

# FULL FUNDING COALITION

## Presentation to the Basic Education Finance Joint Task Force

June 10, 2008

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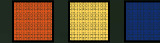
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**CEO** Educational Policy Improvement Center

**Professor** University of Oregon

## PRESENTATION OUTLINE

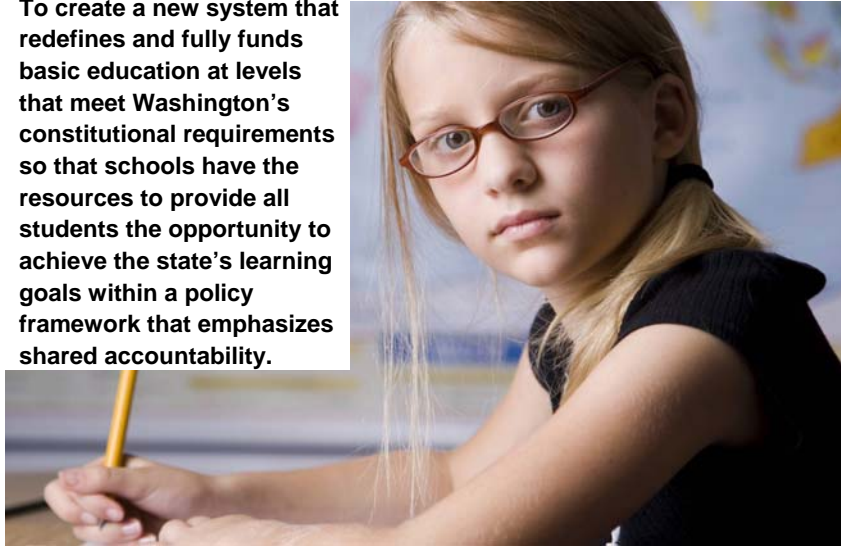


1. Presenting the Coalition's Goal
2. Redefining Basic Education
3. Determining Necessary Fiscal Support: Washington Adequacy Funding Study Prototype Schools
4. Rethinking Distribution Formulas
5. Creating a Commission for Quality Education in Washington (CQEW)
6. Sharing Accountability
7. Implementing on a Phased Basis
8. Identifying Potential Immediate Revenue Sources

## FULL FUNDING COALITION'S GOAL



To create a new system that redefines and fully funds basic education at levels that meet Washington's constitutional requirements so that schools have the resources to provide all students the opportunity to achieve the state's learning goals within a policy framework that emphasizes shared accountability.



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## FULL FUNDING COALITION



Five of Washington State's largest education associations have asked the legislature to fully and equitably fund K-12 schools—the state's constitutionally mandated paramount duty.



**WSSDA** – School Directors



**WASA** – Superintendents and Administrators



**AWSP** – Principals



**WEA** – Teachers, Faculty & Classified Employees



**PSEW** – Classified Employees

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## STEERING COMMITTEE



### Executive Directors and Association Officers

#### WSSDA

Martharose Laffey, Ted Thomas, and Martha Rice

#### WASA

Paul Rosier, John Erickson, Rich McBride and Steve Chestnut

#### AWSP

Gary Kipp, Sue Corey and Charlene Milota

#### WEA

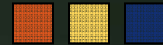
Rod Regan (interim), Mary Lindquist and Mike Ragan

#### PSEW

Randy Dorn and Ken Kanikeberg

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## TECHNICAL WORK GROUP



#### Puget Sound ESD

Steve Nielsen

#### Evergreen School District (Clark)

Mike Merlino

#### ESD 112

Tim Merlino

#### WEA

Randy Parr  
Bill Freund

#### PSEW

Ken Kanikeberg

#### Spokane and Seattle School Districts

Jack Daray

#### WASA

Paul Rosier  
Barbara Mertens

#### Consultant to the Project Work Group

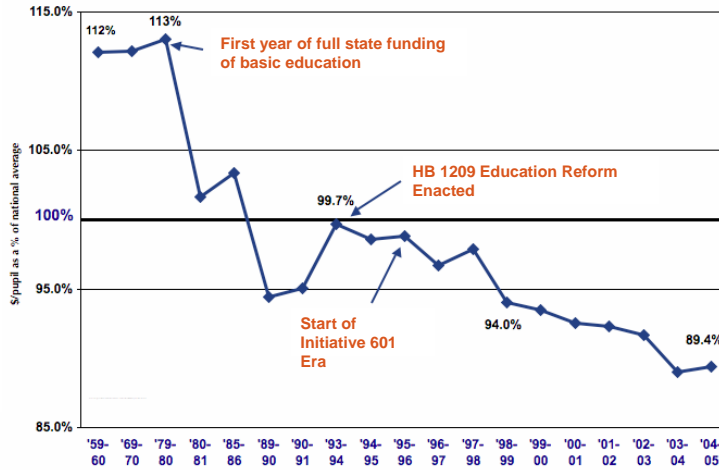
Dr. David Conley - *Educational Policy  
Improvement Center*

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# EXPENDITURE DATA



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

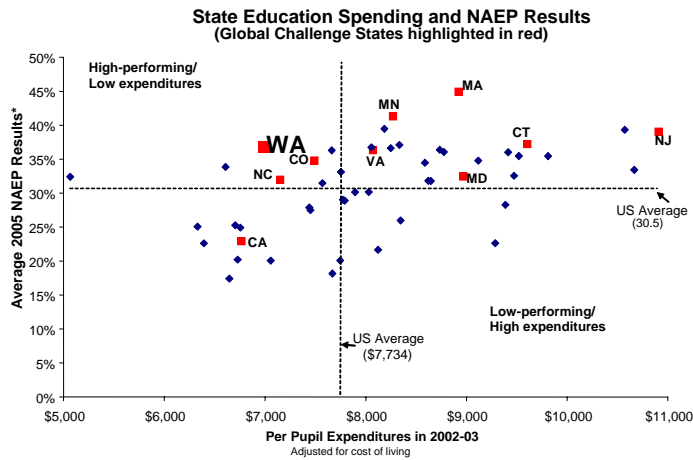


Note: Current expenditures include all state, federal and local operating funds.

# EXPENDITURE DATA



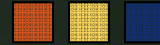
Yet, in terms of results per dollar expended, Washington has been one of the most efficient education systems in the nation.



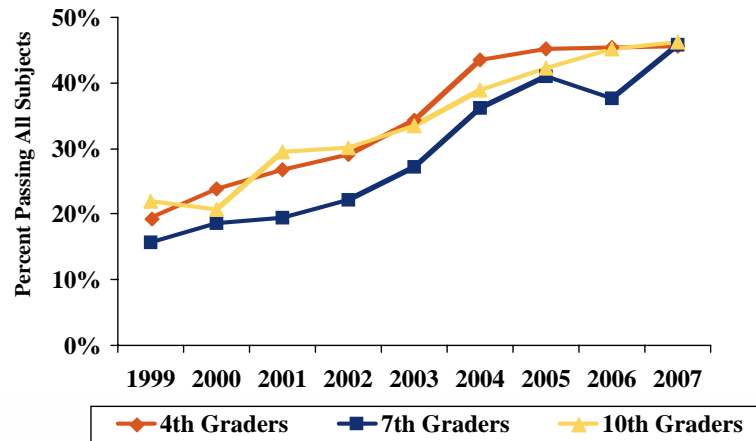
\* % Proficient and above Reading & Math, Grades 4 & 8

Source: OSPI analysis Quality Counts 2006

## EXPENDITURE DATA



However, the percentage of students passing WASL reading, writing, and math still remains under 50%, and gains have leveled off in recent years.



Source: OSPI

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## IDENTIFYING CURRENT STATE GOALS



The goal of the Basic Education Act...shall be to provide students with the opportunity to **become responsible and respectful global citizens**, to **contribute to their economic well being** and that of their families and communities and **to understand different perspectives**, to explore and **to enjoy productive and satisfying lives**.

RCW28A.150.210  
Basic Education Act: 1977, 1993, 2007

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## IDENTIFYING CURRENT STATE GOALS

### The substantive content specified in the four numbered parts of Basic Education Act RCW28A.150.210 :

1. Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and 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 experiences and knowledge to form reasoned judgments and solve problems; and
4. Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities

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## IDENTIFYING CURRENT STATE GOALS

### The State's subsequent Essential Academic Learning Requirements ("EALRs") in eight core subjects:

1. Reading
2. Mathematics
3. Science
4. Writing
5. Communication
6. Social Studies: civics, economics, geography, & history
7. Arts
8. Health & Fitness

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## IDENTIFYING CURRENT STATE GOALS



1. Education in Washington must be improved in order to keep pace with:
  - societal changes
  - changes in the workplace
  - an increasingly competitive international economy
2. To increase student achievement, the public school system must have high expectations for all students
3. Schools are accountable for achieving state goals and are expected to adapt locally to do so
4. School boards and educators need resources consistent with state expectations

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## A BASIC EDUCATION REDEFINED



Schools do not have a choice regarding the programs they must offer and the goals they must achieve.

Therefore, the Coalition proposes a redefinition of basic education to include *all the educational programs necessary to address all expectations, goals, requirements, practices, and policies included in state and federal legislation, rules, and regulations.*

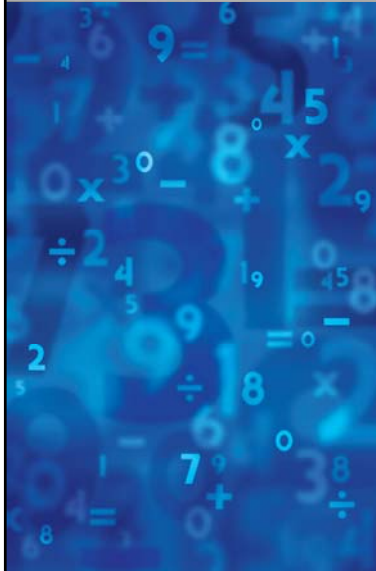
Funding provided must be sufficient to ensure schools have the capability to meet all specified state and federal requirements.

In other words, schools need the resources to do the job assigned them by government.

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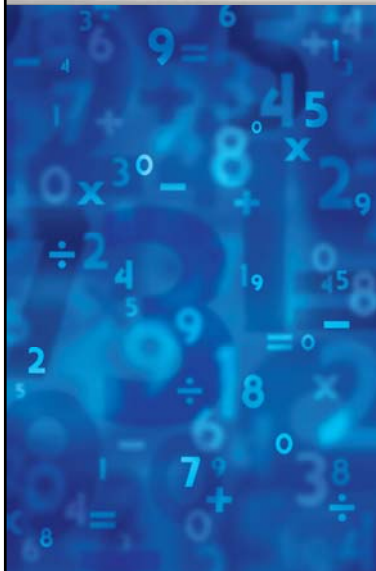
## PRINCIPLES OF A NEW FUNDING SYSTEM



1. Redefine basic education to include all expectations, goals, requirements, practices, and policies included in state and federal legislation, rules, and regulations.
2. Create a K-12 finance system that provides revenue sufficient for schools to address all basic education requirements.
3. Shift the focus of state school funding accountability from program compliance to student performance, from fiscal inputs to student outcomes.
4. Design new formulas and state allocations targeted to the identified needs of individual students and schools.
5. Distinguish more clearly between local levies and state basic education funding.

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## PRINCIPLES OF A NEW FUNDING SYSTEM



6. Conceive of accountability as a two-way street.
7. Review funding formulas to determine their rationality and currency, and develop new formulas on a rational need basis.
8. Adapt and evolve the definition of basic education over time based on changing state expectations.
9. Determine employee compensation allocations rationally and systematically.
10. Design state and local fiscal practices so that they are consistent, transparent, and efficient.

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## SETTING THE STATE'S PERFORMANCE GOALS

### Three Funding Scenarios



#### Students perform at higher levels

- All students pass the WASL by 2014 (as required by NCLB)
- Additional resources are necessary
- The precise amount must be determined

#### Students continue to perform at current levels

- Overall funding levels can remain relatively constant
- The state's education goals are realigned to this lower level of expectation
- State basic education funding is adjusted to eliminate reliance on special levies to fulfill the state's funding obligations

#### Students perform at lower levels

- Standards are lowered so that more students pass WASL exams
- This reduces pressure for funding increases
- This is also counter to all expressed state goals for education

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## DETERMINING COST ON A RATIONAL BASIS



The Quality Education Model (QEM) will determine the costs of basic education. The model is designed to answer these questions:

- What constitutes basic education?
- How much does it cost?
- What results can we expect if we spend the money?



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## Quality Education Model



- Necessary programs are identified based on educational research, classroom practice, public values and professional opinion
- Programs are placed into prototype elementary, middle and high schools so they can be costed out
- Costs are then divided by the number of students in the prototype to generate a per-student cost
- This cost is multiplied by number of students statewide at prototype school grade levels
- Each prototype provides a vision of a high-performing school

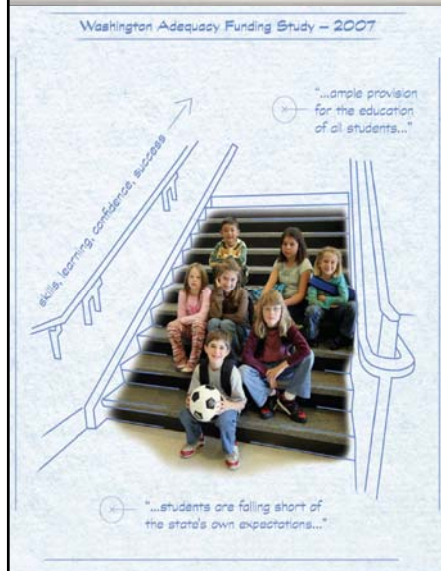


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## WASHINGTON ADEQUACY FUNDING STUDY (WAFS)



## WAFS: Costing Out Basic Education



1. WAFS specifies funding needed based on elementary, middle, and high school *prototype schools*
2. Each prototype reflects the average demographic characteristics of Washington schools
3. A per-student cost is derived from the prototype schools at each level
4. This per-student cost is the basis for a weighted student funding formula that is adjusted by characteristics such as concentration of low income families or small school size
5. Current state categorical program funding is then converted to a "Foundation Formula"

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## WAFS: Major Recommended Additions



1. Classroom-centered supports
2. Educator supports
3. Instructional supports
4. Learning Environment supports

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Purpose:

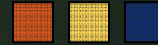
- Determine the annual amount of money needed to make ample provision for the education of all Washington students
- Review each legislative session results for potential fiscal impacts
- Apply adjustments to prototype schools to account for variations in the cost of educating students
- Identify multiple performance indicators to be quantified and collected longitudinally
- Calculate expected performance of Washington schools relative to basic education goals at full and current levels of funding
- Determine annually the projected performance of schools in relation to the percent of full funding



Tasks and Duties of the CQEW

- Issue an annual technical report detailing the funding needed to meet state goals
- Establish performance levels schools are expected to meet
- Prepare and release a non-technical report to the general public to highlight progress or issues in funding to CQEW identified level
- Review existing data to determine the relation between funding and achievement
- Identify additional data needed to determine adequacy and system functioning

## COMMISSION FOR QUALITY EDUCATION IN WASHINGTON (CQEW)



### Structure of the CQEW

- Nonpartisan in nature comprised of respected individuals
- Oregon's model includes members appointed by the Governor and confirmed by the Senate
- Members would serve single four-year terms without compensation
- Commission is staffed with professional and administrative support

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## TRANSITION TO NEW FUNDING PLAN

*Six Year Phase-In*



1. The QEM is scalable and lends itself to ramping up full funding based on expected student performance levels
2. The current infrastructure is not in place, to accommodate the recommended funding level
3. It will take some time to establish the CQEW and for it to generate initial projections
4. A phased implementation plan provides the road map for adding resources in a systematic and predictable fashion

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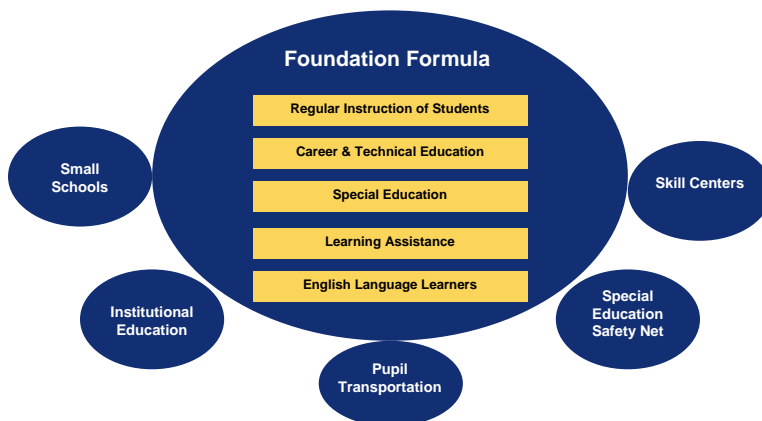
## PRINCIPLES OF NEW FUNDING FORMULA



1. The state provides for basic education as defined by the state
2. Local levies may be used by school districts to augment basic education programs and to provide non-basic education programs
3. Local levy funds should be treated as a separate program

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## A NEW BASIC EDUCATION FUNDING STRUCTURE



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# ACCOUNTABILITY

## *Aligning Resources With Expectations*



- Schools are accountable consistent with funding provided in relation to specified goals
- The political process retains its primacy
  - ~ However, schools are not accountable for unfunded or under funded mandates
- Schools that are properly resourced and fail to meet all applicable goals must follow a more prescribed set of practices
  - ~ State follows progress much more closely and intervenes in targeted fashion when necessary

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# MULTI-MEASURE ACCOUNTABILITY



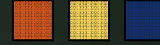
- Multiple measures, reflecting state goals, provide fair and scientifically accurate annual report cards for every school and district
  - ~ This requires better measures and more consistency of data collection
- Each school and district is held accountable fairly – in relation to student, school, and district characteristics
- The accuracy, precision, and validity of the results can be proven
  - ~ This helps educators buy into the requirements and helps communities know the results can be trusted

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## TRANSITION TO NEW FUNDING PLAN

### *Six Year Phase-In*



1. The state enriches funding through the current system for the 2009-11 biennium
2. The state converts to the new Foundation Formula (weighted per pupil) in 2011-13
3. The CQEW reviews initial progress and makes recommendations for subsequent additional funding
4. The state makes additional payments on known, prioritized interventions during 2013-2015 budget cycle
5. Some additional interventions are necessarily spread across all six years

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## SIX YEAR PHASE-IN:

### *Year One Example*



1. Begin K-3 class size reduction to 1:17.
2. Ramp up phase-in of All-Day Kindergarten
3. Implement additional relevant professional development
4. Resources for struggling students
5. Implement behavior support systems through increased staffing levels for Educational Staff Associates
6. Increase support staff in principal's office to allow the principal greater involvement in educational programs
7. Begin phase-in for education support costs (non-employee related costs)

2009

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## SIX YEAR PHASE-IN:

Year Two Example



### 1. Continue increasing:

- K-3 class size reduction
- All-day kindergarten
- Additional ESA's and Classified Staff

2010

### 2. Add funds for key instructional programs in core subjects

### 3. Add campus security funds for middle and high schools

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## TRANSITION TO NEW FUNDING PLAN

Six Year Phase-In



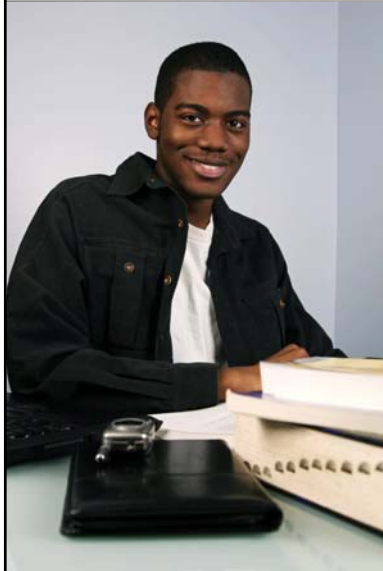
### Cost Summary for 2009-11

Dollars in Millions

Intervention	FY 2009-10	FY 2010-11	2009-11 Biennial Cost
Staff Development	\$19.90	\$46.00	\$66.00
K-3 Class Size	\$52.70	\$117.90	\$170.60
Classified Staff Ratio	\$8.30	\$19.30	\$27.60
Struggling Students	\$53.60	\$123.50	\$177.10
ESA Staff Ratio	\$69.30	\$154.90	\$224.20
Compensation Adj.	\$119.00	\$243.00	\$362.00
Non-Personnel Costs	\$47.00	\$118.00	\$165.00
All Day Kindergarten	\$2.50	\$5.70	\$8.10
<b>Total</b>	<b>\$372.30</b>	<b>\$828.30</b>	<b>\$1,200.60</b>

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## IMPLEMENTING PROGRAMS



- Schools and districts would be free to allocate the additional dollars to meet their particular needs as long as they achieve all state goals
- Schools and districts that do not meet performance standards would lose spending flexibility and would be closely monitored

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## PAYING FOR TRANSITION COSTS IN THE SHORT RUN



### Assign Designated Portion of any State Revenue Increases to Basic Education Funding

- In 2008, the legislature passed ESSB 6573 using this method to provide funds to local governments and for pension benefits.
- Results in the first priority for spending any revenue increases exceeding 5% is retirement benefit improvements.
- The same concept could be adopted to fund the state's "paramount duty."
- Transferring half the anticipated new revenue (above the 5%) in 2009-11 would yield \$500 million for public education.

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## PAYING FOR TRANSITION COSTS IN THE SHORT RUN

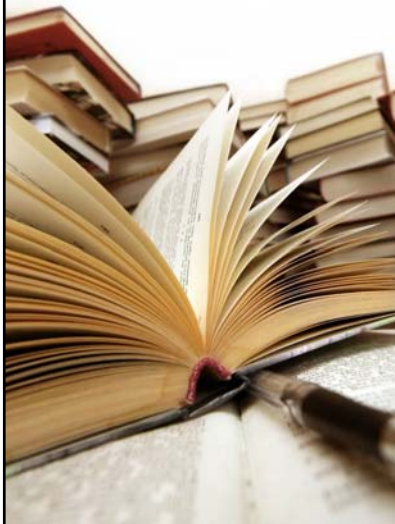


Recapture the currently uncollected Regular Property Tax Authority to Provide New Revenue to School Districts.

- The state has reserved a total rate of \$3.60 per \$1,000 of assessed value.
- The state property tax rate for schools in calendar year 2010 is expected to be \$2.12 per \$1,000 of assessed value.

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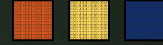
## PROS OF RECAPTURING THE UNCOLLECTED STATE PROPERTY TAX



1. The state has significant capacity left in the state property tax that is slowly being eroded for other purposes. In effect the legislature is slowly allowing local property taxes to increase anyway.
2. Recapturing this tax could be done by a majority vote of the legislature or it could be placed on the ballot for approval.
3. A change in this tax could be in effect in calendar year 2010.
4. Raising this tax by 25 cents to \$2.37/\$1000 AV would yield about \$225 million per calendar year.

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# FULL FUNDING COALITION



## In Conclusion.....

- The state defines basic education through its performance expectations of students and schools.
- The school finance system needs to be realigned to these performance expectations.
- Accountability is a two-way street: A Quality Education Model can predict funding needs by desired performance outcomes.
- The state can implement a systematic approach towards reaching the funding levels required so that ALL students may have the opportunity to meet the state's high expectations for their academic and personal success.

# FULL FUNDING COALITION

**This proposal is supported as a comprehensive package by the member organizations of the Full Funding Coalition. Any individual element contained herein may, or may not, be supported by the individual organizations in the absence of its inclusion as part of this comprehensive proposal.**

