056 - Kahlottus	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
08402 - Kalama	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
10003 - Keller	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
08458 - Kelso	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
03017 - Kennewick	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17415 - Kent	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
33212 - Kettle Falls	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
03052 - Kiona-Benton City	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
19403 - Kittitas	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
20402 - Klickitat	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
06101 - La Center	1.06	<b>1.10</b>	69,129	73,172	102,613	104,665	49,591	50,583
29311 - La Conner	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
38126 - Lacrosse	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
04129 - Lake Chelan	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31004 - Lake Stevens	1.24	1.24	80,868	82,485	120,038	122,439	58,013	59,173
17414 - Lake Washington	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
31306 - Lakewood	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
38264 - Lamont	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32362 - Liberty	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
01158 - Lind	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
08122 - Longview	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
33183 - Loon Lake	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
28144 - Lopez Island	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
37903 - Lummi	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
20406 - Lyle	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
37504 - Lynden	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
39120 - Mabton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
09207 - Mansfield	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
04019 - Manson	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
23311 - Mary M. Knight	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
33207 - Mary Walker	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31025 - Marysville	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
14065 - McCleary	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32354 - Mead	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
32326 - Medical Lake	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17400 - Mercer Island	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
37505 - Meridian	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
24350 - Methow Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
30031 - Mill A	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31103 - Monroe	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
14066 - Montesano	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
21214 - Morton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13161 - Moses Lake	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
21206 - Mossyrock	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39209 - Mount Adams	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
37507 - Mount Baker	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
30029 - Mount Pleasant	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
29320 - Mount Vernon	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
17903 - Muckleshoot	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
31006 - Mukilteo	1.24	1.24	80,868	82,485	120,038	122,439	58,013	59,173
39003 - Naches Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21014 - Napavine	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
25155 - Naselle-Grays R.	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
24014 - Nespelem	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
26056 - Newport	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32325 - Nine Mile Falls	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
37506 - Nooksack Valley	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
14064 - North Beach	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
11051 - North Franklin	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
18400 - North Kitsap	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
23403 - North Mason	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
25200 - North River	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
34003 - North Thurston	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
33211 - Northport	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17417 - Northshore	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
15201 - Oak Harbor	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
38324 - Oakesdale	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
14400 - Oakville	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
25101 - Ocean Beach	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
14172 - Ocosta	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
22105 - Odessa	1.06	<b>1.10</b>	69,129	73,172	102,613	104,665	49,591	50,583
24105 - Okanogan	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
34111 - Olympia	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
24019 - Omak	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21300 - Onalaska	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
33030 - Onion Creek	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
28137 - Orcas Island	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
32123 - Orchard Prairie	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
10065 - Orient	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
09013 - Orondo	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
24410 - Oroville	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27344 - Orting	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
01147 - Othello	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
09102 - Palisades	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720



School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
38301 - Palouse	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
11001 - Pasco	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
24122 - Pateros	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
03050 - Paterson	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21301 - Pe Ell	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
27401 - Peninsula	1.12	<b>1.16</b>	73,042	77,164	108,422	110,590	52,398	53,446
23402 - Pioneer	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
12110 - Pomeroy	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
05121 - Port Angeles	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
16050 - Port Townsend	1.06	<b>1.10</b>	69,129	73,172	102,613	104,665	49,591	50,583
36402 - Prescott	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32907 - PRIDE Prep	1.00	1.06	65,216	70,512	96,805	104,665	46,784	50,583
03116 - Prosser	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
38267 - Pullman	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27003 - Puyallup	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
16020 - Queets-Clearwater	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
16048 - Quilcene	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
05903 - Quileute	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
05402 - Quillayute Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
14097 - Quinalt	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13144 - Quincy	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
34307 - Rainier	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17908 - Rainier Prep	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
25116 - Raymond	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
22009 - Reardan-Edwall	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17403 - Renton	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
10309 - Republic	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
03400 - Richland	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
06122 - Ridgefield	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
01160 - Ritzville	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
32416 - Riverside	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17407 - Riverview	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
34401 - Rochester	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
20403 - Roosevelt	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
38320 - Rosalia	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
13160 - Royal	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
28149 - San Juan Island	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
14104 - Satsop	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17001 - Seattle	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
29101 - Sedro-Woolley	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
39119 - Selah	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
26070 - Selkirk	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
05323 - Sequim	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
28010 - Shaw Island	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
23309 - Shelton	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17412 - Shoreline	1.24	1.24	80,868	82,485	120,038	122,439	58,013	59,173
30002 - Skamania	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17404 - Skykomish	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
31201 - Snohomish	1.24	1.24	80,868	82,485	120,038	122,439	58,013	59,173
17410 - Snoqualmie Valley	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
13156 - Soap Lake	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27909 - SOAR Academy	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
25118 - South Bend	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
18402 - South Kitsap	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
15206 - South Whidbey	1.24	<b>1.28</b>	80,868	85,146	120,038	122,439	58,013	59,173
23042 - Southside	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
32081 - Spokane	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
32901 - Spokane Internat'l	1.00	1.06	65,216	70,512	96,805	104,665	46,784	50,583
22008 - Sprague	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
38322 - St. John	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31401 - Stanwood	1.18	<b>1.22</b>	76,955	81,155	114,230	116,514	55,206	56,310
11054 - Star	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
07035 - Starbuck	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
04069 - Stehekin	1.06	1.06	70,143	70,512	102,613	104,665	49,591	50,583
27001 - Steilacoom Hist.	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
38304 - Steptoe	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
30303 - Stevenson-Carson	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
31311 - Sultan	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
17905 - Summit Atlas	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
27905 - Summit Olympus	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
17902 - Summit Sierra	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
33202 - Summit Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27320 - Sumner	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
39201 - Sunnyside	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
18902 - Suquamish*	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
27010 - Tacoma	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
14077 - Taholah	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17409 - Tahoma	1.18	<b>1.22</b>	76,955	81,155	114,230	116,514	55,206	56,310

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
38265 - Tekoa	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
34402 - Tenino	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
19400 - Thorp	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
21237 - Toledo	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
24404 - Tonasket	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39202 - Toppenish	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36300 - Touchet	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
08130 - Toutle Lake	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
20400 - Trout Lake	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
17406 - Tukwila	1.18	1.18	76,955	78,494	114,230	116,514	55,206	56,310
34033 - Tumwater	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39002 - Union Gap	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27083 - University Place	1.06	<b>1.10</b>	69,129	73,172	102,613	104,665	49,591	50,583
33070 - Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
06037 - Vancouver	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
17402 - Vashon Island	1.12	1.12	73,042	74,503	108,422	110,590	52,398	53,446
34901 - Wa He Lut*	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
35200 - Wahkiakum	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
13073 - Wahluke	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36401 - Waitsburg	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36140 - Walla Walla	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
39207 - Wapato	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13146 - Warden	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
06112 - Washougal	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
01109 - Washtucna	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
09209 - Waterville	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
33049 - Wellpinit	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
04246 - Wenatchee	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
32363 - West Valley (Spo)	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39208 - West Valley (Yak)	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
21303 - White Pass	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
27416 - White River	1.06	1.06	69,129	70,512	102,613	104,665	49,591	50,583
20405 - White Salmon	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
22200 - Wilbur	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
25160 - Willapa Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
36901 - Willow	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
13167 - Wilson Creek	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
21232 - Winlock	1.00	<b>1.04</b>	65,216	69,181	96,805	98,741	46,784	47,720
14117 - Wishkah Valley	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720

School District	Region. Adj.	+ Exp. Adj. for CIS	Salary Allocation for CIS		Salary Allocation for CAS		Salary Allocation for CLS	
20094 - Wishram	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
08404 - Woodland	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39901 - Yakama Nation	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39007 - Yakima	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
34002 - Yelm	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720
39205 - Zillah	1.00	1.00	65,216	66,520	96,805	98,741	46,784	47,720

**Source:** Legislative Evaluation and Accountability Program Committee (LEAP).

### 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 2017–19 biennial budget to be applied to the 2018–19 school year salary allocations are:

- 23.70% for certificated salary maintenance
- 23.06% for certificated salary increase
- 24.70% for classified salary maintenance
- 21.20% for classified salary increase

### f. Insurance Benefits

School districts receive state funding for employee insurance benefits at a rate of \$843.97 per month from September 2018 through August 2019 for each formula certificated and classified staff unit. This results in an annual allocation of \$10,127.64 per formula unit.

Full-time equivalent classified employees are determined based on 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 1.152.

School Employees' Benefits Board (SEBB) was established in 2017 Legislative session ESHB2242 a consolidated school district employees health benefits purchasing program in the Health Care Authority. In 2019 legislative session ESHB 1109 states all school districts must participate in the SEBB program beginning January 1, 2020.

From September 2019 through December 2019 the monthly rate is \$973 per formula unit. With the implementation of SEBB, the month rate from January 2020 through June 2020 is \$994 per formula

unit. For fiscal year 2021, the monthly employer funding rate is \$1,056 per eligible employee. An additional multiplier is added to adjust employees based on 630 hours of work per year; certificated staff units are multiplied by 1.02 and classified staff units are multiplied by 1.43.

In order to convert these values to school year the first four months is \$3,892, six months at a rate of \$994 plus two months of \$1,056. This results in an annual allocation of \$11,968. The multipliers are applied to the SEBB values.

Insurance benefits include such items as liability, life, health, health care, accident, disability, and salary protection insurance. School districts must pay \$71.08 per month per full-time employee to the state Health Care Authority to fund a reduction in premiums for retired school employees. The 2019–20 school year’s monthly amount is \$69.56.

**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 Skill Center and Career and Technical Education (CTE) MSOC are an established rate. Funding is provided in eight specific categories of Technology, Utilities and Insurance, Curriculum and Textbooks, Other Supplies, Library Materials, Instructional Professional Development (CLS and CIS), Facilities Maintenance, and Security and Central Office. The rates for the 2018–19 school year were as follows:

**Figure 36: MSOC Rates**

Materials, Supplies, and Operating Costs (MSOC)	Basic Education	Grades 9–12	Skill Center	CTE
<b>Total Per Student FTE</b>	<b>\$1,268</b>	<b>\$174</b>	<b>\$1,500</b>	<b>\$1,500</b>
Technology	133	38		
Utilities and Insurance	362	-		
Curriculum and Textbooks	143	42		
Other Supplies	283	81		
Library Materials	20	6		
Instructional Professional Development (CIS/CLS)	22	7		
Facilities Maintenance	179	-		
Security and Central Office	124	-		

**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 2018–19 school year is provided at a daily rate of \$151.86 for a total of 4 days per teacher FTE. This allocation value has not changed since the implementation of the prototypical school funding formula in the 20211–12 school year.

The formula is as follows:

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

### **i. Local Deductible Revenues**

The total (the sum of the amounts calculated in subsections a. through h. above) is supported by state funds amounting to more than 99% of the formula amount and less than 1% from deductible local revenues. For 2018–19, 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.
- State forests removed from deductible calculations as of 2017–18 school year.
- Federal in lieu of taxes includes revenue from the Federal Housing Administration, Bureau of Land Management, military forest yield pursuant to Public Law 9799, and reclamation projects.
- Federal forests revenue diverted to the Capital Projects and Debt Service Funds. Since the 2015–17 biennium budget these funds have been temporarily removed.

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 \$1 million in the 2018–19 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 \$1.145926 per pupil for 2018–19. 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 disability category and the instructional settings in which they were placed. Students with disabilities were not considered basic education students 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 13.5% 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 is not indexed.

The formula for 2018–19 is as follows:

- The annual average headcount of birth through age 5 and not enrolled in kindergarten special education enrollment, times the district’s basic education allocation (BEA) rate per student, times 1.15.
- Plus the annual average headcount of age Kindergarten–age 21 special education enrollment, limited to 13.5% of annual average K–12 resident FTE, times the district’s BEA rate times .995.

The terms used above in the special education formula are defined as follows:

“BEA allocation” is based on staff ratios of 49 per 1,000 for grades K–3 and 46 per 1,000 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 \$1,415,593,000 for special education programs for the 2020 state fiscal year.

The excess cost allocation model changes for the 2020–21 school year. For more information on the new structure and funding value, consult the 2020 supplemental operating budget.

#### **b. Home and Hospital Allocation**

Home and Hospital services is reimbursed at \$60 per week for students receiving services at home and \$55 per week for students receiving services at a hospital.

#### **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 (STARS), 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. Fully implemented, 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 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 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" were those districts with a 14% levy rate, which exceeds the statewide average 14% levy rate. The district 14% levy rate is the tax rate needed to collect a levy equal to 14% of the district's levy base.

In the 2017 Legislative Session, House Bill 2242 was passed, redefining enrichment levies (see chapter 6 for more on levies) and how local enrichment levy is calculated for eligible school districts. In the next biennial session of 2019, Engrossed Substitute Senate Bill 5313 is passed clearly defining "eligible districts" using the new rate and per pupil-based levy system.

Current law defines “Eligible districts” where the amount generated by a levy of \$1.50 per \$1,000 of assessed value in the school district, divided by the school district’s total student enrollment in the prior school year, is less than the state local effort assistance threshold per pupil.

State LEA threshold Per pupil	<i>minus</i>	District per pupil Amount generated By \$1.50/\$1,000av	<i>Multiplied by</i>	Prior School year enrollment
-------------------------------------	--------------	---	----------------------	------------------------------------

For districts with a voter approved levy rate (VAL) less than \$1.50 per \$1,000 assessed valuation, the school district’s actual local effort assistance funding is equal to the maximum LEA multiplied by a fraction equal to the school district’s actual enrichment levy rate divided by \$1.50.

Per Pupil LEA amount	<i>Multiplied by</i>	Prior School year enrollment	<i>Multiplied by</i>	Actual VAL / \$1.50
----------------------------	----------------------	------------------------------------	----------------------	---------------------------

In calendar year 2019, 178 of the state’s 295 school districts received LEA allocations totaling \$330.6 million. One additional district was eligible but did not pass an enrichment levy to qualify for state matching money. LEA allocations make up about 2.3% of all school district revenues statewide, are paid into school districts’ General Fund, and may be spent on enrichment General Fund programs-

**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.

Beginning in the 2017–19 biennium, the budget included an additional funding formula for students in qualifying high-poverty school buildings of 1.1 instructional hours per week. For each prototypical class size of 15 student (FTE), the formula allocates total prior years' full-time equivalent enrollment for qualifying school buildings multiplied by 1.1 hours per week of additional instructions hours. These additional hours per week are converted to staffing FTE which are allocated as teachers. These funds are required to be spent in the school that generated the funds.

## **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 Legislature acknowledged students need additional assistance after exiting the program. District can 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 2018–19 school year, the transitional bilingual withholding percentage was 2.57.

## G. Education Reform Programs

The 2017–19 biennium state budget provided \$387.1 million in funding 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 in funding in State Fiscal Year 2019 are broken out as follows:

Education Reform Component	State Fiscal Year 2019*
State Assessment System	27,000
National Board Teacher Certification	82,800
Federal Assessment	7,900
Federal-Education Reform Programs	39,500
Performance Based Evaluations	3,900
Teacher and Principal Evaluation Program under ESSB 5895	4,000
Education Reform Programs Administrative Support	1,271
Information Technology Academy	3,000
Failing Schools	9,352
Secondary Career and Technical Education Grants	1,802
Beginning Educator Support Program	10,500
<b>Total</b>	<b>\$191,025</b>

\* In thousands.

**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.

**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.

**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.

**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).

- **Community facilities** (previously known as group homes) provide educational services for adjudicated youth. There are eight community facilities 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 three 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 21 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 were three six county jails that provide an educational program for these juvenile inmates for the 2018–19 school year.

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 2018–19 state fiscal year.

## **I. State Office (OSPI)—Statewide Programs**

The state budget in section 1401 of Chapter 415, Laws of 2019 (the 2019 Supplemental Budget) provides \$30 million to the Superintendent of Public Instruction for a variety of statewide programs during the 2019 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.

**Figure 37: Activities Receiving More than \$1 Million**

Activity	Amount*
Dual Language Grants	\$1,450
Homeless Students	1,000
Longitudinal Student Information	1,802
ESD Nurses Corp	2,541
K–20 Telecommunication Network	1,221
Dual Credit Program Grants	4,894
Compliance with Enrichment Requirements	4,041
Computer Science Grants	1,000
Science Teacher Training	4,000
Washington State Achievers Scholarship Program	3,940
Scholarship Eligibility Outreach	1,454
WaKIDS Inventory	2,590
<b>Total</b>	<b>\$29,933</b>

\* In thousands

**Dual Language Grants**—Grants are awarded to schools to establish a two-way or one-way dual language program; or to expand recently established dual language programs.

**Homeless Students**—Grants are awarded to district to strengthen educational services to students experiencing homelessness.

**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.

**Dual Credit Program Grants**—Funds are provided to implement dual credit programs, subsidies for Advanced Placement (AP) and International Baccalaureate (IB) courses and exams for students who are low income.

**Compliance with Enrichment Requirements**—Funding was provided solely to support the activities associated with EHB 2242, Basic Education Funding (2017)



**Computer Science Grants**—The Computer Science and Education Program provides funds to: train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and to introduce students to and engage them in computer science.

**Science Teacher Training**—Funds are provided to award grants to school and educational services for science teacher training in the Washington State Science Learning Standards.

**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).

**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 \$12.3 million in the 2019 fiscal year solely for administrative expenses of OSPI, the State Board of Education, and the Washington Professional Educator Standards Board.

The budget provides \$10.236 million to the Superintendent of Public Instruction for the 2019 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, etc., flows through to school districts without deduction for OSPI administrative expenses.

The budget provides \$961,000 for the operation and expenses of the State Board of Education and \$1,115,000 for the operation and expenses of the Washington Professional Educator Standards Board.

## **K. 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% of the student population.

The appropriation for the 2018–19 school year was \$30.2 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% of the district’s total fulltime 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.

### L. Educational Service Districts

The state budget provided \$12.8 million for the 2018–19 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.

### M. School Food Services

For school year 2018–19, the Washington State Legislature appropriated \$7.111 million in support of public school food service programs\*.

Of the funds appropriated, the following was spent by category:

**Figure 38: School Food Services Funds Spent by Category**

Category	Amount
Elimination of reduced-price breakfast co-pay	\$994,723
Elimination of reduced-price lunch co-pay (K-3)	\$1,118,800
Free and reduced-price breakfast assistance	\$4,652,117
State Match—Summer Food Meals Program	\$100,000
Breakfast Meals for Kids Grants	\$174,098
Summer Food Service Program Assistance	\$48,038
<b>Total</b>	<b>\$7,087,836</b>

\*State legislation passed in 2018 will provide funding for Breakfast After the Bell in school year 2019–20.

## Chapter 6. Local Funding for Enrichment

Local revenues made up about 16% of total school district enrichment (General Fund) revenues for the 2018–19 school year. Districts differ significantly in their dependence on local funding. Local revenues discussed in this chapter include enrichment levies, timber excise tax, revenues from other districts, and other local receipts.

### A. Enrichment 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 special levies” because they require voter approval. School district levies may be of four types: excess General Fund (Enrichment 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 (enrichment) levies.

In 2019, 289 of the state’s 295 school districts had General Fund levies. The average local revenue per FTE student statewide was \$2,156. Levy revenues are deposited in the school district’s General Fund. In the 2018–19 school year levies made up about 12.2% of total school district operating revenues statewide.

Reliance on levies has declined since the 1977 Supreme Court decision in *Seattle vs. State of Washington*. Before 1977, levies made up as much as 30% of school district operating revenues statewide. 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 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% in the 1974–75 school year to 71% in the 2013–14 school year. During the same period, General Fund levy revenues as a percent of total operating revenues for the school year declined from 32% in the 1974–75 school year to 8% in the 1980–81 school year and has gradually increased to 26% in 2013–14.

The average 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 \$1.75 in the 2019 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. Enrichment 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 ran on top of existing levies to provide for subsequently enacted increases affecting the district’s levy authority 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 levy authority by passing the levy lid law (RCW 84.52.0531). This law sets the maximum amount of a school district's 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% 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% 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 levies to exceed the 10% 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% 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% 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 levies would be limited to 10% 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%.

**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% of their levy base.
- Changing the reduction of grandfathered levy authority for those districts with levy authority percentages over 20% from a five-year phase out of levy authority to 10% 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 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%.

**In 1993**, the Legislature increased the levy authority percentage by 4% for the 1994 and 1995 collection years. This resulted in a minimum levy authority percentage of 24%. After 1995 the percentage was to revert to the 1993 figure with a 20% minimum.

**In 1995**, the Legislature extended the 4% 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% increase to the levy authority percent to 2% for the 1998 collection year. For levies for the 1999 collection year and thereafter, the percentage was restored to the 4% 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% starting with the 2011 collection year. This resulted in a minimum levy authority percentage of 28%. The levy equalization percentage was increased by 2% to 14%. These increases were also applied to grandfathered districts.

**In 2017**, the Legislature passed house bill 2242, redefining how levies were to be collected from local school districts. Beginning with calendar year 2019, maintenance and operations levies were renamed “enrichment levies,” and school districts were subject to new levy limitations. A district’s maximum enrichment levy is the lesser of \$2,500 per pupil or a rate of \$1.50 per \$1,000 of assessed valuation, whichever is less. Per pupil amounts adjusted annually by inflation.

## **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% of the harvest value, and all revenue goes to the State General Fund. The tax on private timber is composed of a 4% county tax and a 1% state tax for a combined rate of 5% of harvest value. The 4% 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-five 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 enrichment 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% 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 2019 payment is the actual amount due for the 2018–19 school year minus the May 2019 payment, which was based on estimated 2018–19 enrollment. Calculation of payments to high school districts from non-high districts that will occur during FY 2018–19 can be estimated as follows:

#### **November 2019 Payment**

Actual 2019 high school district payable levy  
-- Divided by --  
Actual FY 2018–19 high school district resident FTE enrollment  
-- Times --  
Actual FY 2018–19 enrollment from non-high district  
-- Minus --  
50% of the estimated payment for FY 2018–19 (amount paid in May 2019)

#### **May 2020 Payment**

Actual 2020 high school district payable levy  
-- Divided by --  
Actual FY 2019–20 as of March 2020 high school district resident FTE enrollment  
-- Times --  
Estimated FY 2019–20 FTE enrollment from non-high district  
-- Times 50% --

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.

### Interdistrict Cooperatives

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

If the district that is providing the program will be reporting any nonresident students for state funding, there must interdistrict agreements in place for each student detailing the amount of FTE that will be claimed.

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

### D. Other Local Receipts

Other local receipts include student fees, investment earnings, grants, gifts, donations, lunch reimbursement, sale of supplies and materials, fines, and insurance recoveries.

**Figure 39: History of Certified Excess General Fund Levies—1992–2019**

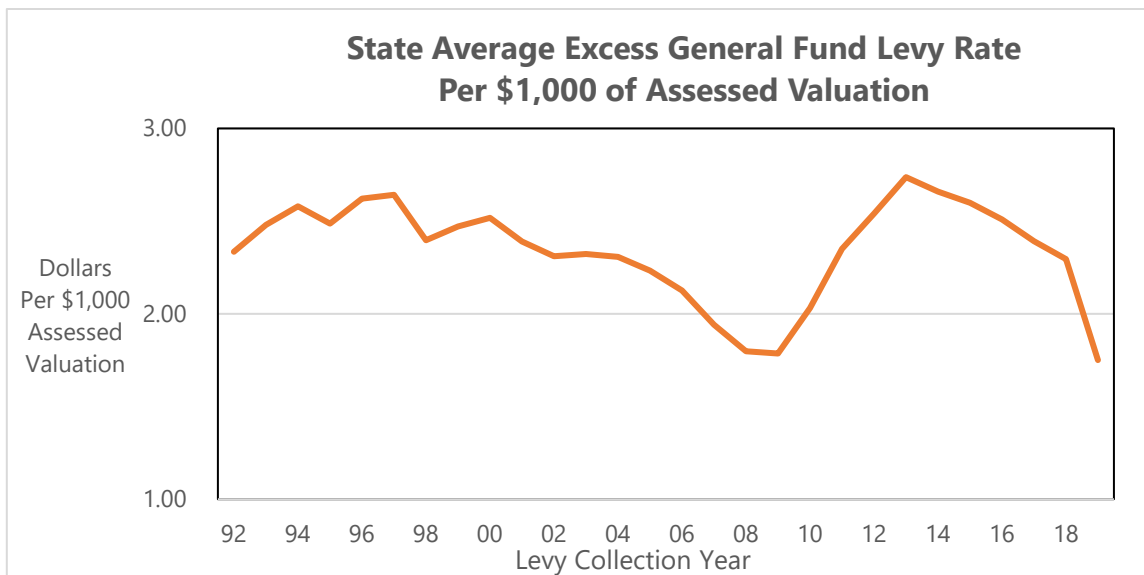
Collection Year	Special Levy Assessed Value	Certified Levy	FTE Students*	Assessed Value/FTE	LevyRate \$/1000	Levy Per Student
1992	234,446,716,042	547,403,154	795,710	294,638	2.33	688
1993	259,662,868,081	643,946,581	823,400	315,354	2.48	782
1994	275,587,971,827	710,784,442	850,098	324,184	2.58	836
1995	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	1,352,377,199	966,262	658,217	2.13	1,400
2007	736,625,482,962	1,429,760,953	971,948	757,886	1.94	1,471

Collection Year	Special Levy Assessed Value	Certified Levy	FTE Students*	Assessed Value/FTE	LevyRate \$/1000	Levy Per Student
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	2.35	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
2015	879,184,925,000	2,284,888,517	1,020,435	861,579	2.60	2,239
2016	945,950,816,276	2,372,918,984	1,032,735	915,967	2.51	2,298
2017	1,028,950,696,693	2,460,534,159	1,056,514	973,911	2.39	2,329
2018	1,125,165,905,271	2,582,216,527	1,078,393	1,043,373	2.30	2,395
2019	1,237,722,094,942	2,166,753,088	1,088,448	1,137,144	1.75	1,991

\*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 40: Statewide—Illustrating Levy Authority and Local Effort Assistance**





**Figure 41: 2019 Levy Authority and Local Effort Assistance (LEA)**

<b>2019 Levy Authority</b>		
A.	2018 Assessed Valuation (AV), 2019 Levies	\$2,356,625,234 (From county assessor(s))
B.	2017–18 Enrollment	5,085.16 (From county assessor(s)) Prior year enrollment with adjustments to high/non-high enrollment transfers & Innovative Academy
C.	Maximum Levy Per Pupil	\$12,712,900 (B × 2,500)
D.	Maximum Levy Per Tax	\$3,534,938 (A × \$1.5 /1,000)
E.	Estimated Levy Revenue	\$3,534,938 (Minimum of (C or D))
<b>2019 Local Effort Assistance (LEA)</b>		
a.	Tax Rate at Maximum Levy	\$1.50 (E / A × 1,000)
b.	Per Pupil at Maximum Levy	\$695 (E / B)
c.	2019 Certified Levy	\$3,500,000 (Certified in November 2018)
d.	Certified Levy Rate	\$1.49 (C / A × 1,000)
e.	Maximum LEA Per Pupil	\$805 (if b is greater than \$1,500 then \$1,500 - b)
f.	Estimated Maximum LEA	\$4,093,554 (B × e)
g.	2019 Estimated Certified M&O Levy Amount	\$3,500,000 (Lesser of c or e)
h.	Rollback	\$0 (if c is greater than g then c - g) (if b is greater than \$1,500 then (b - \$1,500) × e)
i.	LEA Per Pupil	\$799 (if b is greater than \$1,500 then (\$1,500 - b) × lesser of \$1.5 or d / \$1.5)
j.	2019 LEA Payable	\$4,065,517 (B * i)

**Figure 42: 2020 Levy Authority and Local Effort Assistance (LEA)**

<b>2020 Levy Authority</b>		
A.	2019 Assessed Valuation (AV), 2020 Levies	\$16,290,184 (From county assessor(s))
B.	2018–19 Enrollment	61.70 (From county assessor(s)) Prior year enrollment with adjustments to high/non-high enrollment transfers & Innovative Academy
C.	Maximum Levy Per Pupil	\$158,261 (B × 2,565) if enroll greater than 40,000 (B × 3,078)
D.	Maximum Levy Per Tax	\$40,725 (A × \$2.5 /1,000)
E.	Estimated Levy Revenue	\$18,325 (Minimum of (C, D or Certified Levy))
<b>2020 Local Effort Assistance (LEA)</b>		
a.	Per Pupil Eligible for LEA	\$396 ((A * \$1.5 / 1000)/ B)

b.	Maximum LEA Per Pupil	\$1,194	(1,590 - a)
c.	2020 Certified Levy	\$18,325	(Certified in November 2019)
d.	Certified Levy Rate	\$1.12	(C / A × 1,000] (if a is greater than \$1,590 then (\$1,590 - a) × lesser of \$1.5 or d /
e.	LEA Per Pupil	\$891	\$1.5)
f.	Estimated Maximum LEA 2020 Estimated Certified	\$73,668	(B × b)
g.	M&O Levy Amount	\$18,325	(Lesser of c or e]
h.	Rollback	\$0	(if c is greater than g then c - g) (if a is greater than \$1,590 then (\$1,590 - a) × lesser of \$1.5 or d /
i.	LEA Per Pupil	\$891	\$1.5)
j.	2020 LEA Payable	\$55,005	(B * i)

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 5.83% of school district General Fund revenue in the 2018–19 school year. Sources of federal revenues for the 2018–19 school year are shown below:

**Figure 43: Maintenance and Operations—Sources of Federal Revenues**

2018–19 School Year Federal Revenues	Revenue Account Code	Dollars in Millions	Percentage of Total
School Food Services & USDA Commodities	6198, 6298, 6398, 6998	\$291.08	30.45%
Programs Under ESSA			
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	215.94	22.59%
Title I, Part C, Migrant	6153, 6253, 6353	16.73	1.75%
School Improvement	6152, 6252, 6352	53.93	5.64%
Title VIII, Federal Impact Aid	5300, 5329	47.76	5.00%
Title III, Limited English Proficient	6164, 6264, 6364	15.78	1.65%
Title VII, Indian Education	6167, 6168, 6267, 6268, 6367, 6368	4.14	0.43%
IDEA Special Education, Supplemental	6124, 6224, 6324	226.86	23.73%
Medicaid Administrative Match	6310	1.71	0.18%
Special Purpose	6100, 6200, 6300	24.08	2.52%
Federal Forests	5500	7.14	0.75%
Head Start	6161, 6261, 6361	17.83	1.87%
Carl Perkins - Vocational Education	6138, 6238, 6338	7.12	0.75%
Special Education, Medicaid	6121, 6221, 6321	7.44	0.78%
Other Federal Revenues	5400, 6157, 6162, 6188, 6189, 6262, 6276, 6289, 6362, 6376, 6389	15.60	1.63%
Skills Center, Youth Training Programs	6146, 6178, 6278, 6378	1.26	0.13%
Direct Federal Grants—General Purpose	5200	1.48	0.15%
<b>Total</b>		<b>955.89</b>	<b>100.00%</b>

\* The School Improvement revenue account encompasses the following Federal programs under ESSA:

- 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 School

## 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) promotes the health and well-being of children by providing nutritious meals to children. The NSLP and SBP are served in public and private schools and Residential Child Care Institutions (RCCIs). The NSLP and SBP are United States Department of Agriculture (USDA) programs administered at the state level by the Office of Superintendent of Public Instruction (OSPI).

#### Who Operates School Nutrition Programs?

Public schools serving grades 1–4 that have 25% or more students qualified for free or reduced-price lunch are required to implement a school lunch program. *RCW 28A.235.160 (2)*

345 local education agencies (LEAs) in Washington state participate in the NSLP/SBP, including:

- 281 public school districts
- 29 RCCIs
- 24 private schools
- 8 charter schools
- 3 tribal compact schools

#### Free and Reduced-Price Eligibility

Although all students may participate, 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 poverty guidelines and are revised annually. The eligibility criterion is 130% of the federal poverty guidelines for free and 185% for reduced-price meals.

**Figure 44: Free and Reduced-Price Meal Eligibility**

Year	Free Eligible *	Reduced Eligible **	# of Students***	Free %	Reduced %
2016–17	405,921	71,165	1,097,705	37%	6%
2017–18	396,664	73,061	1,107,153	36%	7%
2018–19	406,941	75,861	1,111,411	37%	7%
2019–20	404,431	77,463	1,113,662	36%	7%

\*Free ≤ 130% of federal poverty guidelines

\*\*Reduced-price ≤ 185% of federal poverty guidelines

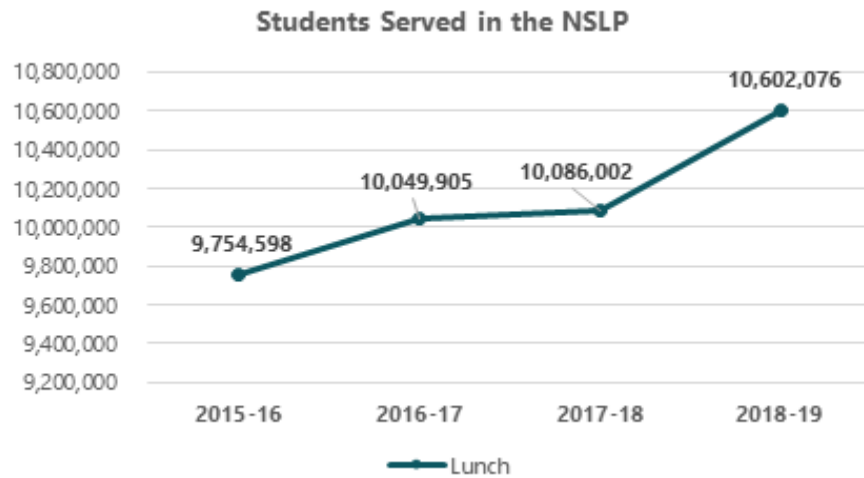
\*\*\* Represents students enrolled and have access to school meals

**Figure 45: Meals Served in the NSLP and SBP\***

Year	Breakfast	Lunch	Snack
October 2016	3,746,010	9,754,598	196,423
October 2017	3,903,944	10,049,905	173,311
October 2018	3,923,152	10,086,002	177,235
October 2019	4,254,898	10,602,076	188,586

\*Represents the number of meals/snacks reimbursed to participating schools during the month of October.

**Figure 46: Students Served Lunch in the NSLP**



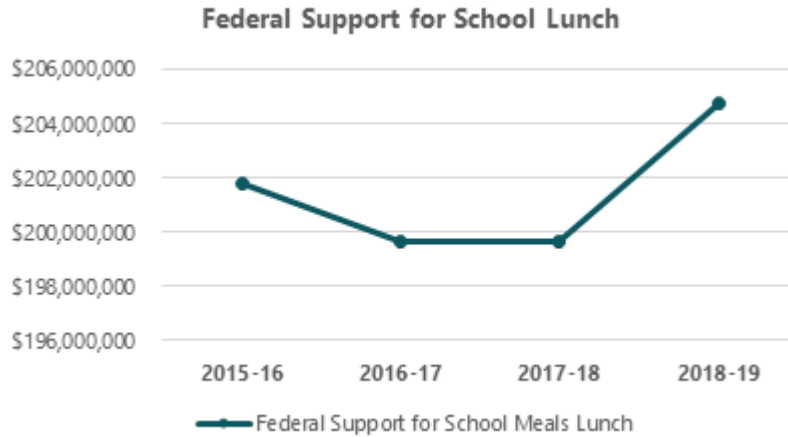
**Federal Support for Public School Meal Programs**

Federal dollars are used to reimburse districts for each meal served. Reimbursement per meal rates are set annually by USDA.

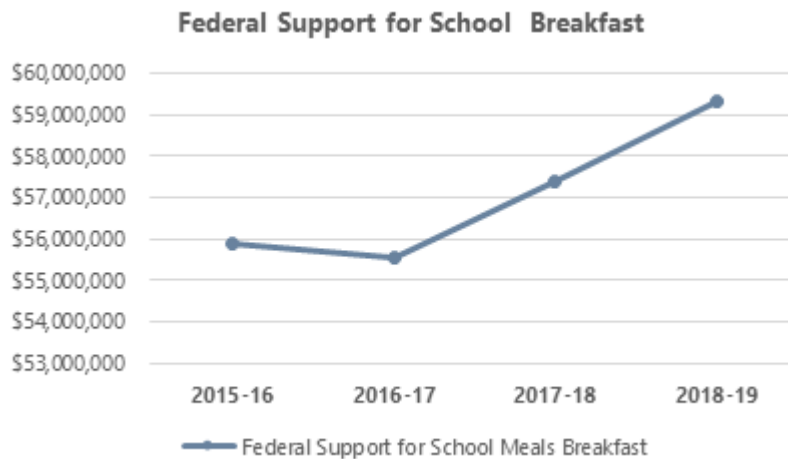
**Figure 47: Federal Reimbursement Dollars by Meal Served**

Year	Breakfast	Lunch
2015-16	\$55,891,844	\$201,787,929
2016-17	\$55,524,362	\$199,658,932
2017-18	\$57,388,128	\$199,629,727
2018-19	\$59,322,322	\$204,746,035

**Figure 48: Federal Support for School Lunch**



**Figure 49: Federal Support for School Breakfast**



**State Support for Public School Meal Programs**

For school year 2018–19, the Washington State Legislature appropriated \$7.111 million in support of public school food service programs\*.

Of the funds appropriated, the following was spent by category:

**Figure 50: State Support for Public School Meal Programs by Category**

Category	Amount
Elimination of reduced-price breakfast co-pay	\$994,723
Elimination of reduced-price lunch co-pay (K–3)	\$1,118,800
Free and reduced-price breakfast assistance	\$4,652,177
State Match - Summer Food Meals Program	\$100,000
Breakfast Meals for Kids Grants	\$174,098
Summer Food Service Program Assistance	\$48,038
<b>Total:</b>	<b>\$7,087,836</b>

\*State legislation passed in 2018 will provide funding for Breakfast After the Bell in SY 2019–20.

### Breakfast After the Bell (BAB)

With the passage of the Washington Kids Ready to Learn Act of 2018, schools with a Free and Reduced-Price Percentage of 70% or greater must implement Breakfast After the Bell, making breakfast more accessible and equitable for students. As a result, 389 schools statewide are implementing Breakfast After the Bell during this first year of implementation. Breakfast After the Bell allows all students the opportunity to eat a nutritious breakfast, ensuring that they are ready to learn.

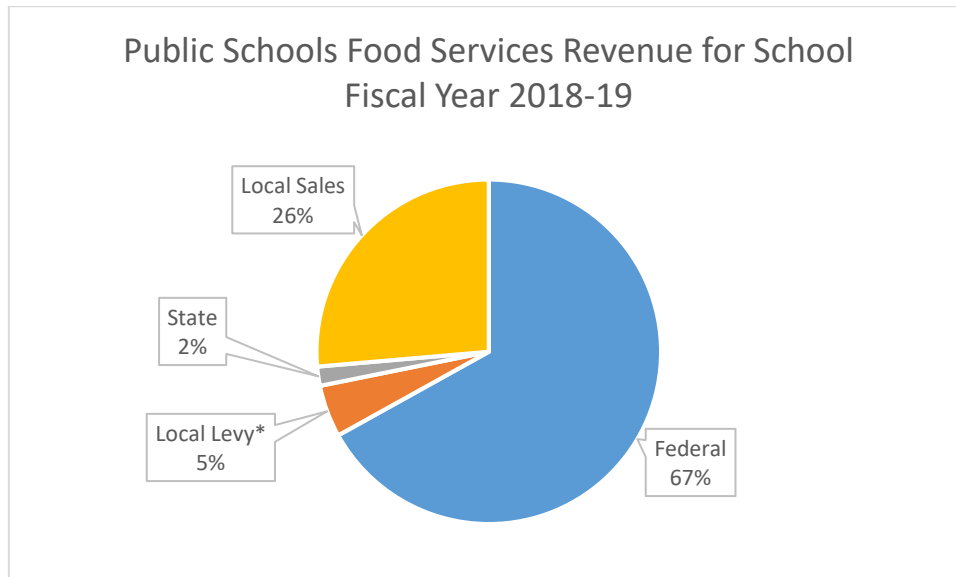
### Seated Lunch Duration

Following a performance audit from the State Auditor’s Office which concluded that Washington schools are not meeting the best practice of ensuring students have twenty minutes of seat time to eat lunch, OSPI is reviewing practices and rules around seated lunch durations. As directed by a 2019 budget proviso, OSPI is conducting a two-year pilot program to gather barriers and best practices to reaching 20 minutes of seat time. The pilot program will conclude in 2021.

### Local Support for School Meal Programs

The following graph shows revenue sources utilized to support school meal programs. Many LEAs must provide funding for the operation of their school meal programs.

**Figure 51: Public Schools Food Services Revenue Breakdown**



\*Local Levy: This is based on total direct food service expenditures only and does not include indirect costs.

### Community Eligibility Provision (CEP)

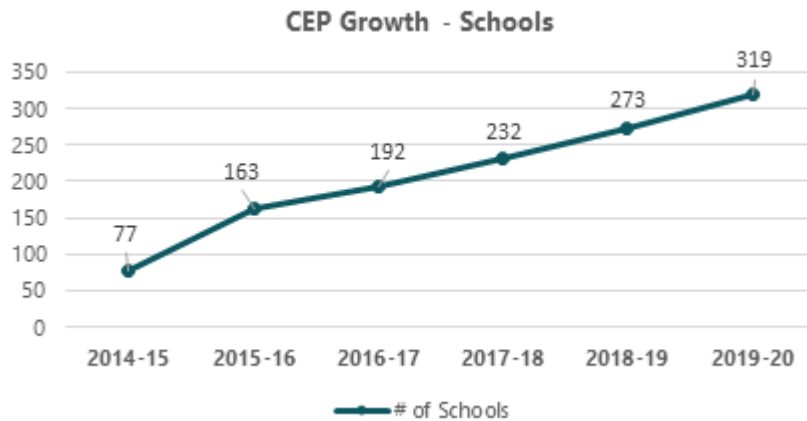
The Community Eligibility Provision (CEP) provides an alternative approach for offering school meals in low-income areas.

Beginning in SY 2014–15, CEP allowed the nation’s highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. Schools that adopt CEP are reimbursed using a formula based on the percentage of students

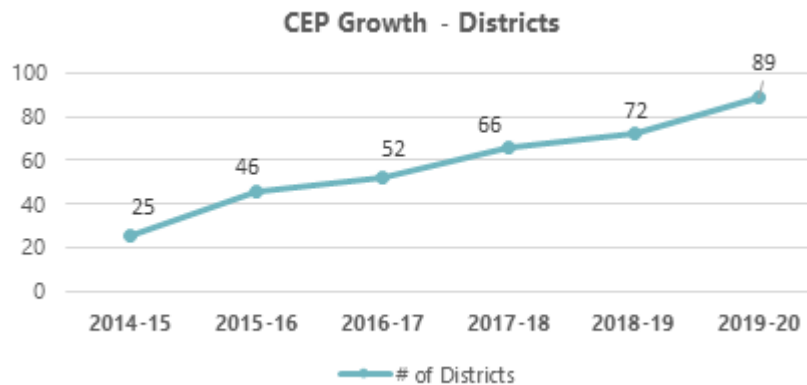
directly certified for free meals. Programs for which eligibility can be directly certified include Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), Migrant, Homeless, and foster children.

Washington state schools participating in CEP benefit from a reduction in administrative tasks and increased participation in the school meal programs decreasing the stigma associated with meal benefits and eliminating meal charge debt.

**Figure 52: CEP Growth in Schools**



**Figure 53: CEP Growth in Districts**



**b. USDA Food Distribution**

School districts, private schools, and residential childcare institutions that participate in the National School Lunch Program (NSLP) are eligible to receive food purchased by the U.S. Department of Agriculture (USDA). The Child Nutrition/Food Distribution Program coordinates the delivery, storage, and contracting of USDA Foods to be received by Recipient Agencies.



### Entitlement Allocation

The USDA Foods Program provides foods such as fruit and vegetables, poultry, eggs, other meat items, nuts, grains, oils and cheese. NSLP sponsors receive an entitlement of 0.3625 per total lunches served during the previous school year.

Summer Food Service Program (SFSP) sponsors also receive USDA Foods based on .015 cents for each eligible meal served. This represents approximately \$20,000 additional entitlement dollars for these programs.

Child and Adult Care Food Program (CACFP) institutions are offered USDA Foods or cash-in-lieu of USDA Foods. For 2019–20, this equaled \$0.2375 for each eligible meal served.

### Types of Food

- **USDA Direct Foods**—Products which USDA purchases food items for delivery to Recipient Agencies. USDA Direct Foods include both unprocessed and minimally processed products as well as “value-added” items.
- **Washington State Processed USDA Foods**—Processing program allows states to contract with commercial food processors to convert raw bulk USDA Foods into more convenient, ready-to-use end products.
- **DoD Fresh Fruit and Vegetable Program**—Allows schools to use USDA Foods entitlement dollars to buy fresh, US grown produce. The program is operated by the Defense Logistics Agency (DLA) at the Department of Defense.

**Figure 54: Value of USDA Food Distributed in Washington**

Year	Value of USDA Foods Handled
2016–17	\$29,393,264
2017–18	\$30,454,455
2018–19	\$29,019,965
2019–20	\$30,852,478

### c. Special Milk Program

The Special Milk Program (SMP) was established to offer milk in settings where students do not have access to school meal programs.

The SMP provides reimbursement for milk served to children in schools, child care institutions, afterschool programs, or summer camps that do not participate in other Child Nutrition Programs.

In SY 2018–19, the SMP hosted 45 sponsors, including;

- 4 Public Schools
- 32 Private Schools

- 1 Child Care Center
- 8 Summer Camps

**Figure 55: Milk Reimbursement Amounts**

Year	# of Milks	Reimbursement Amount
2015–16	1,121,395	\$224,375
2016–17	1,052,725	\$208,498
2017–18	1,041,980	\$205,590
2018–19	944,982	\$189,435

**d. Fresh Fruit and Vegetable Program**

The Fresh Fruit and Vegetable Program (FFVP), funded by the U.S. Department of Agriculture, provides students in participating schools with a fresh fruit or vegetable snack during the school day. The FFVP introduces students to a variety of produce that they might not otherwise have the opportunity to experience with the goal of increasing consumption of fruits and vegetables.

Schools eligible to participate must:

- Be inclusive of elementary aged students;
- Participate in the National School Lunch Program; and
- Have 50% or more free and reduced-price eligibility.

The FFVP is an annual application-based program and schools with the highest free and reduced-price percentages are awarded.

In SY 2019–20, FFVP is offered in 62 districts comprising of 171 sites.

**Figure 56: Trends in the Fresh Fruit and Vegetable Program**

School Year	# of Schools	# of Students	Total USDA Funding
2016–17	163	75,159	\$3,447,502
2017–18	151	69,760	\$3,651,830
2018–19	151	70,639	\$3,604,715
2019–20	171	76,528	\$4,074,772

**e. Summer Food Service Program**

The Summer Food Service Program (SFSP) provides meals to children during summer, when school is not in session.

Programs operate in areas where 50% or more of the children in the area are in households at or below 185% of the federal poverty level and feed children age 18 and younger. Sponsors may serve a maximum of two meals per day, which includes snacks as a meal choice.

During summer 2019, there were 162 sponsors, 951 sites, and an Average Daily Attendance (ADA) of 44,653.

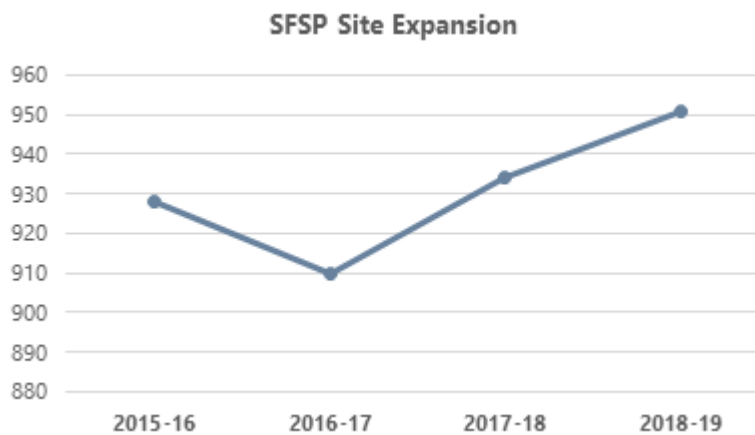
**Who Operates the SFSP?**

School Districts/Private Schools	100
Private Nonprofit Organizations	44
Indian Tribes	6
City and County Governments	7
Colleges/Universities and Upward Bound Programs	3
Residential Camps	2
<b>Total</b>	<b>162</b>

**Figure 57: Trends in SFSP Participation**

Year	Breakfast	Lunch	Snacks	Supper	# of Sponsors	# of Sites
2015–16	405,002	1,253,562	267,486	21,138	155	928
2016–17	379,356	1,164,593	256,923	19,801	154	910
2017–18	448,561	1,186,459	228,136	18,537	152	934
2018–19	391,065	1,129,112	222,776	19,574	162	951

**Figure 58: SFSP Site Expansion**



**f. Seamless Summer Feeding Program**

The Seamless Summer Option (SSO) is an extension of the NSLP and SBP.

Schools operate SSO in areas where 50% or more of the children in the area are in households at or below 185% of the federal poverty level and feed children age 18 and younger. Meal sites may be

in school and non-school settings such as community centers, Boys and Girls Clubs, and YMCAs. Schools have the option to operate the SSO or the Summer Food Service Program (SFSP).

During summer 2019, there were 15 sponsors and 43 sites.

**Figure 59: Trends in SSO Participation**

Year	Breakfast	Lunch	Snacks	# of Sponsors	# of Sites
2015–16	29,497	100,632	16,732	27	68
2016–17	20,397	78,496	8,196	18	51
2017–18	24,826	75,388	4,247	21	52
2018–19	15,714	58,333	2,269	15	43

## **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
- Schools must meet accountability requirements as defined in the WA State ESSA Consolidated Plan.
- 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.

### **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 includes two parts. Subpart A 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 Subpart B provides financial assistance to local education agencies for educational services to children and youth in local correctional facilities and to other at-risk populations.

The goals of Title I, Part D, are to:

- Improve educational services for these children so they have the opportunity to meet challenging State academic content and achievement standards;
- Provide them with services to successfully transition from institutionalization to further schooling or employment; and
- Prevent youth who are at-risk from dropping out of school, and to provide dropouts and children and youth returning from correctional facilities with a support system to ensure their continued education.

**Subpart 1**

Under SEA programs (Title I, Part D, Subpart 1), states receive formula funds based on the number of children in state-operated institutions and per-pupil educational expenditures. Each state's allocation is generated by child counts in state juvenile institutions that provide at least 20 hours of instruction from nonfederal funds and adult correctional institutions that provide 15 hours of instruction a week. The SEA then makes subgrants to state agencies based on their proportional share of the state's adjusted enrollment count of neglected or delinquent children and youth.

**Subpart 2**

Under local agency programs (Title I, Part D, Subpart 2), the SEA awards subgrants to districts with high numbers or percentages of children and youth in locally operated juvenile correctional facilities, including facilities involved in community day programs.

**d. 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 awarding School Improvement Grants to Local Educational Agencies (LEAs) demonstrating the greatest need for these 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 2018–19, eight schools were recipients of Year 5 funding throughout Washington state, including two schools in ESD 171, four schools in ESD 121, and two schools in ESD 105. 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% over a number of years.

### **e. 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, principals and other school leaders.

Title II, Part A is a U.S. Department of Education (ED) grant program that provides supplemental funding to help support effective instruction. ED awards Title II, Part A funds to state educational agencies (SEAs), such as the Office of Superintendent of Public Instruction (OSPI), which then subgrant funds to local education agencies (LEAs). For convenience, this section will refer to the Title II, Part A program as "Title II." For more information about the Title II program in Washington state, please visit the Improving Teacher and Principal Quality (Title II) webpage:

<https://www.k12.wa.us/policy-funding/grants-grant-management/improving-teacher-and-principal-quality-title-ii-part>

### **Purpose of the Title II Program**

In general, Title II funds can be used to provide supplemental activities that strengthen the quality and effectiveness of teachers, principals, and other school leaders.

The purpose of Title II is to:

1. Increase student achievement consistent with state standards,
2. Improve the quality and effectiveness of teachers, principals, and other school leaders,
3. Increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools and
4. Provide low-income and minority students greater access to effective teachers, principals, and other school leaders.

Eligible staff types Title II, Part A funds can be used to support:

- Teachers
- Principals
- Other School Leaders
- Paraprofessionals/Paraeducators

Funds are allocated to LEA's through a formula grant, weighted 20% on child population (age 5–17) and 80% on child poverty (age 5–17), as measured by the U.S. Census.

### **f. 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%) and recent immigrant students (20%). 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% 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.

**g. Title IV, Part B, 21st Century Learning Centers**

The purpose of the 21st Century Community Learning Center (21st CCLC) program is to provide grants to local school districts and community learning centers for afterschool programs serving students in low-performing schools. Programs are run by schools and/or community organizations in partnership and can also serve children before school and in the summer months.

Allowable activities, services, and programs must be focused on academic enrichment that is designed to reinforce and complement the regular academic program of participating students. This includes expanded learning activities if these activities: (1) add a minimum of 300 additional hours of programming each school year, (2) ensure programming be supplemental in nature and not an extension or addition to regular school-day activities, and (3) require partners.

In addition, programs can be funded for families of students that provide opportunities for meaningful engagement in their children's education, including opportunities for literacy development. Examples include youth development activities, service learning, nutrition and health education, drug and violence prevention programs, counseling programs, arts, music, physical fitness and wellness programs, technology education programs, literacy and financial literacy programs, environmental literacy programs, mathematics, science, career and technical education programs, internship or apprenticeship programs, etc.

Funds are distributed by formula to states. States then run a competitive subgrant program to distribute the funds to the local level.

**h. 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.

**i. 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% of total enrollment.

**j. 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.

**k. 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.

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 Head Start or Individuals with Disabilities Act (IDEA).

## **G. Federal Forests**

Over 21% 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% 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. Strengthening Career and Technical Education for the 21st Century Act (Perkins V)**

This Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act of 2018, also known as Perkins V, reauthorized the Carl D. Perkins Vocational and Technical Education Act of 2006.

Perkins V was designed to improve and expand high-quality Career and Technical Education (CTE) programs that meet both student and employer needs. It maintains a strong focus on academic rigor in CTE programs, while also emphasizing development of technical skills and employability skills that prepare students to be career and college ready after graduation. Perkins V promotes stronger connections between secondary and postsecondary education through greater emphasis

on Programs of Study (POS), and stronger connections between education and industry through greater emphasis on work-based learning (WBL) experiences and industry-recognized credentials.

Implementation of Perkins V ensures that career and technical education programs are an integral part of a well-rounded secondary education, meeting the needs of students and educational systems as part of Washington's "Every Student Succeeds Act" (ESSA) plan.

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 Perkins V 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 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, typically 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.

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% state funding assistance percentage, while poorer districts may receive a percentage approaching 100%. The goal is to provide, on average, a 50% 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.

The Legislature appropriated over \$1.0 billion for the School Construction Assistance Program for the 2019–21 biennium which included \$1.0 million for studies and surveys.

In addition to the School Construction Assistance Program, the Legislature provided additional funding in the 2019–21 biennium to support other K–12 capital programs which include skill centers (\$3.6 million); distressed schools (\$23.0 million); school district health and safety (\$6.0 million) small district modernization (\$20.0 million); STEM grants (\$7.7 million); healthy kids and healthy schools (\$3.25 million); career preparation and launch grants (\$1.0 million) and agricultural science in schools grants (\$1.75 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% of the voters casting ballots. A further qualification requires that there must be a 40% 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% as follows:

- 0.375% without a vote of the people
- 2.5% with a vote of the people—to include the 0.375%
- 2.5% with a vote of the people if this added 2.5% 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; similar to 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 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 7007 construction grants. Eligible school districts must apply to the U.S. Department of Education for this type of funding.

### **Insurance Settlements**

Insurance proceeds that represent reimbursement for loss of a building and contents 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.

### 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 60: State Summary—Capital Projects Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Year Ended August 31, 2019

<b>Revenues</b>	
Local	\$ 758,653,299
State	431,087,195
Federal	17,787,550
Other	4,270,698
Total Revenues	<u>1,211,798,742</u>
<b>Expenditures</b>	
Capital Outlay	
Sites	197,874,597
Building	3,059,992,904
Equipment	149,523,895
Instructional Technology	110,360,672
Energy	26,342,679
Sales and Lease	552,611
Debt Service	
Bond/Levy Issuance	11,293,384
Principal	3,364,741
Interest and Other	184,022
Total Expenditures	<u>3,559,489,505</u>
Excess of Revenues Over (Under) Expenditures	(2,327,690,763)
<b>Other Financing Sources (Uses)</b>	
Bond Sales	2,090,276,832
Long-Term Financing	16,142,695
Transfers In	56,261,207
Transfers Out	(98,736,479)



Other Funding Uses	
Other Sources	37,358,015
Total Other Financing Sources (Uses)	<u>2,101,302,270</u>
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(246,388,493)
Beginning Fund Balance (September 1, 2018)	5,086,469,698
Correction of Prior Year(s) Errors	<u>(132,656)</u>
Ending Fund Balance (August 31, 2019)	<u>\$4,839,948,549</u>

**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 below.

**Figure 61: State Summary—Debt Service Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended August 31, 2019**

<b>Revenues</b>	
Local	\$ 1,456,256,969
State	4,806,519
Federal	17,271,156
Total Revenues	<u>1,478,334,644</u>
<b>Expenditures</b>	
Debt Service	
Principal	793,483,366
Interest and Other	636,062,521
Total Expenditures	<u>1,429,545,887</u>
Excess of Revenues Over (Under) Expenditures	48,788,757
<b>Other Financing Sources (Uses)</b>	
Bond Sales	31,105,033
Transfers In	42,768,271
Transfers Out	(4,767,078)
Other Financing Uses	(18,709,916)
Other Financing Sources	
Total Other Financing Sources (Uses)	<u>50,396,310</u>
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>99,185,067</u>
Beginning Fund Balance (September 1, 2018)	679,666,619
Prior Year(s) Corrections or Restatements	
Ending Fund Balance (August 31, 2019)	<u>\$ 778,851,686</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).

Figure 62: State Summary—Transportation Vehicle Fund provides a summary of 2018–19 revenues and expenditures for the Transportation Vehicle Fund. School districts may also finance bus purchases. School districts may also finance bus purchases. School districts may also finance bus purchases. See Figure 62 for more information.

### 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 \$57.7 million for school district owned school busses in the 2018–19 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 2018, one district submitted a Transportation Vehicle Fund levy in the amount of \$1,600,000

Transfers from other funds provided \$9.6 million in revenue to the Transportation Vehicle Fund in the 2018–19 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 2018–19 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 destinations served
- 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 skill 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 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% 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.160.195-200 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 five-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 2,050 drivers are authorized each year. In any given year there are about 10,800 authorized drivers.

During the Fall 2018 ridership count, school districts reported an 817,100 combined count of a.m. and p.m. students transported between home and school by school buses. In the 2018–19 school year school buses traveled 96.5 million miles transporting these students to and from school, over 3.6 million miles transporting students on academically related field trips, and over 5.3 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 \$9.1 million in the 2018–19 school year.

**Figure 62: State Summary–Transportation Vehicle Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended August 31, 2019**

<b>Revenues</b>	
Local	\$10,739,754
State	57,706,491
Federal	230,000
Other	765,233
Total Revenues	<u>69,441,478</u>
<b>Expenditures</b>	
Capital Outlay	
Transportation Equipment	73,563,399
Debt Service	
Bond/Levy Issuance	5,702
Principal	712,141
Interest and Other	83,192
Total Expenditures	<u>74,364,434</u>
Excess of Revenues Over (Under) Expenditures	(4,922,956)
<b>Other Financing Sources (Uses)</b>	
Bond Sales	1,457,191
Long-Term Financing	3,006,457
Transfers In	9,640,931
Transfers Out	( 2,932,599)
Other Financing Uses	(5,703)
Other	2,289,920
Total Other Financing Sources (Uses)	<u>13,456,197</u>
Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,533,241
Beginning Fund Balance (September 1, 2018)	118,924,354
Prior Year(s) Corrections or Restatements	0
Ending Fund Balance (August 31, 2019)	<u>\$127,457,595</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 2018–19 school year, school districts reported \$128.4 million in revenues to the Associated Student Body Fund. Figure 63: State Summary–Associated Student Body Fund provides a summary of 2018–19 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 63: State Summary–Associated Student Body Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended August 31, 2019**

<b>Revenues</b>	
General Student Body	\$ 47,530,913
Athletics	30,376,682
Classes	8,542,324
Clubs	39,007,529
Private Moneys	2,954,724
Total Revenues	128,412,172
<b>Expenditures</b>	
General Student Body	34,262,327
Athletics	38,750,909
Classes	8,443,695
Clubs	40,450,849
Private Moneys	2,716,827
Total Expenditures	124,624,607
Excess of Revenues Over (Under) Expenditures	3,787,565
Beginning Fund Balance (September 1, 2018)	86,439,426
Prior Year(s) Corrections and Restatements	51,663
Ending Fund Balance (August 31, 2019)	\$ 90,278,653

**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 2018–19 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, behavior analysts, 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.

In past years, RCW 28A.400.200 required that the minimum salary paid to certificated instructional staff not be less than the state allocated salary for an employee with a bachelor’s degree and zero years of service.

The state salary lid law, RCW 28A.400.200(3), required 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.

With the passing of EHB 2242, RCW 28A.400.200 is updated to require that the minimum salary paid to certificated instructional staff be at least \$40,760 in school year 2018–19, with a +2% inflationary measure in school year 2019–20. The maximum salary for certificated instructional staff is \$91,710 in school year 2018–19, with a +2% inflationary measure in school year 2019–20, subject to adjustment for regional differences (additional 6, 12, 18, or 24%) in the cost of hiring staff, plus a +4% experience factor adjustment (starting in school year 2019–20), for school districts with certificated instructional staff above the state average in education and experience. A district may

pay a salary that exceeds this maximum salary by up to 10% for full-time certificated instructional staff:

- Who are educational staff associates; or
- Who teach in the subjects of science, technology, engineering, or math; or
- Who teach in the transitional bilingual instruction or special education programs

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, etc.). 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 1991–2019.

### **The 1991 Legislature**

For 1991–92, certificated instructional staff unit salaries were increased by 4%, 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% 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% 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% was authorized for the 1992–93 school year.

Classified staff units received an increase of 4% of the 1990–91 state-recognized average salary for classified staff. This was \$853 per funded staff unit. A further increase of 3.547% 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% to 3%.

### **The 1993 Legislature**

The 1993 Legislature did not grant any salary increases for 1993–94 and 1994–95. The Legislature also 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%.

### **The 1995 Legislature**

For 1995–96, certificated instructional staff unit salaries were increased by 4%, 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% 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% decrease from 1994–95 allocation salaries.

Classified staff units received an increase of 4% 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%, 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. Certificated instructional staff unit salary increases ranged from 12.05% in the zero years of service cells in the salary schedule to 4.72% 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% for 1999–2000.

For 2000–01, certificated instructional staff units, certificated administrative staff units, and classified staff units all received 3% 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% for CIS in their first and second years of service
- 2.5% for CIS in their third year of service
- 1.5% for CIS in their fourth year of service
- 1.0% for CIS in their fifth year of service
- 0.5% 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% increase for classified staff for 2004–05.

### **The 2005 Legislature**

The 2005 Legislature provided a 1.2% 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% cost-of-living increase for the 2006–07 school year, plus a 0.5% “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%.

### **The 2007 Legislature**

The 2007 Legislature provided a 3.7% 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% in the 2007–08 school year, salaries for certificated instructional staff in non-grandfathered salary districts were increased an additional 0.6%, resulting in total salary increases for certificated instructional staff in non-grandfathered districts of 4.3% 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% to 5.7%.

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% 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% to 49%.

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% to 17%.

### **The 2008 Legislature**

The 2008 Legislature provided a 3.9% 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% in the 2008–09 school year, salaries for certificated instructional staff in non-grandfathered salary districts were increased an additional 1.2%, resulting in total salary increases for certificated instructional staff in non-grandfathered districts of 5.1% 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% to 5.0%.

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% 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% to 45%.

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% to 15%.

### **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% and the salary allocation for certificated administrative staff by 3.0% 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% increase for certificated instructional staff and classified staff, and a 3.0% 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.

### **The 2015 Legislature**

The 2015 Legislature provided a 3.0% increase for certificated instructional staff, certificated administrative staff, and classified staff for the 2015–16 school year, and a 1.8% increase for the 2016–17 school year. Additional salary increases were provided as a one-biennium salary increase for the 2015–16 and 2016–17 school years as the state continued to review and revised state-funded salary allocations.



## The 2016 Legislature

The 2016 Legislature made no changes to the 2016–17 salary allocation rates set by the 2015 Legislature.

## The 2017 and 2018 Legislature

The 2017 Legislature provided a 2.3% increase for certificated instructional staff, certificated administrative staff, and classified staff for the 2017–18 school year.

Then, the Washington Legislature in 2017 and 2018 made significant changes to how school districts were funded for school staff salaries. The Legislature discontinued “staff mix” after the 2017–18 school year and no longer provides funding to each school district for teacher salary and benefits tied to their education level (degree and credits) and certificated years of experience.

**Figure 64: K–12 Salary Allocation Schedule for Certificated Instructional Staff—School Year 2017–18**

YEARS OF SERVICE	EDUCATION EXPERIENCE								
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR PHD
0	36,521	37,507	38,529	39,554	42,840	44,957	43,785	47,072	49,191
1	37,013	38,013	39,048	40,117	43,438	45,543	44,272	47,593	49,697
2	37,481	38,491	39,537	40,688	44,000	46,127	44,762	48,073	50,201
3	37,964	38,983	40,040	41,229	44,534	46,712	45,227	48,529	50,709
4	38,437	39,501	40,565	41,794	45,119	47,313	45,714	49,038	51,234
5	38,926	39,995	41,069	42,367	45,679	47,918	46,209	49,522	51,760
6	39,428	40,474	41,585	42,948	46,244	48,494	46,716	50,013	52,262
7	40,312	41,373	42,498	43,935	47,280	49,593	47,666	51,010	53,324
8	41,604	42,724	43,876	45,431	48,822	51,219	49,161	52,552	54,949
9		44,122	45,332	46,943	50,413	52,892	50,672	54,143	56,623
10			46,805	48,533	52,049	54,611	52,263	55,780	58,340
11				50,169	53,761	56,375	53,899	57,492	60,104
12				51,753	55,520	58,211	55,600	59,250	61,942
13					57,322	60,093	57,360	61,052	63,823
14					59,132	62,046	59,172	62,981	65,776
15					60,671	63,660	60,710	64,618	67,486
16					61,884	64,932	61,924	65,910	68,836

**Source:** Substitute Senate Bill 5883, Sec. 503.

## A. 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 1,000

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 1,000 full-time equivalent (FTE) pupils, and 1 classified staff per 3 certificated staff (in other words, 16 2/3 classified staff per 1,000 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 1,000 pupils in 1987–88
- 49 certificated instructional staff per 1,000 pupils in 1988–89
- 51 certificated instructional staff per 1,000 pupils in 1989–90
- 52.3 certificated instructional staff per 1,000 pupils in 1990–91

The 1991 Legislature further increased the K–3 formula staff ratio by 2 to a maximum of 54.3:1,000 (18.42:1). Districts with actual K–3 staffing ratios less than 54.3:1,000 and greater than 49:1,000 were funded at their actual K–3 ratio. Districts with actual K–3 ratios of less than 49:1,000 were funded at the statutory minimum of 49:1,000. 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 1,000 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 1,000 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 1,000 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 1,000 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 53.2/1,000 (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 1,000 pupils (19.70:1) and a separate Grade 4 funding ratio of 46.27 certificated instructional staff per 1,000 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 1,000 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:

**Figure 65: Prototypical Assumption of Class Size**

Grade Level	Class Size
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 50% 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 for a 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.

**Figure 66: K–3 Maximum and Minimum Class Sizes**

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	25.23	23.00	19.00
2	25.23	24.00	22.00
3	25.23	25.00	24.00

See Figure 70 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 (through school year 2017–18) 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 webpage: <https://www.k12.wa.us/policy-funding/school-apportionment>.

**Figure 67: Historical Comparison of Statewide School District Personnel Salaries, Annualized Average Salaries, and Per Capita Income**

School Year	Average Base Salary per 1.0 FTE			Washington Average	Average Base Salary as a % of Average Income		Adjusted to Constant 2018–19 Dollars			
	All Certificated		All Classified	per Capita Income	All Certificated	All Classified	School Year CPI-U	All Certificated	All Classified	Per Capita Income
1991–92	\$36,665		\$22,715	\$21,391	171%	106%	1.389	\$67,058	\$41,544	\$39,123
1992–93	\$37,698		\$23,562	\$21,945	172%	107%	1.431	\$66,940	\$41,839	\$38,967
1993–94	\$37,777		\$23,837	\$22,541	168%	106%	1.470	\$65,315	\$41,213	\$38,973
1994–95	\$38,100		\$24,042	\$23,548	162%	102%	1.510	\$64,114	\$40,457	\$39,626
1995–96	\$39,900	A	\$25,092	\$24,861	160%	101%	1.554	\$65,242	\$41,029	\$40,651
1996–97	\$39,868	A	\$25,314	\$26,368	151%	96%	1.593	\$63,594	\$40,378	\$42,060
1997–98	\$40,914	A	\$26,332	\$28,231	145%	93%	1.622	\$64,108	\$41,260	\$44,235
1998–99	\$40,900	A	\$26,662	\$29,774	137%	90%	1.654	\$62,834	\$40,960	\$45,741
1999–2000	\$43,359	A	\$27,735	\$31,709	137%	87%	1.703	\$64,683	\$41,374	\$47,303
2000–01	\$44,588	A	\$28,896	\$32,250	138%	90%	1.754	\$64,594	\$41,861	\$46,720
2001–02	\$46,053	A	\$30,122	\$32,567	141%	92%	1.789	\$65,399	\$42,776	\$46,248
2002–03	\$47,677	A	\$31,512	\$33,136	144%	95%	1.826	\$66,333	\$43,843	\$46,103
2003–04	\$48,141	A	\$31,828	\$35,218	137%	90%	1.873	\$65,322	\$43,187	\$47,787
2004–05	\$48,481	A	\$32,513	\$35,955	135%	90%	1.932	\$63,775	\$42,769	\$47,297
2005–06	\$49,198	A	\$33,350	\$39,267	125%	85%	1.995	\$62,663	\$42,478	\$50,014
2006–07	\$50,900	A	\$34,735	\$41,529	123%	84%	2.054	\$62,968	\$42,971	\$51,375
2007–08	\$53,103	A	\$36,316	\$43,728	121%	83%	2.126	\$63,459	\$43,399	\$52,255
2008–09	\$55,902	A	\$38,402	\$41,638	134%	92%	2.148	\$66,120	\$45,422	\$49,249
2009–10	\$56,296	A	\$38,677	\$42,514	132%	91%	2.169	\$65,941	\$45,304	\$49,797
2010–11	\$56,226	A	\$38,914	\$44,145	127%	88%	2.226	\$64,173	\$44,415	\$50,384
2011–12	\$55,605	A	\$39,158	\$45,939	121%	85%	2.280	\$61,961	\$43,635	\$51,190
2012–13	\$55,653	A	\$39,487	\$46,853	119%	84%	2.319	\$60,990	\$43,274	\$51,346
2013–14	\$56,507	A	\$40,229	\$49,525	114%	81%	2.355	\$60,979	\$43,412	\$53,444
2014–15	\$56,307	A	\$41,147	\$51,502	109%	80%	2.369	\$60,395	\$44,134	\$55,241
2015–16	\$57,822	A	\$43,048	\$54,570	106%	79%	2.390	\$61,475	\$45,768	\$58,018
2016–17	\$58,821	A	\$44,704	\$56,559	104%	79%	2.434	\$61,406	\$46,669	\$59,045
2017–18	\$60,388	A	\$47,275	\$60,872	99%	78%	2.491	\$61,600	\$48,224	\$62,094
2018–19	\$77,203	A	\$50,404	\$63,369	122%	80%	2.541	\$77,203	\$50,404	\$63,369
<b>SALARY NOTES</b>							<b>SOURCES</b>			
A Includes contractor staff.							2018–19 School District Personnel Summary Reports.			
<b>ABBREVIATIONS</b>							<b>PER CAPITA INCOME NOTES</b>			
CPI-U = Consumer Price Index – Urban U.S.							Per capita income is influenced by the increase in two income families.			

**Figure 68: Historical Comparison of Statewide School District Personnel Full-Time Equivalents and Annualized Average Salaries**

School Year	Certificated Staff										Classified Staff	
	Administration				Instructional				Total Certificated		Total	
	Central		Unit		Teachers		ESAs					
	FTE	Salary	FTE	Salary	FTE	Salary	FTE	Salary	FTE	Salary	FTE	Salary
1995–1996	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
1996–1997	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
1997–1998	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
1998–1999	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
2000–2001	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
2001–2002	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
2002–2003	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
2003–2004	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
2004–2005	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
2005–2006	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
2006–2007	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
2007–2008	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
2008–2009	1,158.5	\$ 106,892	2,876.9	\$ 96,959	54,657.7	\$ 52,568	7,384.7	\$ 56,397	66,221.2	\$ 55,902	37,516.2	\$ 38,402
2009–2010	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
2010–2011	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
2011–2012	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
2012–2013	1,106.3	\$ 110,873	2,864.2	\$ 99,715	53,563.2	\$ 52,238	7,302.1	\$ 54,916	64,995.6	\$ 55,653	36,450.1	\$ 39,487
2013–2014	1,141.7	\$ 113,763	2,958.7	\$101,835	54,727.6	\$ 52,969	7,617.4	\$ 55,594	66,599.7	\$ 56,507	37,273.8	\$ 40,229
2014–2015	1,234.4	\$ 115,871	3,092.4	\$103,898	56,183.3	\$ 52,510	8,109.9	\$ 55,272	68,807.3	\$ 56,307	38,598.2	\$ 41,147
2015–2016	1,310.2	\$ 121,037	3,243.9	\$108,385	57,912.0	\$ 53,707	8,440.5	\$ 56,714	71,122.4	\$ 57,822	39,845.1	\$ 43,048
2016–2017	1,375.5	\$ 125,274	3,423.3	\$111,519	59,566.4	\$ 54,460	8,910.6	\$ 57,526	73,560.3	\$ 58,821	41,509.7	\$ 44,704
2017–2018	1,413.3	\$ 131,577	3,502.1	\$117,249	61,010.8	\$ 55,698	9,060.5	\$ 58,777	75,229.1	\$ 60,388	42,510.0	\$ 47,275
2018–2019	1,421.2	\$ 138,250	3,609.7	\$122,668	62,545.2	\$ 73,060	9,527.9	\$ 77,975	77,351.0	\$ 77,203	44,335.5	\$ 50,404

**Includes** Superintendent, Assistant / Deputy Supt. Other Administrators Assistant/Deputy Supt. Other Administrators  
 Elementary Principal, Elem Vice Principal, Secondary Principal  
 Elementary Vice Principal  
 Secondary Principal  
 Elementary Teacher, Secondary Teacher, Other Teacher  
 Secondary Teacher  
 Other Teacher  
 Library Media Specialist, Counselor, Physical / Occup Therap., Social Wkr, Speech Path or Audiologist, Nurse, Reading Resource Specialist  
 Central Administration, Unit Admin, Classroom Teachers, ESAs  
 Director / Supervisor, Aides, Crafts, Trades, Laborers, Office / Clerical, Operators, Professional, Service Workers

**Figure 69: Historical Comparison of Statewide School District Personnel for All Programs and Basic Education Programs**

ALL PROGRAMS		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>All Certificated</b>										
FTE staff		65,241.9	64,249.5	64,995.6	66,599.7	68,807.3	71,122.4	73,560.3	75,229.1	77,351.0
Avg. base salary per 1.0 FTE		\$ 56,226	\$ 55,605	\$ 55,653	\$ 56,507	\$ 56,307	\$ 57,822	\$ 58,821	\$ 60,388	\$ 77,203
Avg. LEAP 1Sb/1 mix		1.571	1.579	1.579	1.571	1.560	1.550	1.544	1.541	NA
Derived base		\$ 35,784	\$ 35,206	\$ 35,247	\$ 35,972	\$ 36,098	\$ 37,302	\$ 38,102	\$ 39,179	\$ 50,216
<b>Administrative Cert</b>										
FTE staff		3,902.3	3,884.3	3,970.6	4,100.3	4,326.8	4,554.1	4,798.7	4,915.3	5,030.9
Avg. base salary per 1.0 FTE		\$101,959	\$102,310	\$102,824	\$105,156	\$107,314	\$112,025	\$115,462	\$121,369	\$127,070
Avg. LEAP 1Sb/1 mix		1.722	1.726	1.724	1.715	1.706	1.694	1.688	1.681	NA
Derived base		\$ 59,205	\$ 59,290	\$ 59,658	\$ 61,306	\$ 62,910	\$ 66,112	\$ 68,398	\$ 72,196	\$ 75,905
<b>Instructional Cert</b>										
FTE staff		61,180.4	60,202.6	60,865.3	62,345.0	64,293.2	66,352.5	68,477.0	70,071.3	72,073.0
Avg. base salary per FTE		\$ 53,293	\$ 52,574	\$ 52,559	\$ 53,290	\$ 52,858	\$ 54,089	\$ 54,859	\$ 56,096	\$ 73,710
Avg. LEAP 1Sb/1 mix		1.561	1.570	1.569	1.561	1.550	1.540	1.534	1.531	NA
Derived base		\$ 34,132	\$ 33,492	\$ 33,491	\$ 34,136	\$ 34,105	\$ 35,121	\$ 35,766	\$ 36,631	\$ 48,248
Avg. supplemental		\$ 8,824	\$ 9,438	\$ 9,794	\$ 10,153	\$ 10,926	\$ 12,118	\$ 14,089	\$ 16,497	\$ 8,641
<b>All Classified</b>										
FTE staff		37,110.0	36,199.8	36,450.1	37,273.8	38,598.2	39,845.1	41,509.7	42,510.0	44,335.5
Avg. base salary per FTE		\$ 38,914	\$ 39,158	\$ 39,487	\$ 40,229	\$ 41,147	\$ 43,048	\$ 44,704	\$ 47,275	\$ 50,404
<b>BASIC EDUCATION PROGRAMS</b>										
<b>All Certificated</b>										
FTE staff		51,613.4	51,670.9	52,278.7	53,569.6	55,427.8	57,404.1	59,456.1	60,500.7	61,795.9
Avg. base salary per FTE		\$ 56,579	\$ 56,065	\$ 56,143	\$ 57,027	\$ 56,788	\$ 58,292	\$ 59,265	\$ 60,894	\$ 77,617
Avg. LEAP 1Sb/1 mix		1.572	1.582	1.583	1.575	1.562	1.551	1.544	1.542	NA
Derived base		\$ 35,983	\$ 35,429	\$ 35,475	\$ 36,219	\$ 36,359	\$ 37,586	\$ 38,387	\$ 39,496	\$ 50,460
<b>Administrative Cert</b>										
FTE staff		3,403.0	3,484.0	3,571.8	3,703.6	3,899.7	4,112.3	4,328.3	4,433.3	4,530.6
Avg. base salary per FTE		\$102,673	\$102,979	\$103,444	\$105,754	\$107,895	\$112,554	\$115,887	\$121,894	\$127,671
Avg. LEAP 1Sb/1 mix		1.721	1.725	1.723	1.715	1.705	1.694	1.688	1.681	NA
Derived base		\$ 59,652	\$ 59,698	\$ 60,031	\$ 61,654	\$ 63,290	\$ 66,441	\$ 68,648	\$ 72,504	\$ 76,203
<b>Instructional Cert</b>										
FTE staff		48,066.6	48,042.5	48,563.9	49,732.1	51,370.5	53,113.4	54,884.1	55,860.7	57,054.4
Avg. base salary per FTE		\$ 53,298	\$ 52,643	\$ 52,646	\$ 53,380	\$ 52,891	\$ 54,073	\$ 54,804	\$ 56,037	\$ 73,628
Avg. LEAP 1Sb/1 mix		1.562	1.572	1.572	1.564	1.551	1.540	1.533	1.531	NA
Derived base		\$ 34,130	\$ 33,491	\$ 33,487	\$ 34,134	\$ 34,104	\$ 35,121	\$ 35,759	\$ 36,613	\$ 48,214
<b>All Classified</b>										
FTE staff		19,246.7	19,209.0	19,355.9	19,823.6	20,568.4	21,188.3	22,010.9	22,330.5	22,973.1
Avg. base salary per FTE		\$ 41,849	\$ 41,900	\$ 42,247	\$ 43,200	\$ 44,249	\$ 46,326	\$ 48,154	\$ 50,915	\$ 54,172

**Figure 70: Historical Comparison of Statewide School District Staff Ratios K–12, K–3, and K–4 Staff per 1,000 Enrolled Students**

K–12	SY	Avg. Ann. Enroll P-223**	----- All Education Programs -----					----- Basic Education Programs* -----			
			----- Certificated Staff -----			Class. Total Staff	----- Report T-165B** -----				
Admin	Instructional	Total Staff	----- Certificated -----				Class. Total				
Central	Unit		Teacher	ESA	Admin	Instr.		Total			
1994–1995	882,097	1.13	2.83	53.06	6.31	62.87	34.56	3.76	51.28	55.04	19.76
1995–1996	899,083	1.12	2.77	52.16	6.23	62.48	34.16	3.57	50.52	54.09	18.97
1996–1997	917,504	1.11	2.79	52.53	6.21	62.84	34.60	3.57	50.80	54.37	19.14
1997–1998	929,914	1.13	2.79	52.71	6.26	63.08	35.14	3.59	50.70	54.29	19.49
1998–1999	938,974	1.13	2.79	52.82	6.40	63.32	35.27	3.59	50.59	54.18	19.53
1999–2000	940,395	1.14	2.83	53.42	6.75	64.32	36.36	3.63	50.94	54.57	20.07
2000–2001	942,323	1.16	2.84	53.97	6.73	64.88	36.89	3.62	50.56	54.18	20.00
2001–2002	947,622	1.21	2.86	55.47	6.96	66.70	37.61	3.66	50.79	54.45	20.29
2002–2003	949,294	1.23	2.89	55.94	7.07	67.33	38.09	3.68	50.55	54.23	20.45
2003–2004	952,113	1.20	2.89	55.55	7.09	66.93	37.85	3.68	50.12	53.80	20.35
2004–2005	955,614	1.18	2.93	55.73	7.23	67.26	38.30	3.70	49.76	53.45	20.39
2005–2006	960,592	1.21	2.95	55.83	7.30	67.48	38.26	3.74	49.49	53.23	20.38
2006–2007	961,749	1.22	2.92	56.10	7.44	67.86	38.35	3.70	49.42	53.12	20.39
2007–2008	967,237	1.23	2.94	56.02	7.56	67.93	38.57	3.74	47.51	51.24	20.41
2008–2009	975,872	1.19	2.95	56.01	7.57	67.86	38.44	3.71	47.49	51.20	20.35
2009–2010	982,748	1.13	2.84	54.56	7.38	66.05	37.55	3.46	47.61	51.07	19.65
2010–2011	986,584	1.12	2.83	54.61	7.40	66.13	37.61	3.45	48.72	52.17	19.51
2011–2012	984,285	1.09	2.85	53.86	7.30	65.28	36.78	3.54	48.81	52.35	19.52
2012–2013	987,757	1.12	2.90	54.23	7.39	65.80	36.90	3.62	49.17	52.78	19.60
2013–2014	1,002,609	1.14	2.95	54.59	7.60	66.43	37.18	3.69	49.60	53.30	19.77
2014–2015	1,013,525	1.22	3.05	55.43	8.00	67.89	38.08	3.85	50.68	54.53	20.29
2015–2016	1,036,133	1.26	3.13	55.89	8.15	68.64	38.46	3.97	51.26	55.23	20.45
2016–2017	1,058,218	1.30	3.23	56.29	8.42	69.51	39.23	4.09	51.86	55.95	20.80
2017–2018	1,067,358	1.32	3.28	57.16	8.49	70.48	39.83	4.15	52.34	56.49	20.92
2018–2019	1,069,087	1.33	3.38	58.50	8.91	72.35	41.47	4.24	53.37	57.61	21.49

\*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. 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



## 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%, 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% 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.

Since the 2011–12 school year, enrollment has continued to grow. For the 2017–18 school year, enrollment reached 1,092,434 FTE—an increase of 9.4%.

A smaller increase of 0.28% in enrollment occurred for the 2018–19 school year due to another policy change. The calculation of how a student’s FTE was calculated changed that school year that required 1.0 FTE be based on 27 weekly hours and 45 minutes would equal 1.0 FTE for all grades. Prior to this school year, FTE was based on 20 weekly hours for grades K–3 and 25 weekly hours for grades 4–12.

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 is beginning to increase after dropping significantly during the years of the economic recession.

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

Figure 71 shows average annual headcount enrollments for 2009–10 through 2018–19 as reported by school districts on Form P-223 and shown on SPI Report 1251H. Headcount enrollment for the 2009–10 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 72 shows average annual full-time equivalent (FTE) students for 2009–10 through 2018–19 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 71, for 2009–10 through 2010–11, 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).

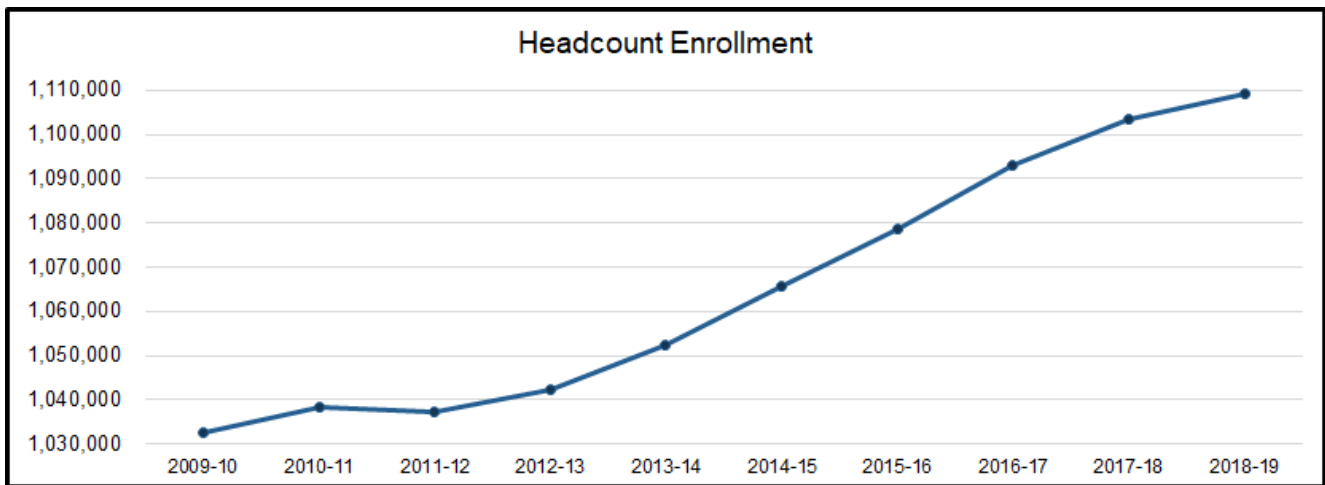
Figure 74 shows special education enrollment by age category for 2009-10 through 2018–19 as reported on Form P-223H. For the 2009–10 through 2010–11 school years, the special education enrollment is the average number of individual students in each category on eight count dates (October through May) 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 75 shows private school enrollments from 2009–10 through 2018–19.

**Figure 71: Historical Comparison of Statewide School District Enrollments—Average Annual Headcount**

GRADE	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
K	75,375	76,666	78,487	81,246	82,053	81,723	80,299	81,668	81,775	82,568
1	77,915	79,025	79,326	80,882	83,684	84,585	84,202	82,704	83,362	82,930
2	76,506	78,129	78,708	79,164	80,752	84,384	85,740	85,368	83,632	83,979
3	78,277	77,178	78,294	78,885	79,453	81,669	85,468	87,009	86,205	84,182
4	78,798	78,994	77,406	78,554	79,224	80,077	82,826	86,507	87,951	86,699
5	78,789	79,528	79,294	77,603	78,751	79,936	81,038	84,022	87,304	88,365
6	78,260	78,946	79,429	79,145	77,841	79,130	80,632	81,803	84,442	87,617
7	78,121	78,864	79,191	79,567	79,624	78,605	80,118	81,579	82,617	84,956
8	77,670	78,677	79,096	79,377	80,069	80,413	79,643	81,219	82,282	83,130
9	86,016	84,428	83,498	83,158	82,839	82,999	83,030	82,097	83,437	84,375
10	81,241	81,843	79,961	80,222	80,710	81,262	82,315	83,137	81,944	83,126
11	79,206	78,488	78,144	76,765	77,168	77,820	77,996	79,218	79,065	77,485
12	79,542	80,425	79,205	79,652	78,639	79,351	79,613	79,077	79,657	78,153

SUMMARY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
K	75,375	76,666	78,487	81,246	82,053	81,723	80,299	81,668	81,775	82,568
GR. 1-3	232,698	234,332	236,328	238,930	243,889	250,637	255,411	255,081	253,199	251,090
GR. 4-6	235,847	237,467	236,128	235,302	235,816	239,143	244,496	252,333	259,697	262,680
GR. 7-8	155,791	157,542	158,287	158,945	159,693	159,018	159,761	162,798	164,899	168,086
GR. 9-12	326,005	325,185	320,809	319,796	319,355	321,432	322,954	323,529	324,104	323,138
Running Start	6,920	7,021	7,381	7,983	9,026	10,218	11,714	13,118	14,286	15,238
Open Doors	–	–	–	–	–	3,3565	4,044	4,609	5,396	6,270
TOTAL	1,032,636	1,038,212	1,037,420	1,042,203	1,052,261	1,065,527	1,078,678	1,093,136	1,103,365	1,109,070



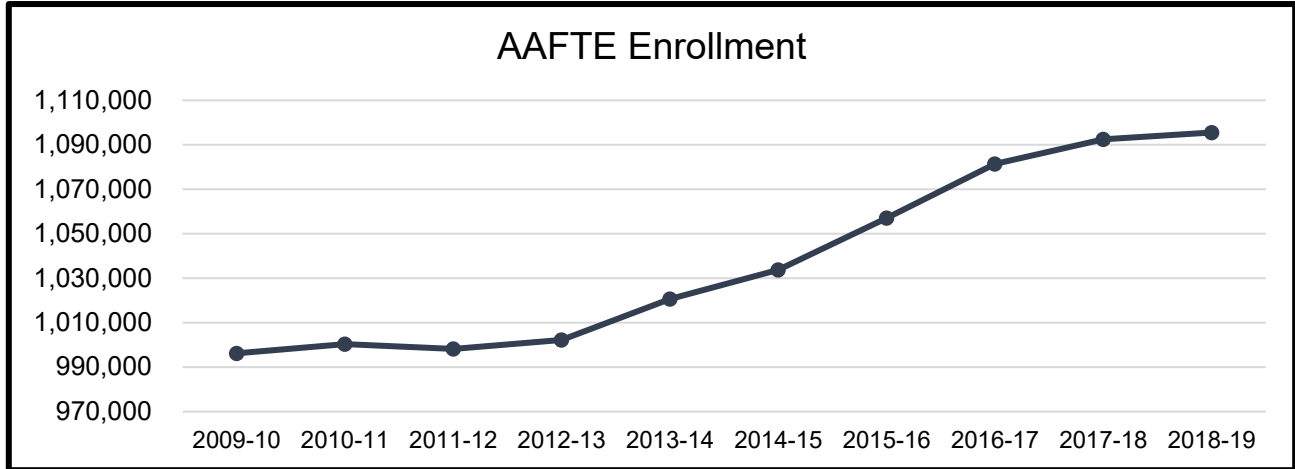
Source: SPI Form P-223, Monthly Report of School District Enrollment Eligible for Basic Support.

Figure 72: Average Annual Full-time Equivalent (FTE) Students for 2009–10 through 2018–19

GRADE	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
K	45,638	46,251	47,808	49,440	58,902	58,416	68,656	79,804	81,131	81,878
1	77,920	78,967	79,184	80,744	83,551	84,426	83,998	82,471	83,117	82,691
2	76,336	77,934	78,531	78,990	80,592	84,203	85,549	85,112	83,385	83,709
3	78,060	76,968	78,084	78,666	79,258	81,459	85,252	86,746	85,914	83,902
4	78,663	78,806	77,189	78,335	79,011	79,853	82,596	86,229	87,656	86,397
5	78,641	79,350	79,066	77,385	78,528	79,699	80,764	83,743	87,016	88,082
6	78,025	78,669	79,147	78,887	77,577	78,845	80,339	81,447	84,143	87,259
7	77,933	78,647	78,865	79,293	79,352	78,330	79,842	81,222	82,206	84,596
8	77,320	78,312	78,687	78,996	79,676	80,025	79,218	80,804	81,848	82,619
9	86,112	84,623	83,691	83,506	83,297	83,422	83,456	82,584	83,930	84,593
10	80,592	81,168	79,264	79,588	80,117	80,686	81,675	82,554	81,371	82,414
11	75,044	74,001	73,370	71,848	71,933	72,100	71,608	72,310	71,657	69,032
12	73,336	73,717	72,426	72,798	71,640	72,129	71,794	71,208	71,340	68,330

SUMMARY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
K	45,638	46,251	47,808	49,440	58,902	58,416	68,656	79,804	81,131	81,878
GR. 1-3	232,336	233,869	235,800	238,399	243,401	250,088	254,800	254,329	252,417	250,302
GR. 4-6	235,299	236,825	235,402	234,607	235,117	238,396	243,698	251,419	258,815	261,738
GR. 7-8	155,253	156,959	157,552	158,289	159,028	158,355	159,060	162,026	164,054	167,214
GR. 9-12	315,084	313,509	308,750	307,740	306,986	308,337	308,533	308,657	308,299	304,369
Running Start	12,487	12,824	12,767	13,623	15,090	17,070	18,562	20,560	22,484	24,023
Open Doors	-	-	-	-	2,058	2,905	3,561	4,117	4,785	5,553
OTHER	104	108	113	114	107	108	116	455	449	445
TOTAL	996,200	1,000,344	998,191	1,002,213	1,020,689	1,033,674	1,056,986	1,081,367	1,092,434	1,095,522

**Figure 73: AAFTE Enrollment Trend**

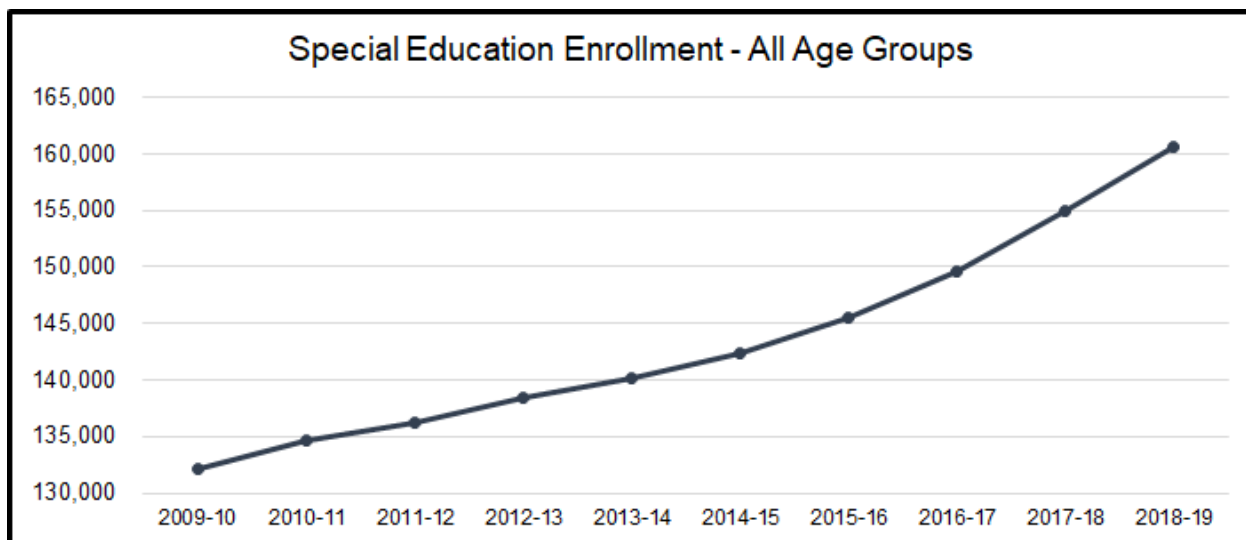


**Footnote:** Other Enrollment includes the University of Washington and Washington Youth Academy enrollment.

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

**Figure 74: Special Education Enrollment by Age Category for 2009–10 through 2018–19**

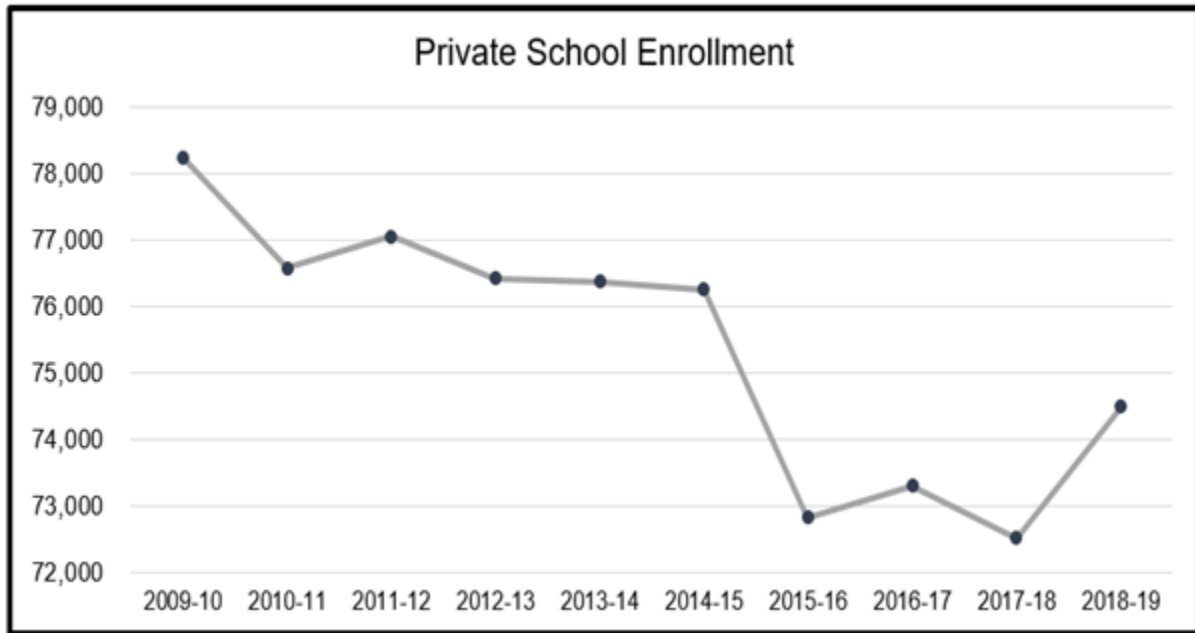
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Age 0-2</b>	5,558	6,200	6,345	6,685	5,880	6,454	7,069	7,441	8,220	9,275
<b>Age 3-PK</b>	10,059	10,209	10,508	10,711	11,559	11,751	12,093	12,291	13,029	13,750
<b>Age K-21</b>	116,584	118,265	119,305	121,029	122,724	124,231	126,385	129,893	133,627	137,556
<b>TOTAL</b>	132,201	134,674	136,158	138,425	140,163	142,437	145,547	149,626	154,876	160,581



**Source:** SPI Form P-223H, Monthly Report of School District Special Education Enrollment.

**Figure 75: Private School Enrollments from 2009–10 through 2018–19**

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
78,244	76,578	77,060	76,429	76,377	76,258	72,829	73,300	72,510	74,499



**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 2018–19 fiscal school year cover the period September 1, 2018, through August 31, 2019.

Figure 75 shows expenditures for all funds. Note that General Fund expenditures make up over 75% 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, 12 charter schools, 6 tribal compact schools, and 9 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](https://www.k12.wa.us/policy-funding/school-apportionment/school-publications/%C2%A0organization-and-financing-washington-public-schools) under “Publications” (<https://www.k12.wa.us/policy-funding/school-apportionment/school-publications/%C2%A0organization-and-financing-washington-public-schools>). 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 76: Expenditures by Fund—2018–19 School Year**

Fund	Dollars	Percent of Total	\$ Per Student FTE
General Fund	\$15,910,940,925	75.35%	\$14,221
Capital Projects Fund			
Building	3,059,992,904	14.49%	2,735
Sites	197,874,597	0.94%	177
Equipment	149,523,895	0.71%	134
Instructional Technology	110,360,672	0.52%	99
Energy	26,342,679	0.13%	24
Sales and Lease	552,611	0.0%	0.49
Debt	14,842,147	0.07%	13
Total CPF Expenditures	3,559,489,505	16.86%	3,182
Debt Service Fund			
Principal	793,483,366	3.76%	
Interest	636,062,521	3.01%	
Total DSF Expenditures	1,429,545,887	6.77%	1,278
Transportation Vehicle Fund			
Equipment	73,563,399	0.35%	

Fund	Dollars	Percent of Total	\$ Per Student FTE
Debt	801,035	0.0%	
Total TVF Expenditures	74,364,434	0.35%	111
Associated Student Body Fund	124,624,607	0.59%	110
Permanent Fund	6,450	0.0%	0.01
Other Trust and Agency Fund	16,669,198	0.08%	15
<b>Total Expenditures All Funds</b>	<b>\$21,115,641,006</b>	<b>100.00%</b>	<b>\$18,917</b>

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

Figure 76 displays a summarized total of all district funds for the 2018–19 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 2018–19 (1,118,810.64) is used to calculate the dollars per FTE pupil calculation.

**Figure 77: General Fund Expenditures by Program, School Year 2018–19**

Fund	Dollars	Percent of Total	\$ Per Student FTE
Basic Instruction	\$ 8,698,551,376	54.67%	\$7,775
Special Education	2,220,044,987	13.95%	1,984
Vocational/Skill Center	575,584,336	3.62%	514
Student transportation	604,261,269	3.80%	540
School Food Services	434,887,502	2.73%	389
Compensatory			
Disadvantaged	209,764,015	1.32%	187
Learning Assistance	413,304,164	2.60%	369
Limited English Proficiency	227,827,931	1.43%	204
Special and Pilot Programs	107,648,989	0.68%	96
Institutions	12,190,033	0.08%	11
All Others	103,010,482	0.65%	92
Total Compensatory Education	1,073,745,614	6.75%	960
Other Instruction			
Highly Capable	39,576,364	0.25%	35
Summer School	4,330,950	0.03%	4
Targeted Assistance	1,318,556	0.01%	1
All Others	134,494,108	0.85%	120
Total Other Instruction	179,719,987	1.13%	161
Community Support	97,975,205	0.62%	88
Other Support Services	2,026,170,649	12.73%	1,811
<b>Total Expenditures - All Programs</b>	<b>\$15,910,940,925</b>	<b>100.0%</b>	<b>\$14,221</b>

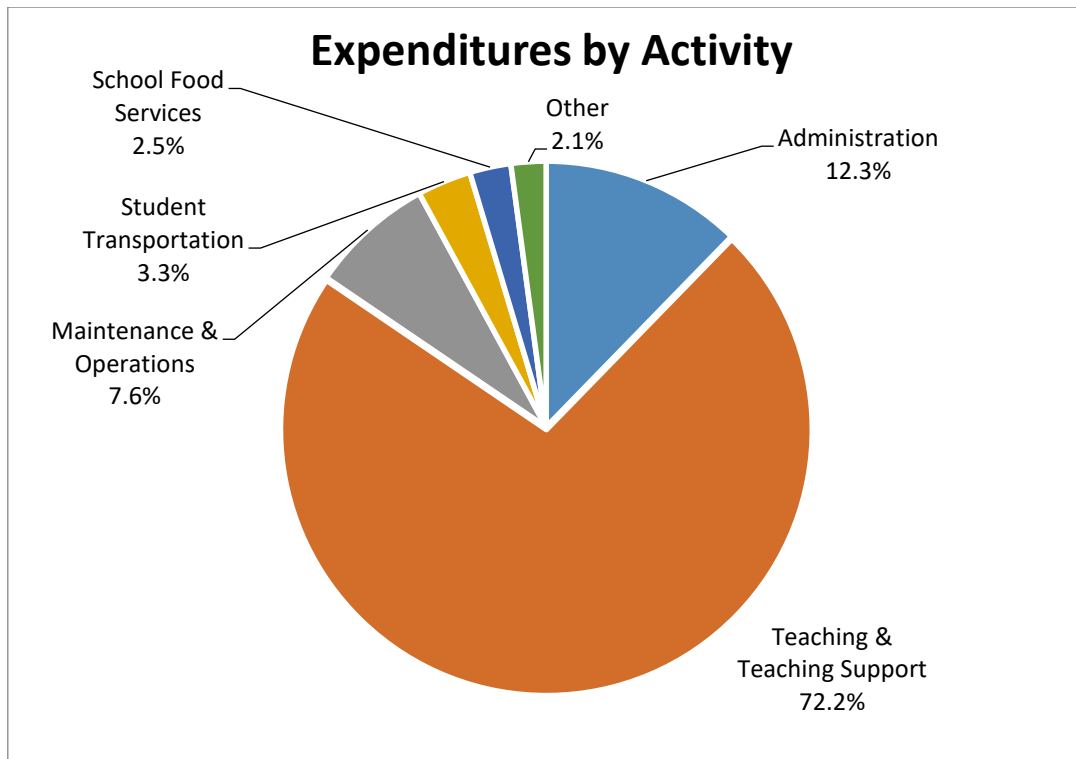
**Source:** SPI Report F-196 Annual Financial Statements for School Districts.



Figure 78 presents a summarized comparison of district student expenditures by program for the 2018–19 school year. Total average annual FTE pupil enrollment for 2018–19 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 78: Expenditures by Activity, School Year 2018–19**

Activity	Dollars	Percent of Total	\$ Per Student FTE
Administration	\$1,954,527,757	12.3%	\$1,747
Teaching & Teaching Support	11,489,679,969	72.2%	10,270
Maintenance & Operations	1,206,728,664	7.6%	1,079
Student Transportation	522,637,246	3.3%	467
School Food Services	399,377,487	2.5%	357
Other	337,989,801	2.1%	302
<b>Total</b>	<b>\$15,910,940,924</b>	<b>100.0%</b>	<b>\$14,222</b>

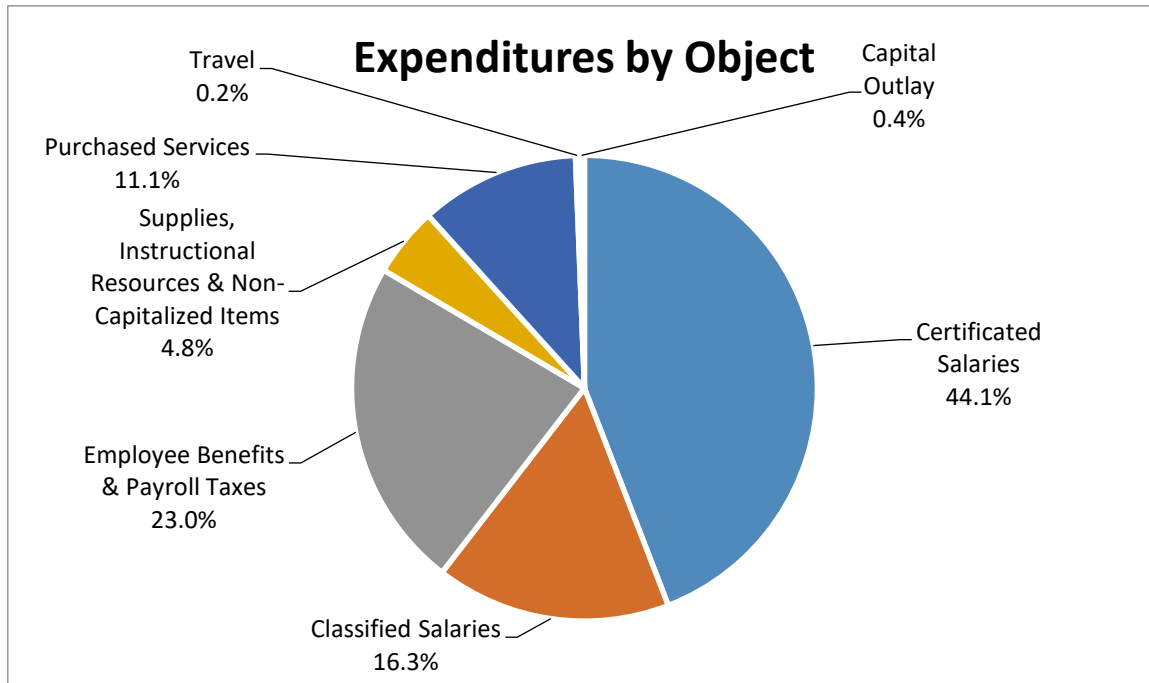


**Source:** SPI Report F-196 Annual Financial Statements for School Districts. \* Administration expenditures include building principals, supervision of the food services, transportation, and grounds and maintenance activities.

Figure 79 presents a summarized comparison of district expenditures by activity. Activities categorize district expenditures by a functional area.

**Figure 79: General Fund Expenditures by Object—School Year 2018–19**

Object	Dollars	Percent of Total	\$ Per Student FTE
Certificated Salaries	\$7,023,067,344	44.14%	\$6,277
Classified Salaries	2,599,236,329	16.34%	2,323
Employee Benefits & Payroll Taxes	3,657,487,236	22.99%	3,269
Supplies, Instructional Resources & Non-Capitalized Items	768,921,165	4.83%	687
Purchased Services	1,763,772,038	11.09%	1,576
Travel	39,678,116	0.25%	35
Capital Outlay	58,778,695	0.37%	53
<b>Total</b>	<b>\$15,910,940,923</b>	<b>100.0%</b>	<b>\$14,220</b>



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

**Figure 80: State Summary—General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance**

<b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	
<b>For the Fiscal Year Ended August 31, 2019</b>	
<b>Revenues:</b>	
Local	\$2,409,025,089
State	12,858,361,878
Federal	955,892,770
Other	94,877,229
<b>Total Revenues:</b>	<b>16,318,156,966</b>
<b>Expenditures (Less Capital Outlay):</b>	
Basic Instruction	8,687,571,686
Special Education Instruction	2,219,775,135
Vocational Education	519,027,149
Skill Center Instruction	48,303,109
Compensatory Education	1,071,097,742
Other Instructional Programs	178,449,084
Community Services	97,650,042
Support Services	3,023,513,286
Capital Outlay	58,778,695
Debt Service Principal	6,408,817
Interest and Other	366,180
<b>Total Expenditures:</b>	<b>15,910,940,925</b>
<b>Revenues Over (Under) Expenditures:</b>	<b>407,216,041</b>
<b>Other Financing Sources (Uses):</b>	
Bond Sales	100
Long-Term Financing	4,667,189
Transfers In	71,195,700
Transfers Out	(73,901,379)
Other Financing Uses	(323,570)
Other Financing Sources	1,891,502
<b>Total Other Financing Sources (Uses)</b>	<b>3,529,542</b>
<b>Excess of Revenues/Other Financing Sources Over (Under) Expenditures and Other Financing Uses:</b>	<b>410,745,583</b>
<b>Beginning Fund Balance (September 1, 2018):</b>	<b>16,189,527,328</b>
<b>Prior Year(s) Corrections or Misstatements:</b>	<b>(199,734)</b>
<b>Ending Fund Balance (August 31, 2019):</b>	<b>16,600,073,177</b>

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

**Figure 81: General Fund Revenue Sources by Percent**

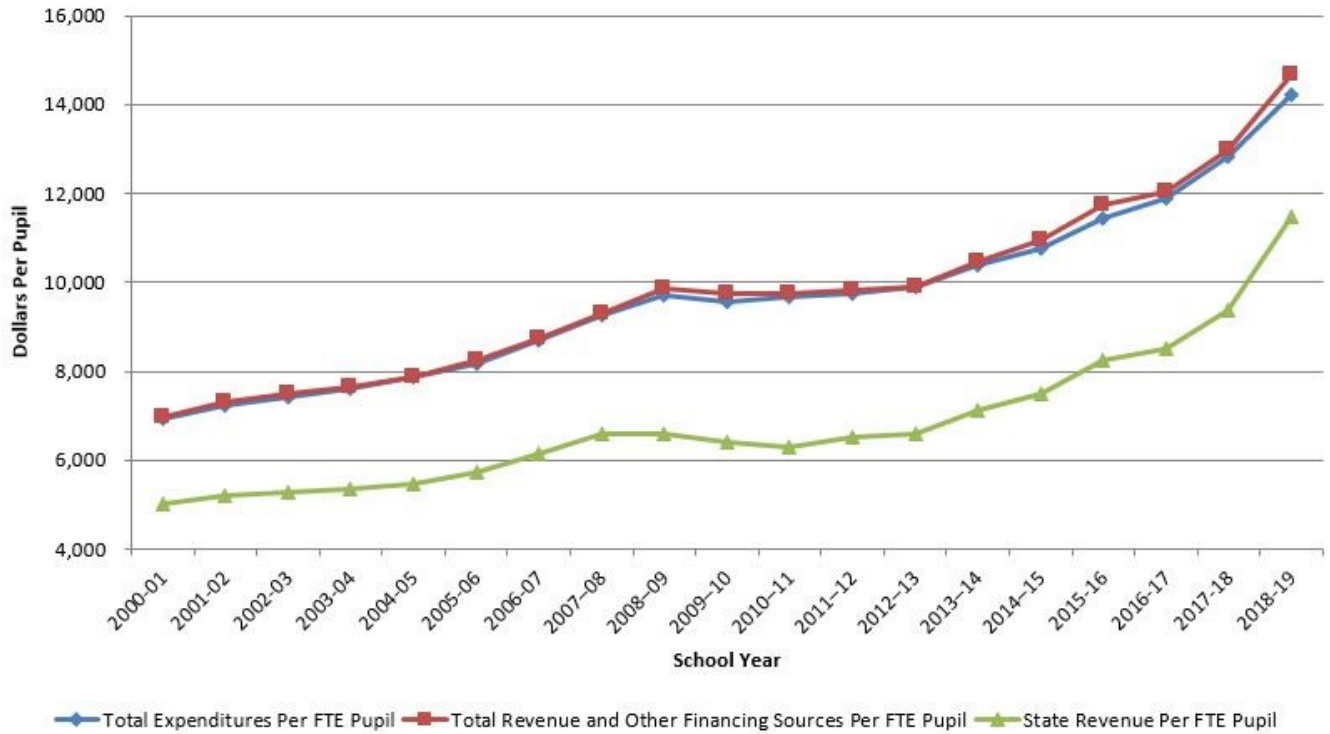
School Year	Local Taxes	State Revenue	Federal Revenue	Local Fees and Other Revenue
1978–1979	20.20%	59.95%	8.98%	10.87%
1979–1980	11.36%	70.87%	8.33%	9.44%
1980–1981	7.90%	73.57%	8.59%	9.94%
1981–1982	8.77%	79.71%	6.20%	5.32%
1982–1983	10.85%	77.68%	6.58%	4.89%
1983–1984	11.15%	77.51%	6.38%	4.96%
1984–1985	10.92%	78.18%	6.09%	4.81%
1985–1986	11.01%	77.74%	6.71%	4.54%
1986–1987	11.17%	78.14%	6.56%	4.13%
1987–1988	11.75%	77.78%	6.41%	4.06%
1988–1989	11.88%	77.43%	6.47%	4.22%
1989–1990	11.82%	77.74%	6.25%	4.19%
1990–1991	11.50%	78.50%	6.00%	4.00%
1991–1992	11.89%	78.46%	5.98%	3.67%
1992–1993	12.47%	78.08%	5.98%	3.47%
1993–1994	13.60%	76.61%	6.22%	3.57%
1994–1995	13.78%	76.28%	6.29%	3.65%
1995–1996	14.12%	75.76%	6.18%	3.94%
1996–1997	14.70%	75.00%	6.32%	3.98%
1997–1998	14.35%	73.95%	7.12%	4.57%
1998–1999	15.91%	73.95%	7.12%	3.02%
1999–2000	15.16%	72.58%	7.71%	4.55%
2000–2001	15.22%	71.87%	8.20%	4.71%
2001–2002	15.12%	71.22%	8.84%	4.82%
2002–2003	15.59%	70.21%	9.46%	4.74%
2003–2004	16.12%	69.71%	9.79%	4.38%
2004–2005	16.24%	69.27%	10.11%	4.38%
2005–2006	16.20%	70.29%	9.77%	4.52%
2006–2007	16.08%	70.12%	9.23%	4.57%
2007–2008	15.84%	70.98%	8.82%	4.36%
2008–2009	15.79%	66.96%	13.14%	4.11%
2009–2010	16.99%	65.62%	13.25%	4.14%
2010–2011	18.44%	64.63%	12.76%	4.17%
2011–2012	19.72%	66.44%	9.57%	4.27%
2012–2013	20.30%	66.37%	8.96%	4.37%
2013–2014	19.48%	68.22%	8.08%	4.22%
2014–2015	19.40%	68.62%	7.82%	4.16%

School Year	Local Taxes	State Revenue	Federal Revenue	Local Fees and Other Revenue
2015–2016	18.50%	70.14%	7.43%	3.93%
2016–2017	18.32%	70.77%	7.13%	3.78%
2017–2018	17.50%	72.17%	6.48%	3.85%
2018–2019	12.29%	78.42%	5.83%	3.46%

**Figure 82: Historical Comparison of Statewide School District General Fund—Revenues and Expenditures 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
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	986,877	8,751	6,137	8,692
2007–08	994,250	9,308	6,607	9,267
2008–09	1,004,285	9,850	6,596	9,730
2009–10	1,012,357	9,754	6,400	9,544
2010–11	1,017,158	9,760	6,308	9,694
2011–12	1,015,428	9,815	6,522	9,739
2012–13	1,018,977	9,919	6,583	9,886
2013–14	1,037,835	10,465	7,140	10,371
2014–15	1,051,083	10,937	7,505	10,747
2015–16	1,074,909	11,754	8,244	11,450
2016–17	1,099,227	12,037	8,518	11,882
2017–18	1,112,719	12,966	9,357	12,835
2018–19	1,118,811	14,655	11,493	14,221

## School District Totals Per Pupil



**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.<sup>1</sup>

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.<sup>2</sup>

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

---

<sup>1</sup> 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.

<sup>2</sup> *Ibid* p. 41.

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

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.<sup>4</sup>

---

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

<sup>4</sup> Washington Territory. Superintendent of Public Instruction. *Ninth Report of Superintendent of Public Instruction, 1889*. Tacoma, Washington: Puget Sound Printing Company, 1889. pp. 33–35.



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.

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.<sup>5</sup> 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% 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.

### **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.

---

<sup>5</sup> Laws of Washington, 1889–90. p. 374, sec. 52.

# LEGAL NOTICE



Except where otherwise noted, this work by the [Office of Superintendent of Public Instruction](#) is licensed under a [Creative Commons Attribution License](#).

Alternate material licenses with different levels of user permission are clearly indicated next to the specific content in the materials.

This resource may contain links to websites operated by third parties. These links are provided for your convenience only and do not constitute or imply any endorsement or monitoring by OSPI.

If this work is adapted, note the substantive changes and re-title, removing any Washington Office of Superintendent of Public Instruction logos. Provide the following attribution:

*"This resource was adapted from original materials provided by the Office of Superintendent of Public Instruction. Original materials may be accessed at [OSPI School Apportionment](https://www.k12.wa.us/policy-funding/school-appportionment) website (<https://www.k12.wa.us/policy-funding/school-apportionment>).*

Please make sure that permission has been received to use all elements of this publication (images, charts, text, etc.) that are not created by OSPI staff, grantees, or contractors. This permission should be displayed as an attribution statement in the manner specified by the copyright holder. It should be made clear that the element is one of the "except where otherwise noted" exceptions to the OSPI open license.

For additional information, please visit the [OSPI Interactive Copyright and Licensing Guide](#).

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 including gender expression or identity, the presence of any sensory, mental, or physical 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 or P.O. Box 47200 Olympia, WA 98504-7200.

Download this material in PDF at [Organization and Financing of Washington Public Schools](https://www.k12.wa.us/policy-funding/school-apportionment/school-publications/%C2%A0organization-and-financing-washington-public-schools) (<https://www.k12.wa.us/policy-funding/school-apportionment/school-publications/%C2%A0organization-and-financing-washington-public-schools>). This material is available in alternative format upon request. Contact the Resource Center at 888-595-3276, TTY 360-664-3631. Please refer to this document number for quicker service: 20-0036.



**ESTD  
1889**

---

*All students prepared for post-secondary pathways,  
careers, and civic engagement.*



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

**Chris Reykdal** | State Superintendent  
Office of Superintendent of Public Instruction  
Old Capitol Building | P.O. Box 47200