

Update on K-12 Budget Issues

January 24, 2008

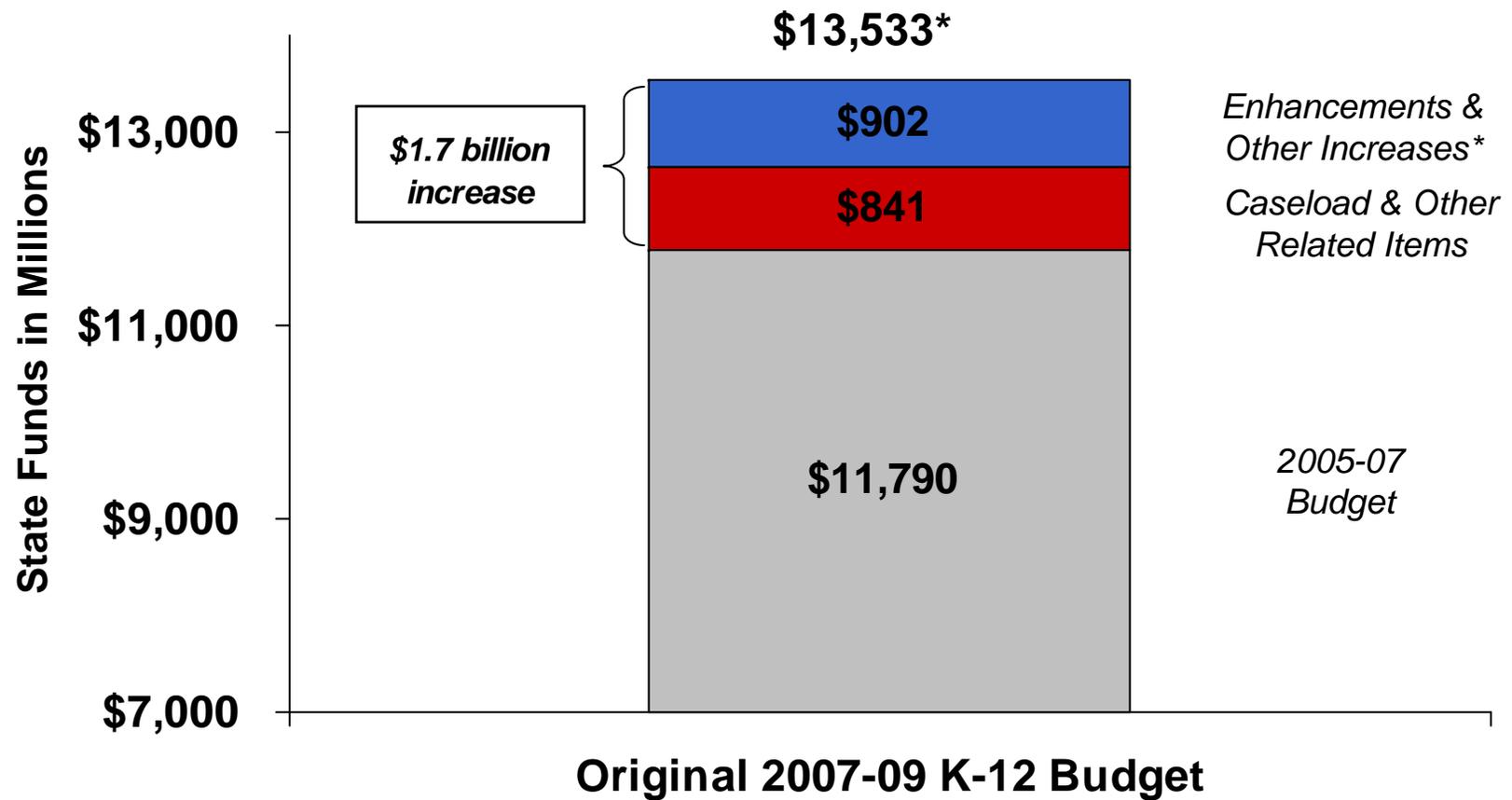
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Outline for Presentation

- **Original 2007-09 K-12 Budget Refresher**
- **2008 Supplemental Budget Outlook**
- **K-12 Litigation Update**

The original budget reflected a \$1.7 billion increase or approximately 15 percent increase from last biennium



* This includes K-12 related funding in other agencies. This amount reflects the net amount of \$1 billion in increases being partially offset by approximately \$100 million in pension related savings.



Examples of Major Enhancements

- **Educator Compensation, \$521 million**
 - *Initiative 732 COLA*
 - *Salary Equalization*
 - *Health Benefit Increases*
 - *National Board Increases*

- **Base Funding Needs, \$296 million**
 - *Initiative 728 Step Up*
 - *Special Education Enhancements*
 - *Classified Staff Ratio*
 - *One-time Transportation Assistance*
 - *Additional LAP Remediation Allocations*



Examples of Major Enhancements (Continued)

- **Additional Student Supports, \$94 million**
 - *All Day Kindergarten*
 - *Vocational & Skills Center Enhancements*
 - *Dropout Prevention & After School Grants*
 - *Eliminating Lunch Co-Pay for K-3 Students*

- **Math & Science Items, \$93 million**
 - *Professional Development*
 - *PAS for the 12th Grade*
 - *WASL Changes*
 - *Laser Expansion*
 - *Instructional Coach Pilot*



Supplemental Budget Outlook

The Governor's proposed supplemental budget reflects a \$40 million increase in K-12...with many WASL related items

<u>2008 Supplemental Miscellaneous Changes</u>		<u>State Funds in Millions</u>
1	Enrollment & Misc Smaller Adjustments	(\$8.5)
2	Initiative 732 COLA	28.4
3	Apportionment and Financial Systems	1.8
4	Integrate ELL and Skills Training	0.3
5	Improve Educator Training Phase II	0.2
6	Safety Net Rule Changes*	-
Total 2008 Supplemental Miscellaneous Changes		\$22.2
<u>WASL Related Changes</u>		
7	Assessment Contract Renewal	\$25.4
8	Translated & Accommodated WASL	1.7
9	Classroom Based Diagnostics & Assessments	2.6
10	WASL Changes	(12.4)
Total WASL Related Changes		\$17.3
Total 2008 Supplemental Changes		\$39.5

* The Governor's budget allows OSPI to retain \$6.2 million in savings to implement a variety of enhancements to the special education safety net.



Factors Impacting the Senate 2008 Supplemental Budget

- ❑ K-12 enrollment and other budget drivers will likely be up in the February forecast.
- ❑ Inflation is up resulting in a higher projected I-732 COLA.
- ❑ The WASL costs and policy will need to be heavily scrutinized.
- ❑ The Senate will likely have other potential K-12 priorities.



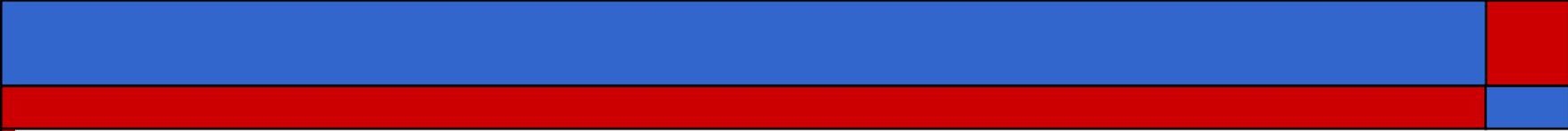
Potential Cost Related WASL Questions

- *Is it just market conditions or are there other factors that are driving up the WASL bids?*
- *Are all areas of the WASL contract (e.g. test item development, scoring, administration) going up or only particular ones?*
- *Could you reduce costs by utilizing even more multiple choice questions than proposed in the Governor's budget?*
- *Could cost savings be achieved by converting to another standardized test modified for the state's standards?*
- *Given some of the WASL tests are driven by federal requirements, is the federal government paying the appropriate amount?*
- *Since over \$10 million per year is currently allocated to non-contract WASL costs (e.g. OSPI staffing, alternative assessments, re-take grants to school districts), are there ways to potentially reduce costs in those areas?*



Potential Policy Related WASL Questions

- *Should the current graduation requirement be maintained, modified, delayed, or eliminated?*
- *Is the real issue the form of the test, or how well (or not well) kids are doing on it?*
- *Since schools and districts have made major changes as a result of the WASL and other educational reform policy, has WASL changed the educational landscape in desirable ways?*
- *What is the appropriate role of alternatives in the assessment system and should more or less be approved?*
- *Are the appropriate amount of resources provided and in the right areas for your intended WASL related performance outcomes?*
- *Should the assessment system provide information to classroom teachers to help them identify and address specific learning needs (diagnostic assessments)?*



K-12 Litigation



School District Alliance v. State (Special Ed)

(Thurston County Superior Court)

Summary

- An alliance of school districts challenged the constitutionality of the state's special education funding formula, alleging that the districts have been forced to spend local levy funds to compensate for inadequate state funding.
- In March 2007, the Thurston County Superior Court upheld the state's funding formula, including the 12.7 index, but indicated that the state must provide additional funding through a safety net or other process for districts with higher costs.

Next Steps

- The school districts have appealed to Division II of the Court of Appeals.
- Hearing may be scheduled in late Spring or Fall of 2008.



McLeary v. State (aka “The Big One”)

(King County Superior Court)

Summary

- Filed in January 2007 and challenges the adequacy of basic education funding based on failure to achieve goals set forth in the Basic Education Act.
- Relief sought includes an order requiring the state to promptly determine the “complete, actual dollar cost of providing the Constitutionally required basic education program” to every child.
- Seeks an order requiring the state to fund that actual cost with a reliable and dependable source.

Next Steps

- Summary judgment was denied in August 2007 and plaintiffs filed an amended complaint in December 2007.
- Trial is tentatively scheduled for Spring 2009.



Federal Way School District v. State

(King County Superior Court)

Summary

- Plaintiffs argued that the state did not fund schools in a uniform and equitable manner because of the differences in state salary allocations among school districts.
- In its November 2007 decision, the trial court found that the salary allocation differences were “arbitrary and wholly irrelevant to achievement of legitimate state objectives.”
- The decision went on to say that this does not mean there could not be disparate salary allocation levels, but the court concluded that they would need to have a “rational basis.”

Next Steps

- The state has filed a notice of appeal, but formal appeal has not taken place.
- Potential legislative action.