

A Citizen's Guide to
Washington State

K-12 Finance



2015

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Introduction

The 2015 Citizen's Guide to K-12 Finance is offered to provide a clear and simple overview of K-12 financial issues. It provides general information on K-12 finance by answering frequently asked questions. For more in-depth information of K-12 finance, see *Organization and Financing of Washington Public Schools* published by the Office of Superintendent of Public Instruction. It is available at the following: <http://www.k12.wa.us/safs/PUB/ORG/Org.asp>. The information presented in this document is based on statewide data. For information on a specific school district, inquire with that school district. Detailed K-12 fiscal data, on both statewide and district-specific levels, are also reported on the Washington State fiscal transparency website at: <http://fiscal.wa.gov/k12.aspx>.

The 2015 Citizen's Guide to K-12 Finance was prepared by staff of the Senate Ways and Means Committee and the Senate Early Learning & K-12 Committee (within Senate Committee Services) with the assistance of staff of the Legislative Evaluation and Accountability Program (LEAP) Committee.

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How does recent legislation affect K-12 instruction and funding of basic education?

In the 2009-11 biennium, two pieces of legislation were enacted to redefine the program of basic education and restructure K-12 funding allocation formulas. The first was ESHB 2261 (Chapter 548, Laws of 2009) which expanded the definition of basic education—to include increased instructional hours, an opportunity to complete 24 credits for high school graduation, full-day kindergarten, a program for highly capable students, and student transportation to and from school. The bill also created the framework for a new distribution formula for the basic education instructional funding allocation based on prototypical schools and a new funding formula for student transportation. The changes took effect September 1, 2011 and most of the enhancements are to be phased in by 2018 on a schedule set by the Legislature. The Legislature also reaffirmed that the program of basic education includes special education programs for students with disabilities; The Transitional Bilingual Instruction Program; the Learning Assistance Program, which provides remedial education; and the education of students in residential programs, juvenile detention, and adult correctional facilities.

The second bill, SHB 2776 (Chapter 236, Laws of 2010), enacted in statute the funding formula values for the new prototypical schools model at levels that represented what the state was spending on basic education at the time. It set targets and established a timeline for phasing-in enhancements to the funding and instructional program of basic education, including K-3 class size reduction to 17 students per teacher and increased funding for materials, supplies and operating costs.

The new funding model is intended to provide greater understanding about how state funds for K-12 are allocated to school districts. The bills also require school-district reporting of actual staffing and expenditures, compared to the funding provided in the prototypical model. The comparisons are to be available on a public website of the Office of the Superintendent of Public Instruction (<http://k12.wa.us/safs/INS/2776/Portal.asp>).

How many students attend K-12 schools in the state?

In the 2013-14 school year, over 1,040,800 students were enrolled at 2,393 public schools across the state. In addition, it is estimated that about 81,574 students attended private schools and 18,218 students received home-based instruction during the 2013-14 school year.

How are public schools in Washington organized?

The public school system in the state of Washington involves various entities at both the state and local levels, including the Legislature, the Governor, the State Board of Education, the Office of the Superintendent of Public Instruction, the federal Department of Education, the State Auditor's Office, the Professional Educator Standards Board, Educational Service Districts, the Washington State Charter School Commission, and local school districts. Each of these entities plays a role in establishing educational policies, implementing these policies, or providing administrative and financial oversight of the public school system.

Washington is largely considered a "local control" state. Each school district is governed by a locally-elected school board whose members serve staggered four-year terms. Local school district boards have broad discretionary power to determine and adopt policies not in conflict with other law that provide for the development and implementation of instructional programs, activities, services, or practices that the school district board of directors determine will promote education or effective management and operation of the school district. Currently, there are a total of 295 school districts. Each school board hires a Superintendent who oversees the day-to-day operation of the school district.

What does the Washington State Constitution provide regarding K-12 public schools?

"It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste or sex."

—Washington Constitution, article IX, section 1

This constitutional provision is unique to Washington. While other states have constitutional provisions related to education, no other state makes K-12 education the "paramount duty" of the state.

How has this been interpreted in the state courts?

There have been a handful of Washington Supreme Court cases that have addressed basic education under Article IX of the Washington Constitution. The most recent in 2012 is *McCleary v State*, 173 Wn.2d 477, 269 P.3rd 227. The Court has interpreted Article IX, section 1 of the state constitution to mean that the state must define a "program of basic education," within the guidelines of the Court, distinguished from all other educational programs or services, and amply fund it from a regular and dependable source that cannot be dependent on local tax levies.

The Court has found that this paramount duty is superior in rank and above all others. Neither fiscal crisis nor financial burden changes the Legislature's constitutional duty. The state has no duty to fund programs outside the definition of "basic education." School districts may use local property tax levies to fund enrichment programs and programs outside the legislative definition of basic education. However, the use of local levies cannot reduce the state's obligation to fund basic education.

The Court does not require the state to provide a total education or the offerings of all knowledge, programs, subjects or services; however, the Court did find that the duty goes beyond mere reading, writing, and arithmetic. The Court noted that a basic education also "embraces broad educational opportunities needed in the contemporary setting to equip children for their role as citizens and as potential competitors in today's market as well as in the marketplace of ideas." Additionally, the Court found that the education required by the constitution does not reflect a right to a guaranteed educational outcome.

The Court acknowledged that the Legislature has an obligation to review the definition of a basic education program as the needs of students and the demands of society evolve. But any reduction from the basic education program must be accompanied by an educational policy rationale and not for reasons unrelated to educational policy.

When the state courts originally addressed these issues, there was no state definition of "basic education," so the courts considered three definitions, and the cost of each, to determine whether the state provided sufficient funds to implement a basic education program. The courts noted that, in terms of "quantitative inputs," staffing ratios (the ratio of staff to students) and staff salaries are the most significant factors in determining the cost of education.

In January 2012, in *McCleary v State*, the Washington State Supreme Court found that the State had failed to meet its paramount constitutional duty to amply fund a program of basic education because the level of resources provided fell short of the actual cost of the basic education program. The Court acknowledged that the Legislature had enacted promising reforms in [ESHB 2261 \(Chapter 548, Laws of 2009\)](#), which if fully funded would remedy deficiencies in the K-12 funding system. The

Court retained jurisdiction to help facilitate the Legislature's compliance with its constitutional duty. In the 2012 legislative session, the Legislature created the [Joint Select Committee on Article IX Litigation](#) (Committee) to facilitate communication with the Washington Supreme Court on school funding. In July 2012, the Court ordered the Committee to annually report on legislative actions taken to amply fund a program of basic education. The reports can be found at: www.leg.wa.gov/jointcommittees/AIXLJSC/Pages/default.aspx. In January 2014, the Court declared the State was not on target to meet its 2018 constitutional funding obligations. The Court directed the State to submit, no later than April 30, 2014, a complete plan for fully implementing its program of basic education for each school year up to the 2017-18 school year. In April 2014, the Committee submitted its third [report](#) to the Court which concluded that there was no agreement reached on the full implementation plan. The Court subsequently found the State in contempt for failing to comply with the Court's order to submit a plan but did not impose sanctions. The Court ordered that the State must purge its contempt by adjournment of the 2015 session or the Court will reconvene and impose sanctions or other remedial measures.

How has the State implemented the Program of Basic Education?

In order to carry out its constitutional responsibility, the Legislature passed the Basic Education Act of 1977 (BEA), which defined a "basic education" by establishing goals, minimum program hours, teacher contact hours, and a mix of course offerings for a school district to provide.

Currently, at least some portion of the seven programs (general apportionment; the special education program for students with disabilities; some pupil transportation; the Learning Assistance Program for remediation assistance; the Transitional Bilingual Education program; the highly capable program; and educational programs in juvenile detention centers and state institutions) fall within the Legislature's definition of basic education.

The Legislature is also proceeding with implementing the reform package under Chapter 548, Laws of 2009 by putting into place the new funding formulas and phasing in funding enhancements in specified programs.

General Apportionment - Foundational state funding to school districts is provided through the General Apportionment formula and funds basic education as well as a number of non-basic education adjustments. The amount received by each school district varies based on certain characteristics — such as teacher experience and education level, and historical salary levels. On average, the statewide allocation through the

General Apportionment formula is estimated at approximately \$5,804 per student in the 2013-14 school year.

General Apportionment formula:

Under the new funding structure, which was effective September 1, 2011, the general apportionment formula follows the prototypical school model. Prototypes illustrate a level of resources to operate a school of a particular size with particular types and grade levels of students. Allocations to school districts are based on actual full-time equivalent (FTE) student enrollment in each grade in the district, adjusted for small schools and reflecting other factors in the state's biennial budget. Under SHB 2776 (Chapter 236, Laws of 2010), the Legislature designed a funding formula that allocates funding in three primary groups: schools, district-wide support, and central administration.

The prototypical model applies staff ratios and an assumed class size for each school type: elementary, middle, and high school. Each prototype has a theoretical number of students and designated levels of staffing. The funding to each district is scaled according to actual enrollment in each of the grade ranges. For example, an elementary school is assumed to have 400 students in the prototypical model. If a district has 800 elementary-grade students, it will receive funding for double the numbers of staff positions shown in Table 2, below. The class sizes represent the levels of funding associated with assumed ratios of students to teachers, given certain assumptions about the length of a teacher's day and the amount of time reserved for planning. Funding is for allocation purposes only (except for the categorical, or dedicated, programs) and it is up to the school district to budget the funds at the local level. Beginning with the 2011-12 school year, the Office of Superintendent of Public Instruction (OSPI) began reporting how school districts are deploying those same state resources through their allocation of staff and other resources to school buildings, so that citizens are able to compare the state assumptions to district allocation decisions for each local school building. The information, by school building, is available on an internet portal hosted by the Office of the Superintendent of Public Instruction at: <http://k12.wa.us/safs/INS/2776/Portal.asp>.

One of four¹ funding enhancements included in SHB 2776 (Chapter 236, Laws of 2010) requires average class size for grades K-3 to be reduced beginning in the 2011-13 biennium and beginning with schools with the highest percent of low-income students, until the class size in the formula beginning in the 2017-18 school year is 17.0 students per classroom teacher.

¹ Other required enhancements include: phased in funding for full-day kindergarten until full statewide implementation is achieved in the 2017-18 school year; annual increases for materials, supplies, and operating costs (MSOC) until a specified level is reached in the 2015-16 school year; and enhanced funding for pupil transportation.

The 2013-15 state budget included funding to reduce kindergarten and first grade class size from 24.10 full time equivalent students to 20.85 in the 2013-14 school year and 20.30 in school year 2014-15 for schools with poverty rates higher than 50 percent at a cost of \$53.7 million and \$66.1 million respectively. Funding in 2014-15 for these reduced class sizes is contingent upon, and proportional to, the school's documented average class size. State funded class size reductions for second and third grade in high poverty schools is maintained at 24.10 full time equivalent students.

Grade	Class Size
Grades K-1 (High poverty schools)	20.30
Grades 2-3 (High poverty schools)	24.10
Grades K-3 (Non-poverty schools)	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74
Career & Tech. Ed (CTE) 7-8	26.57
CTE 9-12	26.57
Skills Centers	22.76
Lab Science	19.98
Advanced Placement	As above
International Baccalaureate	As above
<i>Length of teacher day is assumed to be 5.6 hours in elementary school and 6.0 hours in middle and high school. Planning time is assumed to be 45 minutes per day in elementary school and 60 minutes in high school.</i>	

The 2013-15 state budget includes funding enhancements for guidance counselors in middle and high school and parent involvement coordinators in elementary schools at a cost of \$13.6 million and \$13.8 million for the 2013-14 and 2014-15 school years, respectively. The 2014 supplemental state budget redirected \$97 million dollars previously provided for adding 2,222 instructional hours for middle and high schools students to implementing a high school lab science class size ratio, additional high school guidance counselors and an additional allocation for high school lab science MSOC in the funding formula.

	Elementary School	Middle School	High School
Prototypical school size:			
Number of students	400	432	600
Staff per-school:			
Principals/administrators	1.2530	1.3530	1.8800
Librarian/media specialist	0.6630	0.5190	0.5230
School nurses	0.0760	0.0600	0.0960
Social workers	0.0420	0.0060	0.0150
Psychologists	0.0170	0.0020	0.0070
Guidance counselors	0.4930	1.2160	2.5390
Instructional aides	0.9360	0.7000	0.6520
Office support & non-instructional aides	2.0120	2.3250	3.2690
Custodians	1.6570	1.9420	2.9650
Classified staff for student & staff safety	0.0790	0.0920	0.1410
Parent involvement coordinators	0.0825	0.0000	0.0000

District-wide support is funded, under the prototypical model, in addition to staffing levels presumed to be needed for individual school buildings, since these services need to be provided across the district. Funding will be based on overall student enrollment levels.

	Per 1,000 Students
Number of students	1,000
Classified Staff	0.628
Technology	1.813
Facilities, Maintenance, Grounds	0.332
Warehouse, Laborers, Mechanics	

Under the new formula, administration costs directly associated with prototypical schools are included in those staffing levels — for example, the number of principals and level of office support needed for each elementary school, middle school, and high school. Central administration, however, will be funded as an additional 5.3 percent of other staffing units generated by the formula. These general staffing units on which the 5.3 percent is calculated include K-12 teachers, school-level staffing, and district-wide support; it does not include additional staffing for skills centers, future enhancements for poverty, specialized classes, or categorical programs such as highly capable, special education, or the learning assistance program.

For Career and Technical Education (CTE) and skills center programs, in addition to the class sizes designated in Table 1 on page 7, SHB 2776 (Chapter 236, Laws of 2010) states that staffing allocations for

administrative and other school-level certificated staff will be specified in the omnibus appropriations act (budget bill).

Finally, the new prototypical funding formula for General Apportionment included an allocation for Materials, Supplies, and Operating Costs (MSOC), formerly known as non-employee related costs. Initially established based on district information from the 2007-08 school year, the formula will provide the following funding, which will be adjusted annually for inflation, once the 2015-16 school year levels are reached.

The 2013-15 budget includes funding increases to \$737.02 for school year 2013-14 and \$848.04 for school year 2014-15 at a cost of \$190.1 million and \$287.8 million for the respective school years.

MSOC Component	Per Student Allocation SY 2014-15	Per-Student SY 2015-16 (at 2008 Values)
Technology	\$89.13	\$113.80
Utilities and insurance	242.18	309.21
Curriculum and textbooks	95.69	122.17
Other supplies and library materials	203.16	259.39
Instructional professional development for certified and classified staff	14.80	18.89
Facilities' maintenance	119.97	153.18
Security and central office	83.12	106.12
Total	\$848.04	\$1,082.76

Special Education - The state funding formula for Special Education, which was implemented in 1995 and does not change under the new prototypical funding formula, is based on the additional "excess costs" of educating students receiving special education services. The amount is provided for three categories of students.

For birth through five-year olds, the special education allocation is 115 percent of the district's average per-student General Apportionment allocation. For five to 21-year olds, the state Special Education allocation is 93 percent of the district's average per-student General Apportionment allocation. For birth through two-year olds, districts must provide — or contract for — early-intervention services for eligible children with disabilities, and school districts are required to ensure an appropriate educational opportunity for children ages three through 21 with disabilities.

In addition to the per-student Special Education allocation, the special education funding structure includes a safety net for districts that can show extraordinary special education program costs beyond state and federal resources. For the 2014-15 school year, the statewide average allocation per birth-to-five-year old special education student is estimated at \$6,499 and

the statewide average allocation per five to 21-year old special education student is estimated at \$5,236 per year. For five to 21-year olds, this amount is in addition to the General Apportionment allocations described above.

Pupil Transportation - The new transportation formula was effective September 1, 2011, and phases in funding the transportation of students "to and from school" as part basic education. The new formula requires the funding to be calculated using a regression analysis of major cost factors that are expected to increase (or decrease) the prior year's pupil-transportation costs, including the count of basic and special-student ridership, district land area (geography), roadway miles, the average distance to school, and other statistically-significant coefficients.

Funding in the 2013-15 budget completed the phase-in of the new transportation formula. Funding in school year 2013-14 provided forty percent or \$42.8 million of the enhancement needed for full funding. Funding in school year 2014-15 provides 100 percent of the enhancement or \$109.7 million to complete the phase-in of the new transportation formula.

In addition, the state provides funding for school bus replacement costs using a depreciation schedule. Annual payments are made to districts from the year a bus is purchased until it reaches the end of its scheduled lifecycle. State allocations are deposited into the district's Transportation Vehicle Fund to be used only for the purchase of new buses or for major repairs.

Learning Assistance Program - The Learning Assistance Program (LAP) provides remediation assistance to students scoring below grade level in reading, math and language arts. Districts receive LAP allocations based on the number of students in poverty, as measured by eligibility for free or reduced-price lunch.

As with other categorical programs, the new funding formula provides a designated number of hours of instruction per week. (A "categorical" program is one in which funds may be used for only the dedicated program and may not be re-allocated for use elsewhere in the school district.) The new law provides 2.3975 hours of LAP instruction per-week, assuming class sizes of 15 students per certificated instructional staff. The formula translates to additional funding of approximately \$463 per eligible student in the 2014-15 school year.

Transitional Bilingual Education - The statewide Transitional Bilingual Instruction Program (TBIP) was created by the Legislature in 1979. State TBIP funding supports school staff and training intended to teach English as a second language to students in the public K-12 school system.

As with other categorical programs, the funding formula provides a designated number of hours of instruction. Assuming class sizes of 15 students per certificated instructional staff, the formula provides 4.7780 hours of bilingual instruction per week. The formula translates to additional

funding of approximately \$923 per eligible student in the 2014-15 school year.

New funding for transitional support for up to two years after a student has exited the TBIP is provided to assist students who have met the proficiency standards. In school year 2013-14, 3.0 hours of additional instruction were provided for students who exited the program the immediate prior year at a cost of \$580 per eligible student. Beginning in school year 2014-15, 3.0 hours of additional instruction are provided for students who exited the program in the immediate prior two years.

Institutional Education Programs - The state funds a 220-day educational program for children in certain institutions. Institutional education moneys are allocated to the school districts, educational service districts, or others that provide the educational programs. While the amounts vary based on the type and size of program, the current institutional education allocation is projected to be approximately \$12,070 per student in the 2014-15 school year. The formula for Institutional Education has not changed under the new funding structure.

Highly Capable Program - The Highly Capable, or gifted, program is funded under basic education statutes for up to 2.314 percent of enrollment and, as is the case with other categorical programs, the allocation cannot be used for other programs. This translates to additional funding of approximately \$417 per eligible student in the 2014-15 school year.

As with other categorical programs, the new funding formula for the Highly Capable Program provides a designated number of hours of instruction per week, in this case 2.1590, assuming class sizes of 15 students per certificated instructional staff.

Full-Day Kindergarten - The definition of basic education provides half-day instruction for kindergarten students (180 half days, or equivalent, and 450 hours of instruction — compared to 180 full days and 1,000 hours of instruction for grades 1 through 12), to be increased to 1,000 hours of instruction for all kindergarten students. The increase is to be phased-in on a schedule set by the Legislature, and beginning with schools with the highest percentage of low-income students, until full statewide implementation of full-day kindergarten is achieved in the 2017-18 school year. Once fully implemented, full-day kindergarten will be part of the program of basic education.

Funding in the 2013-15 budget increased the state funded full-day kindergarten from approximately 22 percent in the 2012-13 school year to 43.75 percent in the 2013-14 and 2014-15 school years at a cost of \$49.3 million and \$50.6 million, respectively. The additional state funds are targeted to those schools with the highest percentage of poverty as measured by the rate of eligibility for free or reduced-price lunch.

A list of schools eligible for state funding for full-day kindergarten is published by the Office of Superintendent of Public Instruction and can be found at the following site:

<http://www.k12.wa.us/EarlyLearning/FullDayKindergartenResearch.aspx>

The Legislature also funds a variety of programs and activities outside of its definition of basic education. The chart below reflects the funding for the 2013-15 biennium (fiscal years 2014 and 2015) for the seven programs currently defined as “basic education” as well as the funding for other K-12 programs and activities funded by the state.

2013-15 Operating Budget BASIC EDUCATION PROGRAMS		
(Dollars in Millions)		
General Apportionment (RCW 28A.150.260)	\$11,026.1	72.2%
Special Education (RCW 28A.150.370)	1,482.4	9.7%
Transportation (RCW 28A.160.150)	792.6	5.2%
Learning Assistance Program (RCW 28A.165)	409.6	2.7%
Bilingual (RCW 28A.180)	207.9	1.4%
Highly Capable Program (RCW 28A.185)	19.2	0.1%
Institutions (RCW 28A.190)	27.9	0.2%
Sub-Total: Basic Education Programs	\$13,965.7	91.5%
2013-15 Operating Budget NON-BASIC EDUCATION PROGRAMS		
(Dollars in Millions)		
Initiative 732 COLA & Other Compensation Increases	0.0	0.0%
Local Effort Assistance (Levy Equalization)	652.3	4.3%
Full-Day Kindergarten*	210.4	1.4%
K-3 Enhanced Staffing Ratio*	128.4	0.8%
Education Reform	217.5	1.4%
State Office and Education Agencies	19.8	0.1%
Statewide Programs and Allocations	35.6	0.2%
Educational Service Districts	16.2	0.1%
Food Service	14.2	0.0%
Summer Vocational and Other Skills Centers	0.9	0.1%
Pupil Transportation Coordinators	1.8	0.0%
Sub-Total: Non-Basic Education Programs	\$1,297.1	8.5%
TOTAL - STATE FUNDS**	\$15,262.9	100%

* Full-day kindergarten is being phased in as part of the definition of basic education and will be fully implemented by the 2017-18 school year.

** "State Funds" include the General Fund-state and the Education Legacy Trust Account, together known as Near General Fund-State

What is the levy lid act and why was it passed?

In a 1978 decision (*Seattle School District No. 1 v. State*, 585 P.2d 71, 978) interpreting constitutional provisions related to education, among other things, the Washington State Supreme Court found that school districts may use local tax levies to fund enrichment programs and programs outside the legislative definition of “basic education.” However, the use of local levies cannot reduce the state’s obligation to fund basic education.

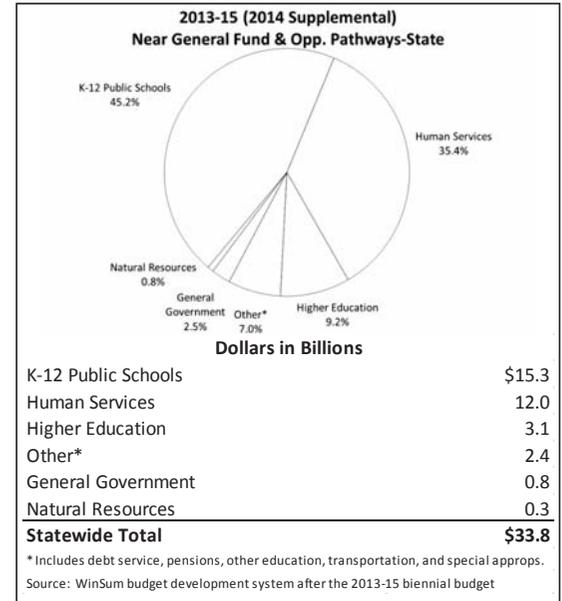
The Legislature responded to the Court by defining and taking responsibility for fully funding a basic education program and passing the Levy Lid Act. The act limits the amount of revenue that a school district can raise through maintenance and operation (M & O) levies. While local levy revenues made up 32 percent of total school district revenues prior to the levy failures of 1975 that precipitated the 1977 school funding lawsuit, they fell to less than 10 percent of total school district revenues after the enactment of the Levy Lid Act.

Since that time, the Legislature has made various changes to the Levy Lid Act, ultimately increasing school districts’ ability to raise levy revenues. Currently, 205 of the 295 school districts have a levy lid of 28 percent, which was increased in the 2010 Legislative session from 24 percent. This means that revenue raised from local tax levies cannot exceed 28 percent² of the district’s state and federal revenues (with other technical adjustments to that base). The other 90 school districts have a levy lid ranging from 28.01 percent to 37.90 percent. These 90 districts have higher levy lid authority because, at the time the Levy Lid Act was passed, these districts raised a higher amount of their revenues through M & O levies. (A list of these districts and their current levy lid rates is included in appendix A.)

² In addition to increasing the levy lid from 24 percent to 28 percent, the Legislature amended the levy lid statute to increase a district’s levy base by including certain non-basic education revenues formerly allocated by the state in addition to the revenues the district actually receives from state and federal sources. RCW 84.52.013 (Laws of 2010, ch. 237). These increases expire effective with levies for calendar year 2018. At that time the levy lid will return to 24 percent and the formally allocated revenues will be removed from the levy base.

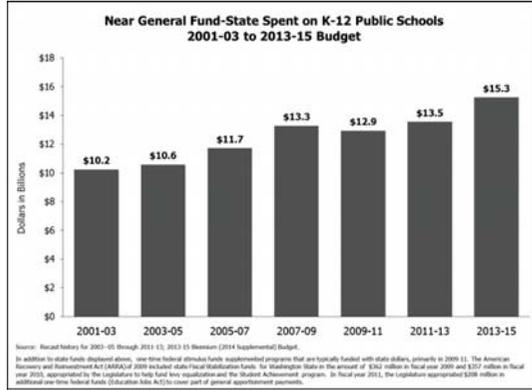
How much of the state near-general fund is spent on K-12 public schools?

The state general fund is the largest single fund within the state budget. It is the principal fund supporting the operation of state government. Because the purposes are similar and fund transfers between the two are common, the education legacy trust account is often discussed in combination with the state general fund; together, they are referred to as the state near-general fund. In the 2013-15 biennium (fiscal years 2014 and 2015), the Legislature appropriated \$15.4 billion, or 45 percent, of the state near-general fund for the support and operation of K-12 public schools. The following chart shows how the state near-general fund budget is currently allocated:



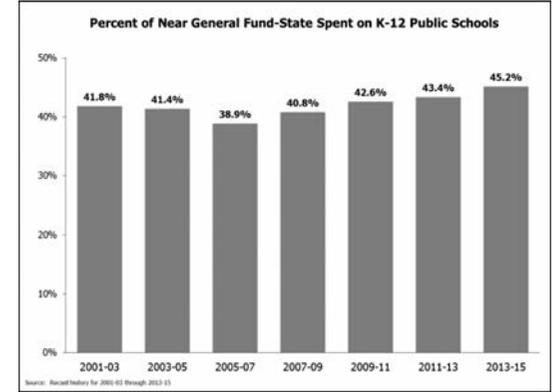
How has the amount of the near-general fund support of K-12 public schools changed since 2001?

As depicted on the following chart, the amount of state near-general funds spent for K-12 public schools has increased from \$10.2 billion to \$15.4 billion per biennium since 2001. This represents approximately a 51 percent increase in state support.



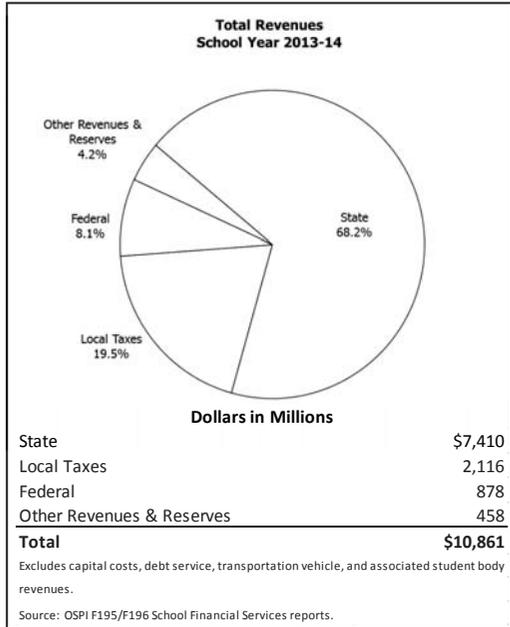
The chart on the next page shows state near-general fund expenditures for K-12 public schools as a percent of the statewide total have varied over the biennia, with a low of approximately 39 percent in 2005-07 to a high of approximately 45 percent today. Increases in the share for K-12 funding can be related to increased K-12 funding, decreased funding for other programs, or both.

Factors contributing to the decline in the 2005-07 biennium include a slowing of the growth in overall K-12 enrollment, compared to the growth rate in the early 1990s, and fairly rapid growth in other areas of the state budget, particularly health care, human services, and corrections.



What are other sources of funding used by school districts?

In addition to state funding, school districts receive funding from the federal government, local taxes, and other miscellaneous sources. The sources of funding budgeted by school districts for operating costs for the 2013-14 school year are described below.



State — Approximately 68 percent of budgeted school district revenues in the last school year were from state sources. This amount consists of funding for the seven categorical programs currently defined as “basic education” (general apportionment; the special education program for students with disabilities; some pupil transportation; the Learning Assistance program for remediation assistance; the Transitional Bilingual Instructional Program; the Highly Capable program; and educational programs in juvenile detention centers and state institutions) as well as a variety of other grants, allocations, and items funded from the state general fund and the education legacy trust account.

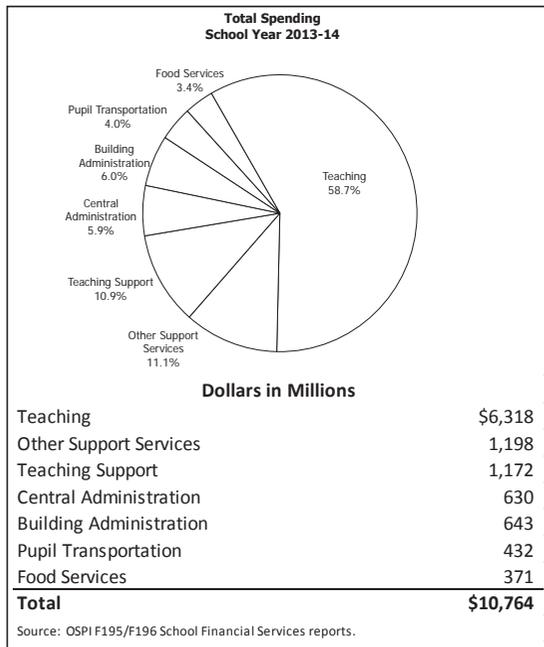
Local Taxes — Approximately, \$2.1 billion, or 20 percent of the total amount spent, is from local taxes. This is primarily local property taxes, which are often referred to as maintenance and operations levies.

Federal — School districts spent about \$878 million from federal sources for the 2013-14 school year. This represented about 8 percent of their total spending. This includes funding for the implementation of the federal Individuals with Disabilities Education Act; instructional assistance and other strategies aimed at improving student achievement in high-poverty schools; a variety of professional development activities; the school lunch and other nutrition programs; financial assistance to compensate school districts as the result of federal land ownership; and a variety of smaller allocations and grants.

Other Revenue & Reserves— This category, totaling \$458 million or about four percent of total funding, includes a variety of miscellaneous sources such as charges and fees for non-basic education programs, school lunch charges, revenue from other school districts, rental income, donations, and the use of reserves or fund balance.

How are these funds spent by school districts?

Another way to examine school spending is to identify how school districts spend the money received from state, federal, local, and other sources. School districts report detailed data to the Office of Superintendent of Public Instruction, including the “activities” on which they spend money. The amounts spent on each activity for the 2013-14 school year are depicted below.



Teaching — For the 2013-14 school year, school districts spent approximately \$6.3 billion (59 percent of the total) for teaching activities. This includes payments for salaries and benefits for classroom teachers, direct classroom instruction, extracurricular activities, and payments to other districts for educational services.

Teaching Support — School districts spent \$1.1 billion on teaching support activities in the 2013-14 school year. This represents approximately 11 percent of total school district spending. This includes guidance counseling, library services, audio-visual functions, psychological services, health-related activities, and other services that support the delivery of teaching services.

Other Support Activities — After teaching, the largest activity for school district spending is utilities, grounds care, plant operation and maintenance, insurance, information systems, and other support functions. In the 2013-14 school year, school districts spent approximately \$1.1 billion, or 11 percent of their total spending, on this activity.

Central Administration — Approximately \$630 million or six percent of total school district spending is for central administration. This includes school board functions, the superintendents’ offices, business functions, human resources, centralized programs, and other district-level administrative functions.

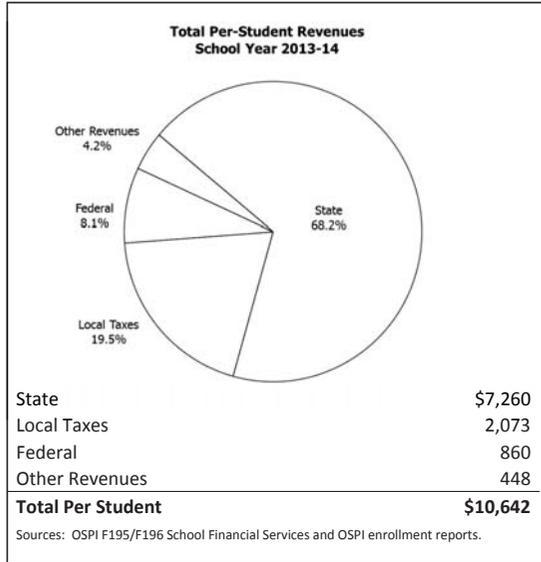
Building Administration — In the 2013-14 school year, school districts spent \$643 million, or six percent, on unit administration. This includes expenditures for principals and other building-level administrative functions.

Pupil Transportation — School districts spent \$432 million or four percent on pupil transportation in the 2013-14 school year. This includes bus and other vehicle operating costs, related maintenance, and program supervision.

Food Services — Approximately \$371 million, or four percent of the total, is spent for food-operation functions, including program supervision and federal-nutrition programs, in the 2013-14 school year.

How much is spent per student?

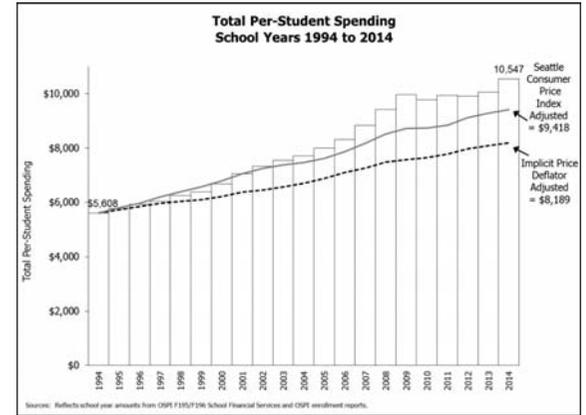
In the 2013-14 school year, on a statewide basis, school districts spent \$10,642 per student. The following chart depicts a breakdown of the sources of funding for per student spending:



Of the \$10,642 spent by school districts in per-student resources, \$7,260 or 68 percent of the funding is from state sources, \$2,073 or 20 percent is from local taxes, \$860 or 8 percent is from federal sources, and \$448 or 4 percent came from other revenue. For more detail on these sources, please see *“What are other sources of funding used by schools districts?”* on page 17.

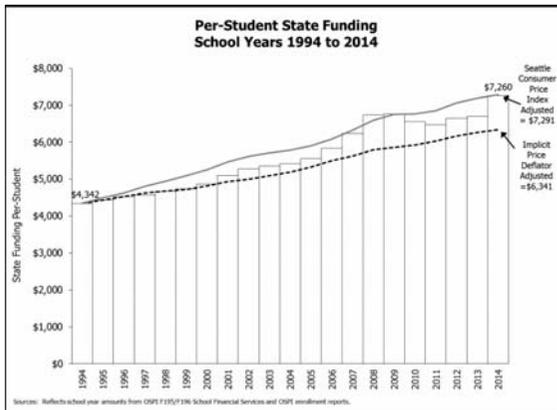
How has total per-student spending changed since 1994?

As can be seen from the following chart, total (from state, federal, local, and other sources) per-student spending has increased from \$5,608 in 1994 to \$10,547 in 2014. This represents an increase of approximately 88 percent over this period. The growth rate of total per-student spending exceeds both the Seattle Consumer Price Index (CPI) and Implicit Price Deflator (IPD), which are two commonly used measures of inflation.



How has state per-student funding changed since 1994?

As can be seen from the following chart, state funding per student has increased from \$4,342 in 1994 to \$7,260 in 2014. This represents approximately a 67 percent increase over this period. The growth rate of state funding per student spending exceeds the Implicit Price Deflator (IPD) but not the Seattle Consumer Price Index (CPI).



How is the salary level for teachers determined?

State funding—The Legislature allocates money to each district for state-funded employee salaries and associated fringe benefits. In the case of certificated instructional staff (CIS)—teachers, counselors, librarians, and other instructional staff requiring certification—the state funding is provided based on a state-salary allocation schedule. An individual's education level and teaching experience determines the allocation for base salary. Additional funds (a one- to three-percent increase) are provided for each additional year of experience up to 16 years. Additional funds (a three- to 20-percent increase) are also provided for additional credits of approved education acquired up to a Ph.D. (See appendix B for the state allocation schedule for certificated instructional staff for the 2014-15 school year.)

In the 2011-13 biennium, the Legislature made a one-time reduction in certificated instructional and classified staff salaries by 1.9% and certificated administrative salaries by 3.0% for school years 2011-12 and 2012-13.

The state does not require school districts to pay certificated instructional staff in accordance with the state-salary allocation schedule. However, most school districts have adopted a salary schedule the same as, or similar to, the state allocation schedule. Some of the state's 295 school districts receive higher salary allocations for certificated instructional staff.

The primary reason for this higher allocation is that these districts were paying their certificated instructional staff higher salaries when the Legislature took on responsibility for fully funding basic education programs in the late 1970s. In the 2007-09 budget, the Legislature took steps that reduced the number of grandfathered salary districts. (See appendix C for a list of these districts and their allocation rate for school year 2013-14.) Additionally, the Legislature limits a school district's authority to establish salaries for certificated instructional staff by setting a minimum and an average salary level.

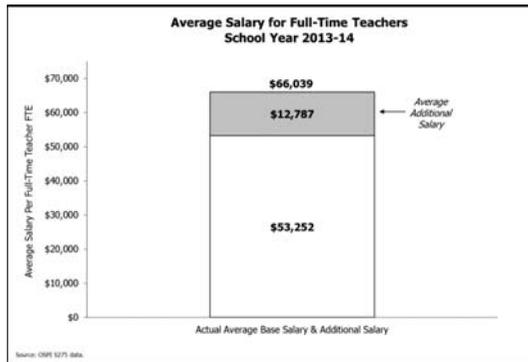
- **Minimum salary** – The actual minimum salaries in the district cannot be less than the minimum on the state-salary allocation schedule for a certificated instructional staff member who has a BA or MA with no years of experience. The rationale for this limitation is to ensure a minimum salary for beginning certificated instructional staff.
- **Average salary** – The actual average salary in the district cannot exceed the average salary calculated based on the state allocation schedule. A rationale for this limitation is to prevent districts from paying a few certificated instructional staff a very large salary and the rest at the minimum.

The state funding provided to school districts for certificated instructional staff salaries is subject to collective bargaining within the state limitations.

Supplemental Pay – School districts may provide supplemental pay for additional time, responsibilities, and incentives (also known as "TRF") beyond that provided by the state. The vast majority of supplemental contracts are paid from local revenue. State law provides that supplemental pay contracts must not create any present- or future-funding obligation for the state.

What is the average salary level for teachers?

In the 2013-14 school year, the statewide average annual base salary for full time teachers was \$53,252. In addition, the average additional salary was \$12,787. This means that the total average annual was \$66,039.



How is the salary level of administrators and classified staff determined?

The Legislature allocates money to each district for employee salaries and associated fringe benefits. In the case of administrators and classified staff (such as bus drivers, food service workers, custodial staff, classroom aides), there is not a state-salary allocation schedule. However, each district receives an allocation for these staff based on historical salary allocations adjusted for any cost-of-living increases. This means that there are variations in the salary levels used for allocating administrator and classified staff position from district to district. In the 2007-09 budget, the Legislature provided additional funding to reduce the variation and increase the salary amounts for districts that have historically received lower funding. However, variations in the salary amounts continue to exist.

The actual salary levels for administrators and classified staff are determined through the local collective-bargaining process. There are no state limitations with respect to salary levels of administrators or classified staff.

How does Washington compare to other states?

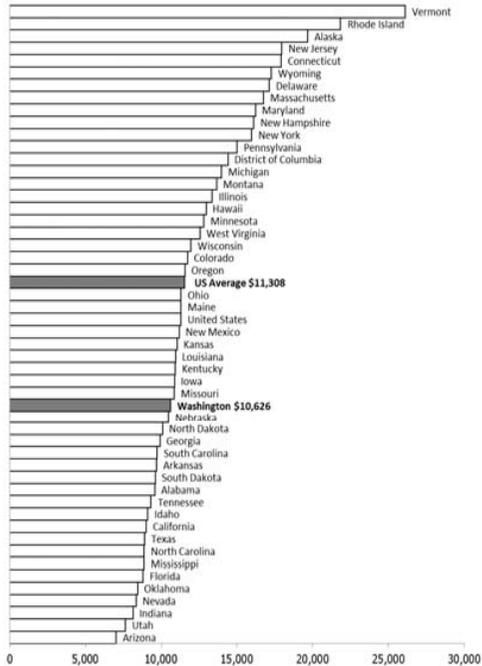
National information is often used to compare different aspects of K-12 finance. On the following three pages are charts comparing per-student spending, students enrolled per teacher, and teacher average salary levels in Washington and other states. It should be noted that comparisons with other states, while interesting, often do not lend themselves to any definitive conclusions regarding each state's K-12 finance system, due to differences in reporting practices, demographics, and public-school funding systems.

Per-Student Spending — As depicted on the chart on page 27, Washington's total per-student spending of \$10,626 ranks 32th compared to the other states in the 2012-13 school year. The national average was \$11,308. Compared to other states in the western region, Washington's per student spending was \$944 below Oregon (\$11,570), \$1,613 above California (\$9,013) and \$1,513 above Idaho (\$9,113).

Students Enrolled Per Teacher — The chart on page 28 compares students enrolled per teacher in the 2012-13 school year. Washington's 19.7 enrolled students per teacher makes it the fourth highest in the nation. The national average was 15.9. Compared to other states in the western region, Washington's number of enrolled students per teacher was below California (24.9) and Oregon (21.8) but above Idaho (18.3). For a variety of reasons, this measure of students to teachers does not translate into the "average class size" in any given school, district, or state.

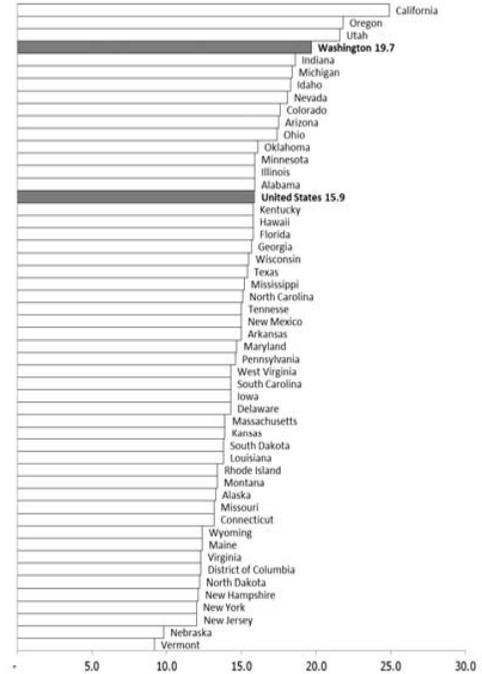
Teacher Average Salary Levels — The chart on page 29 provides a comparison of average salary levels for teachers. In the 2012-13 school year, Washington's reported teacher average salary of \$52,234 made it the 24th highest in the nation. The national average was \$56,103. Compared to other states in the western region, Washington's average teacher salary was \$17,090 below California (\$69,324), \$5,378 below Oregon (\$57,612), and \$2,500 above Idaho (\$49,734). The average salary levels depicted on this chart do not include supplemental pay. Since data related to supplemental pay in other states is not available, it is unknown how this might affect the rankings.

Public School Current Expenditure Per Student School Year 2012-13



Source: Rankings & Estimates, National Education Association, Mar. 2014

Students Enrolled Per Teacher in K-12 Public Schools, Fall 2012



Source: Rankings & Estimates, National Education Association, Mar. 2014

Average Salary of Public School Teachers School Year 2012-13



Source: Rankings & Estimates, National Education Association, Mar. 2014

How does the state lottery support public schools?

When the state lottery was established in 1982, the state was in an economic recession. The Legislature deposited the lottery revenues into the state general fund, which supports K-12 public schools, higher education, human services, natural resources, and other state programs. Prior to the actual creation of the lottery, there were various proposals to dedicate the lottery proceeds to the developmentally disabled, public schools, or state institutions. While none of these proposals were actually enacted into law, they are probably the source of the popular misconception that the lottery had been entirely dedicated to K-12 education.

As a result of the passage of Initiative 728 in 2000, all lottery revenues were, in fact, dedicated for educational purposes (with the exception of about 10 percent, which was dedicated by previous legislation for debt service on the stadiums in Seattle). For fiscal years 2001-2004, a portion of lottery revenues were distributed to school districts to allow them to make improvements, such as reducing class sizes, extending learning opportunities, and expanding professional development and early childhood education programs. The remainder was deposited into the Education Construction Account, which is used to fund a portion of the state matching funds for K-12 public school and higher education construction. From fiscal year 2005 through 2009, all lottery revenues were deposited into the Education Construction Account. In 2009, the Legislature redirected lottery dollars to the state general fund to support a range of state programs, including education, for fiscal year 2010. K-12 school construction costs were covered with additional general obligation bonds. Also in 2009, the Legislature approved the sale of the multi-state game Powerball. While the education construction fund previously has been lottery's largest beneficiary, the lottery has been directed by the Legislature to make contributions to stadium funding and problem gambling prevention and treatment. The Legislature repealed I-728 during the 2012 Legislative session as part of HB 2824 (Chapter 10, Laws of 2012).

It should be noted that while Initiative 728 dedicated lottery revenues to educational purposes, the Legislature passed legislation in 2002 that authorized a new lottery game that is not subject to the distribution for educational purposes. The legislation authorized participating in a multi-state lottery (now named "Mega Millions") with the profits from the game going to the state general fund. The legislation had provisions addressing the concern that some people might play the new multi-state lottery rather than the existing lottery games and, therefore, diminish the base revenues for educational purposes. For this reason, the legislation required \$102 million annual transfers to make the educational-related accounts "whole" before distributing any excess profits to the general fund. In other words, it was intended that the educational related activities would receive as much money as they would have without the multi-state lottery.

In 2010, the Legislature created the Washington Opportunity Pathways Account. Beginning in fiscal year 2011, all net revenues from in-state lottery games not otherwise dedicated to debt service on the Safeco Stadium and Qwest (Century Link) Field and Exhibition Center were dedicated to the new account. All net income from the multi-state lottery games, other than those dedicated to the Problem Gambling Account, were deposited into the Washington Opportunity Pathways Account rather than into the state general fund and used for specified early-learning, higher-education, and economic-development programs. A provision of the legislation creating the Washington Opportunity Pathways Account requires a transfer of \$102 million per year from the state general fund to the Education Construction Account to maintain the same level of support for education construction. Pursuant to 2012 legislation, the \$102 million annual transfer is suspended through fiscal year 2015. 2013 legislation repealed the annual transfer of the \$102 million and backfilled this transfer with state general obligation bonds.

What is the role of the federal government in public elementary and secondary education?

Public K-12 education is primarily a state and local responsibility. However, the federal role in education has been evolving and increasing over time. Although the federal Constitution, which gives U.S. Congress its authority to act, is silent on the subject of education, Article I, Section 8, of the U.S. Constitution provides that Congress has the power to provide funding for the general welfare of the United States. Congress has relied on this provision when enacting federal assistance programs addressing education, including the education of students with disabilities (the Individuals with Disabilities Education Act – IDEA, and the Americans with Disabilities Act – ADA) and the education of students in poverty (Title I programs). State participation in these programs is voluntary; however, if the state accepts the federal funds then the state must comply with all of the federal program requirements. Federal funds comprise approximately 9 percent of the total of Washington K-12 funding. Additionally, the due process and equal protection clauses of the U.S. Constitution provide the basis for the anti-discrimination laws (Title VI, Title VII, and Title IX) enacted by Congress. The federal courts have also had a significant impact on public education, especially in the areas of racial segregation, First Amendment and due process rights of students and employees, school finance, and education programs for students who have limited English proficiency and for students with disabilities.

The No Child Left Behind Act of 2001 (NCLB) reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). This legislation greatly expanded the federal role in public education. NCLB requires *all* students to meet state proficiency on the statewide reading and mathematics assessments by 2014. Schools and school districts that receive federal Title I funding and fail to meet this proficiency target are subject to sanctions, including that parents must be notified by letter that the school is "failing" to meet their adequate yearly progress goals, and 20 percent of each school's Title I funds must be set aside to provide transportation to students who transfer from failing school into a passing school *and* to provide supplemental education services to students, such as tutoring programs.

Most recently, part of the American Recovery and Reinvestment Act of 2009 included \$4.35 billion for the Race to the Top Fund. The program's intent was to provide competitive grants to encourage states to advance education reform in the following four areas: adopting standards and assessments; building data systems; recruiting and retaining effective teachers and principals; and turning around low-achieving schools. Grant awards were announced in 2010 for 12 states. Washington State was not a successful contender for the award.

In 2011, the federal Department of Education (DOE) granted Washington, and 42 other states, a waiver from these provisions of the NCLB. In August 2013, the DOE designated Washington's waiver to be at "high risk" until the state's teacher/principal evaluation statutes could be amended to require the use of the federally-required statewide assessment results as one of multiple measures of student growth for evaluating teacher and principal performance. Current state law requires school districts to use multiple measures to determine student growth, which may include classroom-based, school-based, or district-based and state-based assessments.

The 2014 Legislature did not make the changes to the statute as directed by the DOE. In April 2014, OSPI received a letter from the DOE formally denying Washington's request to extend its NCLB waiver into the 2014-15 school year. As a result, Washington schools failing to meet the NCLB requirement for *all* students to meet proficiency targets in the 2013-14 school year--almost every school in the state--were subject to the sanctions.

In August 2014, the DOE announced that waiver states could delay the use of test results in teacher performance ratings by one school year to provide more time to adjust to new student standards and assessments, however Washington was informed that the delay would not allow the state to re-obtain a waiver as it had already been lost for the upcoming school year.

What are other types of dedicated funding utilized by school districts?

Over three-fourths of a typical school district's expenditures are for the day-to-day operation of the school district and are funded in the school district's general fund. For this reason, this document primarily focuses on these expenditures. However, it should be noted that school districts also use other funds including: Capital Project Funds, which are used for some facility construction and remodeling costs; Debt Service Funds, which are used for the repayment of bond debt; Associated Student Body Funds, which are used for student activities; and Transportation Vehicle Funds, which are used for purchasing school buses.

How is school construction funded in the state?

In each biennial capital budget, the state provides financial assistance to school districts for constructing new, and remodeling existing, school buildings. The state-assistance program is based on two principles: (a) state and local school districts share the responsibility for the provision of school facilities; and (b) there is an equalization of burden among school districts to provide school facilities regardless of the wealth of the districts.

To be eligible for state funding, a school district must have a space or remodeling need and must secure voter approval of a bond levy or other funding for the local share of a school project. Once the local share is secured, the state money is allocated to districts based on a formula

comprised primarily of a set of space and cost standards/allocations and a matching ratio based on the relative wealth of the district.

The state program does not reimburse all costs related to a project. Costs not eligible for reimbursement include site-acquisition costs; administrative buildings; stadiums/grandstands; most bus garages; and local sales taxes. Construction-related costs that are eligible include eligible construction costs per-square-foot; architectural and engineering fees; construction management; value-engineering studies; furniture and equipment; energy conservation reports; and inspection and testing.

In the 2013-15 biennium (fiscal years 2014 and 2015), the Legislature appropriated approximately \$495 million in new funds for the state match associated with school-construction projects beginning in the biennium.

What is Initiative 1351?

Initiative 1351 (I-1351), approved by state voters in November 2014, changes the staffing values in the public school basic education funding allocation statute, which specifies minimum allocations for K-12 class sizes and school staff. The new values will lower class size, which increases the number of teachers for which state funds are allocated and, in general, increases the other school staff. The new values have a delayed effective date and do not take effect until September 1, 2018, which is the beginning of the 2018-19 school year.

The initiative directs the Legislature to increase state funding for public schools in the 2015-2017 biennium to provide no less than 50 percent of the difference between the funding necessary to support the values under the funding statute in 2013 and the funding necessary to support the reduced class sizes and increased staffing values of the Initiative at full implementation. It requires full funding of the reduced class sizes and staffing values in the initiative by the end of the 2017-2019 biennium.

The Office of Financial Management estimates the initiative will increase state expenditures \$4.7 billion through fiscal year 2019. At full implementation, in school year 2018-19, the estimated annual state expenditure is \$1.9 billion.

What is Initiative 732?

Initiative 732 (I-732), approved by state voters in November 2000, required the state to provide an annual cost-of-living salary adjustment (COLA) for K-12 teachers and other public school employees and certain community and technical college staff, beginning in school year 2002. Each school district must distribute the cost-of-living COLA in accordance with the district's salary schedules, collective-bargaining agreements, and compensation policies, and certify that the district spent the funds for COLAs.

In 2003, the Legislature suspended the COLA requirement for the 2003-05 biennium (school years 2004 and 2005), and no COLA was provided with the exception of a few targeted salary increases for beginning teachers and classified staff. Additionally, the Legislature modified the COLA provisions for K-12 employees so that the state is required to fund only costs associated with providing the COLA to state-funded employees. Since all employees receive the COLA, this means that the costs associated with providing a COLA for locally- and federally-funded staff has to come from those sources.

The Legislature suspended the COLA requirement for the 2009-11 (school years 2010 and 2011), 2011-13 (school years 2012 and 2013) and the 2013-15 (school years 2014 and 2015) biennia.

What is Initiative 728?

Initiative 728 (I-728), was approved by state voters in November 2000 and repealed during the 2012 Legislative session as part of HB 2824 (Chapter 10, Laws of 2012).

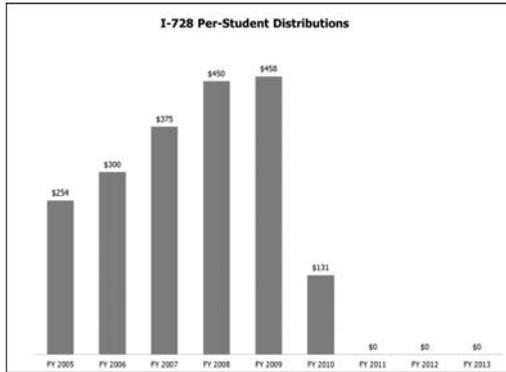
The Initiative transferred a portion of the state property tax from the state general fund to the Student Achievement Fund (SAF). The SAF then distributed a per-pupil allocation to school districts to use for class-size reduction, extended learning opportunities for students, professional development for educators, early-childhood programs, and necessary building improvements to support class-size reductions or extended learning opportunities. The initiative provided school districts \$184 per full-time equivalent (FTE) student in the 2001-02 school year, \$208 per FTE student in the 2002-03 school year, \$212 per FTE student in the 2003-04 school year, and \$450 per FTE student in the 2004-05 school year. In subsequent years, the amount would increase by inflation.

As depicted on the following chart, in 2003, the Legislature reduced the distribution of the I-728 funds so that school districts received \$254 per FTE student in the 2004-05 school year; \$300 per FTE student in the 2005-06 school year; \$375 per FTE student in the 2006-07 school year; \$450 per FTE student in the 2007-08 school year; and \$458 per FTE student in the 2008-09 school year, which reflected an inflationary increase from the prior year.

In 2009, the Student Achievement Fund was consolidated into the state general fund, along with five other funds with purposes similar to the general fund. The accounts were subject to the state expenditure limit at the time, so the consolidation did not affect the Initiative-601 approved spending limit and were previously categorized as "Near General Fund-State" funds. Advocates of the consolidation believed the change would improve budget transparency by simplifying the budget process and reducing the need to do frequent and numerous fund shifts in the state budget.

For the 2009-10 school year, I-728 per-student distributions were reduced to \$131 per FTE student and were eliminated for school years 2010-11 through 2012-13 as the Legislature balanced a series of budgets requiring the closure of multi-billion dollar budget deficits. One-time federal stimulus funds from the American Recovery and Reinvestment Act (ARRA) provided a portion of the I-728 funding for the 2008-09 and 2009-10 school years.

In the 2012 Legislative session, the Student Achievement Program statutes were repealed as preparations were made for funding the redefined definition of basic education and enhancements to be phased in by 2018, in recognition that basic education funding, rather than supplementary non-basic education programs, would be the Legislature's focus.



Appendix A
Maximum Levy Authority: Districts Grandfathered Above 28%
Sorted by County

Rank	County	School District	Max Levy Percent
Highest = 1			
58	Adams	Lind	29.20%
40	Adams	Ritzville	32.12%
81	Chelan	Cashmere	28.79%
12	Clark	Green Mountain	37.58%
11	Columbia	Starbuck	37.61%
27	Cowlitz	Toutle Lake	35.19%
86	Cowlitz	Kalama	28.24%
15	Douglas	Orondo	37.51%
90	Douglas	Bridgeport	28.01%
5	Douglas	Palisades	37.73%
41	Douglas	Mansfield	32.00%
24	Douglas	Waterville	36.00%
25	Franklin	North Franklin	35.70%
1	Franklin	Kahlotus	37.90%
8	Grant	Wahluke	37.69%
53	Grant	Quincy	30.67%
51	Grant	Coulee/Hartline	30.79%
19	Grays Harbor	Cosmopolis	37.40%
43	Jefferson	Brinnon	31.50%
22	King	Seattle	36.97%
68	King	Federal Way	28.90%
75	King	Enumclaw	28.88%
9	King	Mercer Island	37.67%
64	King	Highline	28.95%
75	King	Vashon Island	28.88%
65	King	Renton	28.93%
57	King	Skykomish	29.43%
28	King	Bellevue	34.66%
13	King	Tukwila	37.54%
85	King	Riverview	28.72%
68	King	Auburn	28.90%
71	King	Tahoma	28.89%
80	King	Snoqualmie Valley	28.83%
61	King	Issaquah	28.97%
42	King	Shoreline	31.93%
71	King	Lake Washington	28.89%
71	King	Kent	28.89%
68	King	Northshore	28.90%
60	Kitsap	Bainbridge	28.98%
17	Kittitas	Damman	37.44%
6	Klickitat	Centerville	37.71%
89	Klickitat	Roosevelt	28.14%
20	Lewis	Evadne	37.36%
58	Lewis	Boisfort	29.32%
31	Lewis	White Pass	33.43%

Appendix A (continued)

Maximum Levy Authority: Districts Grandfathered Above 28%
Sorted by County

Rank Highest = 1	County	School District	Max Levy Percent
3	Lincoln	Sprague	37.77%
55	Lincoln	Reardan	30.02%
30	Lincoln	Creston	34.42%
9	Lincoln	Odessa	37.67%
21	Lincoln	Harrington	37.01%
38	Lincoln	Davenport	32.21%
43	Okanogan	Pateros	31.50%
56	Pend Oreille	Selkirk	29.47%
65	Pierce	Steilacoom Hist.	28.93%
78	Pierce	Puyallup	28.87%
26	Pierce	Tacoma	35.47%
14	Pierce	Carbonado	37.52%
36	Pierce	University Place	32.29%
79	Pierce	Sumner	28.86%
33	Pierce	Dieringer	32.85%
83	Pierce	Orting	28.78%
52	Pierce	Clover Park	30.76%
67	Pierce	Peninsula	28.91%
61	Pierce	Franklin Pierce	28.97%
71	Pierce	Bethel	28.89%
61	Pierce	Eatonville	28.97%
84	Pierce	White River	28.77%
81	Pierce	Fife	28.82%
2	San Juan	Shaw	37.82%
29	Skagit	Anacortes	34.54%
32	Skagit	Conway	33.15%
16	Skamania	Mount Pleasant	37.46%
88	Spokane	Spokane	28.18%
39	Spokane	West Valley (Spokane)	32.20%
50	Stevens	Valley	30.91%
49	Stevens	Loon Lake	31.01%
86	Thurston	Olympia	28.34%
7	Walla Walla	Dixie	37.70%
18	Walla Walla	College Place	37.43%
48	Walla Walla	Columbia (Walla Walla)	31.07%
54	Whatcom	Bellingham	30.35%
35	Whatcom	Blaine	32.51%
34	Whitman	Lacrosse Joint	32.75%
75	Whitman	Lamont	28.88%
89	Whitman	Tekoa	28.14%
47	Whitman	Pullman	31.27%
37	Whitman	Palouse	32.27%
4	Whitman	Garfield	37.76%
23	Whitman	Steptoe	36.42%
45	Whitman	Colton	31.35%

Appendix B

**K-12 Allocation Schedule for Certificated Instructional Staff
For School Year 2013-14**

Years of Service	K-12 Allocation Schedule for Certificated Instructional Staff For School Year 2013-14										MA+90 OR Ph.D.	
	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45				
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989			
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452			
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912			
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377			
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857			
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339			
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797			
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768			
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254			
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785			
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356			
11				45,883	49,169	51,558	49,295	52,581	54,969			
12					47,332	50,777	50,850	54,188	56,650			
13						52,425	52,460	55,836	58,370			
14							54,117	57,600	60,157			
15								55,488	59,098			
16 or more									60,279			
												62,955

Appendix C

Base Salaries for School Year 2013-14

Grandfathered Districts Compared to All Other Districts

	Total Base Salaries	% Over "All Other"
1 Everett	35,058	5.0%
2 Orondo	34,990	4.8%
3 Northshore	34,788	4.2%
4 Marysville	34,687	3.8%
5 Puyallup	34,073	2.0%
6 Shaw Island	34,038	1.9%
7 Southside	33,904	1.5%
8 Lake Chelan	33,892	1.5%
9 Mukilteo	33,799	1.2%
10 Lopez Island	33,763	1.1%
11 Seattle	33,626	0.7%
12 Oak Harbor	33,618	0.6%
All Other Districts:	33,401	

Note: Salaries are for certificated-instructional staff (CIS).