

K-12 Public Schools 2011 Supplemental & 2011-13 Budgets Capital and Operating

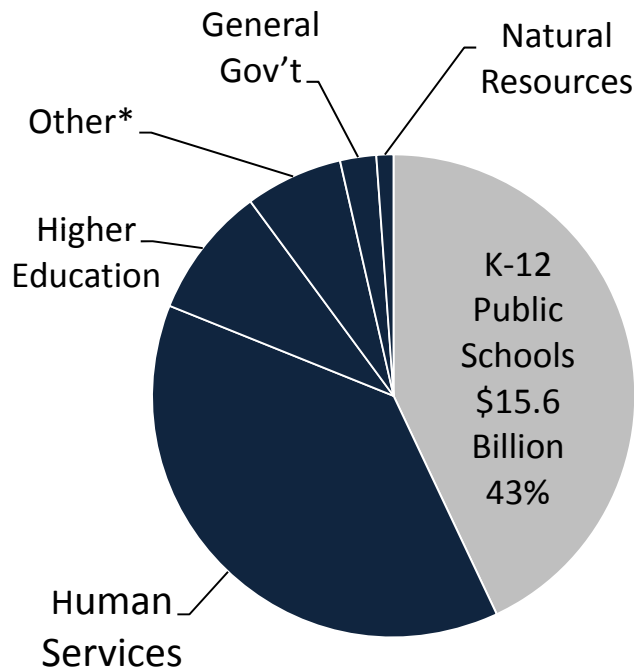
Prepared by Senate Ways and Means Committee Staff

January 17, 2011



K-12 public schools budget makes up the largest share of the state operating budget

2011-13 State Operating Budget Near-General Fund (state)

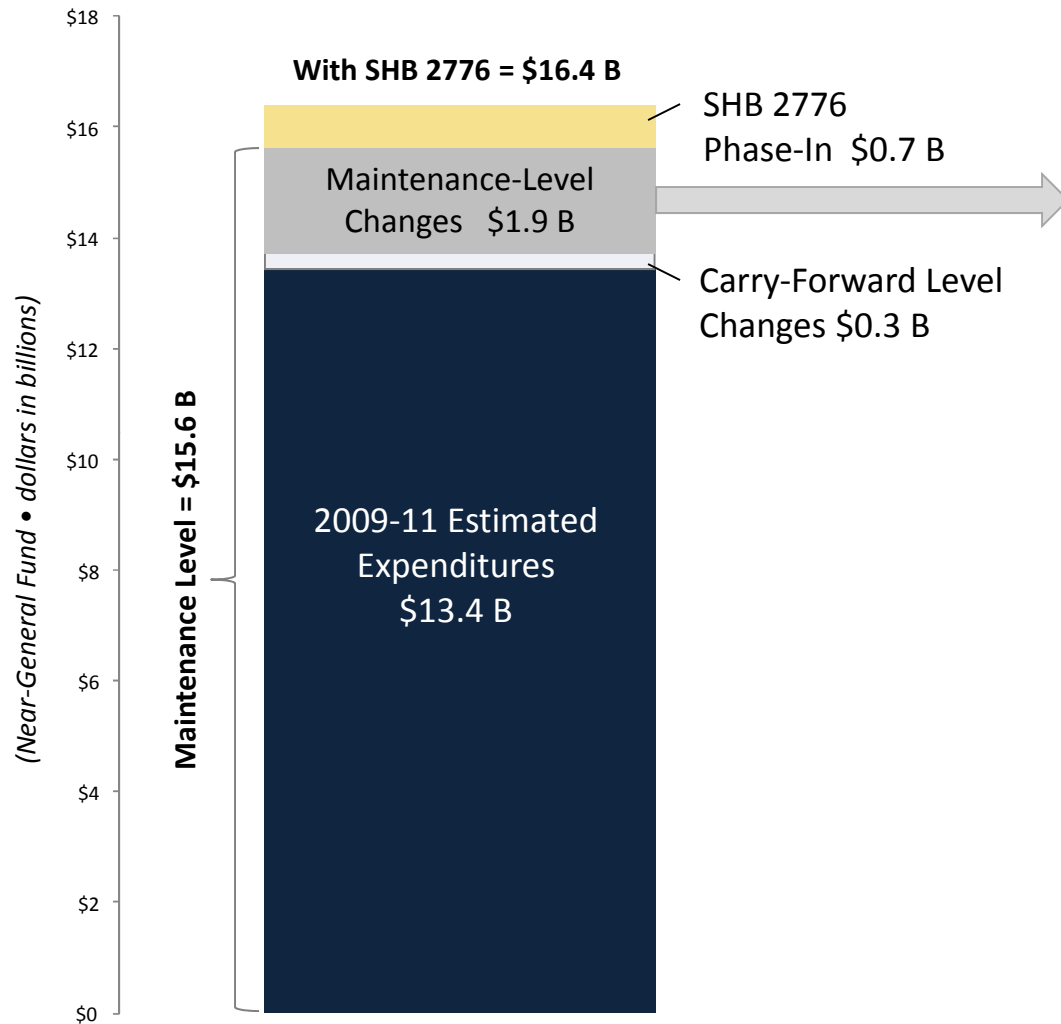


2011-13 Maintenance Level Operating Budget

K-12 Public Schools	\$15.6 B	43.0%
Human Services	13.8 B	38.1%
Higher Education	3.2 B	8.8%
Other*	2.4 B	6.5%
General Government	0.9 B	2.4%
Natural Resources	0.4 B	1.2%
Statewide Total	\$36.3 B	100.0%

*includes debt service, pensions, other education, transportation, and special appropriations.

The 2011-13 maintenance-level budget for K-12 public schools is projected to be \$15.6 B



Components of maintenance-level changes (\$ in millions)	
Initiative 728	\$860
Pension Rate Change	429
Initiative 732 COLA	268
Caseload Adjustments	199
Assessment System Costs	52
School Bus Depreciation	42
K-12 Inflation	30
National Board Bonus	27
Staff Mix	22
Other	(9)
Total ML changes	\$1,921

Most of the K-12 budget is defined as “basic education” and neither fiscal crisis nor financial burden relieves Legislature’s duty to fund

2011-13 budget for K-12 (dollars in millions)	
General Apportionment	\$10,676
Pupil Transportation	655
Special Education	1,405
Institutional Education	33
Transitional Bilingual Education	181
Learning Assistance Program (LAP)	262
Basic Education Total	\$13,213
OSPI State Office & Statewide Programs	61
K-4 Class Size (staffing above basic education level)	179
Pupil Transportation Coordinators	2
Food Service	6
Educational Service Districts	17
Levy Equalization	628
Highly Capable (Gifted)	19
Student Achievement Program (Initiative 728)	860
Full-Day Kindergarten (part of Education Reform Program)	99
Remainder of Education Reform Program	284
Public School Employees’ COLA (Initiative 732)	268
Non-Basic Education Total	\$2,424
Total maintenance-level K-12 budget	\$15,637

Under legislation enacted in 2007-09, full day kindergarten and highly capable programs will be incorporated into basic education effective September 1, 2011



In the last two sessions, the Legislature has enacted changes to the definition of basic education and K-12 funding formulas

SHB 2776 phase-in schedule

New component	Implementation must begin	Must be complete
Revised funding formulas		2011-13 biennium
Pupil transportation	In 2011-13 biennium	2013-15 biennium
Materials, Supplies and Operating Costs (MSOC)	In 2011-13	SY 2015-16, w/subsequent inflationary increases
Full-day kindergarten	In 2011-13, continuing w/highest poverty schools	SY 2017-18
Class-size allocations, grades K-3	In 2011-13, starting with highest poverty	SY 2017-18

Annual costs if phased in evenly

dollars in millions ~ based on fiscal note for SHB 2776

New component	FY12	FY13	2011-13	FY14	FY15	2013-15	FY16	FY17	2015-17	FY18	FY19	2017-19
Pupil transportation	\$32	\$72	\$104	\$112	\$152	\$264	\$160	\$160	\$320	\$160	\$160	\$320
Materials, Supplies & Operating Costs (MSOC)	117	258	375	395	535	930	683	683	1,365	683	683	1,365
Full-day kindergarten	17	40	57	63	88	152	112	135	247	158	158	317
K-3 class-size (w/out construction cost)	49	112	160	177	245	422	314	386	700	454	454	907
Hold-harmless (non-LAP)	7	8	14	6	5	11	4	3	7	1	0	2
Total	\$221	\$489	\$710	\$753	\$1,025	\$1,779	\$1,272	\$1,366	\$2,638	\$1,456	\$1,455	\$2,911

The Governor has proposed additional Fiscal Year 2011 reductions beyond those adopted in December's early-action bill

2009-11 Second Supplemental Budgets

December 2010 early-action bill	(\$ in millions)
Use federal EduJobs for gen'l apport.	(\$208)
Eliminate K-4 class size reduction	(39)
OSPI statewide programs and grants	(4)
Education reform program cuts	(7)
Total Early-Action Reductions	(\$258)

Near-General Fund, plus \$2 million in federal funds to pay for portion of assessment costs

Governor's remaining supplemental (\$ in millions)	
Eliminate K-4 class-size reduction	(\$42)
Reduce Levy Equalization	(18)
Eliminate Highly Capable Program	(7)
Eliminate Readiness to Learn	(2)
Other changes	(2)
School-based Medicaid elimination	1
Sub-Total, Net Program Reductions	(\$70)
Delay June 2011 apportionment pmt.	(253)
June contingency fund	13
Contingency fund related to other cuts	15
Total 2011 Supplemental Proposal	(\$295)

The Governor's 2011-13 operating budget proposal for K-12 public schools, Near-General Fund state

Governor's 2011-13 Proposal	(\$ in millions)
Suspend Student Achievement Program (I-728)	(\$860.2)
Eliminate K-4 class size enhancements	(192.0)
Suspend National Board bonus programs	(99.5)
Reduce Levy Equalization	(39.5)
Eliminate Highly Capable	(18.7)
Revise bus payment system	(95.6)
Enhance transportation funding	90.0
Eliminate or reduce grants and programs	(46.5)
Adjust Full-Day K & MSOC costs	(34.6)
Changes to assessment program costs	(27.2)
Expand new teacher & principal evaluation sys.	18.0
Special ed safety net increase from Medicaid cut	6.0
Sub-Total, Net Program Reductions	(\$1,299.8)
June apportionment	253.0
Repayment of FY11 contingency funds	(28.0)
Suspend I-732 COLA	(253.3)
Freeze steps on the salary schedule	(56.4)
Suspend COLA for Plan 1 retirees	(306.4)
2011-13 Proposed Budget Changes	(\$1,690.9)

K-12 capital budget for public schools

2009-11

2011-13

2009-11 capital budget = \$758 million

2011-13 Governor = \$505 million

Project	\$ in Millions
2009-11 School Constr. Assistance	\$521.0
Capital Program Administration	3.3
Energy Efficiency & Small Repair Grants	70.0
North Central Technical Skills Center	4.0
Northeast King County Skills Center	8.1
Pierce County Skills Center	10.0
Tri-Tech Skills Ctr - Walla Walla Campus	0.1
Vocational Skills Center Minor Projects	3.6
Apple Awards	0.3
Sub-Total 2009-11 Budget	\$620.2
New 2007-09 School Constr. Assistance	137.3
Total 2009-11 Budget	\$757.5

Project	\$ in Millions
2011-13 School Constr. Assistance	\$486.6
Aviation High School	2.0
Capital Program Administration	3.9
Skills Ctrs Minor Works (Preservation)	3.0
Small Repair Grant Program	10.0
Total Governor Proposed 2011-13	\$505.5

Items do not add to total due to rounding

2011-13 School Construction Assistance Program

