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BRIEFLY

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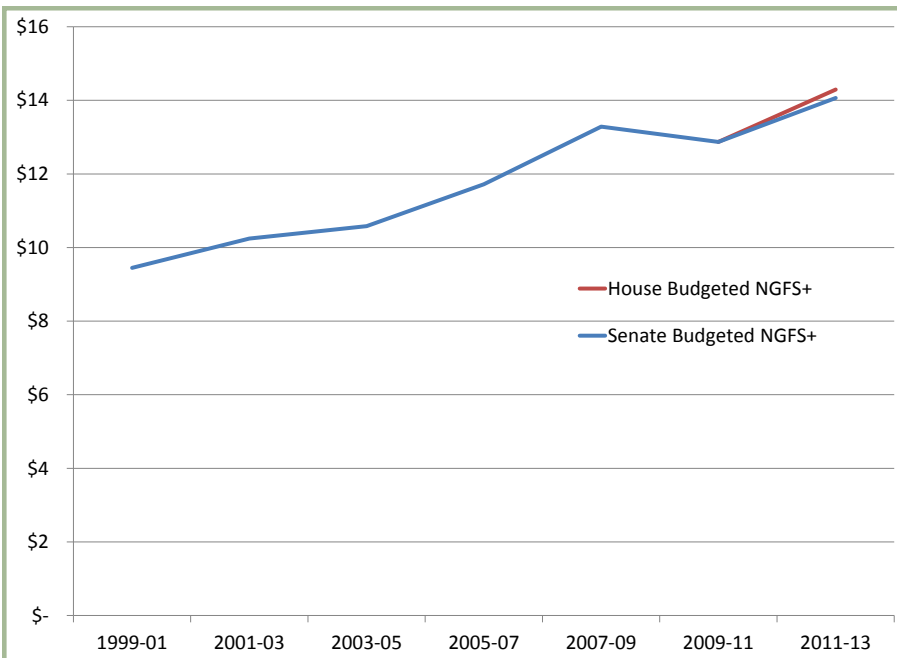
CLASS SIZES UP, COMPENSATION DOWN FOR PUBLIC SCHOOLS

For 2011–13, public schools account for about 44 percent of the Near General Fund–State plus Opportunity Pathways (NGFS+) expenditures in the House- and Senate-passed budgets. Overall, both budgets would increase K-12 spending over 2009–11 levels (the House by \$1.196 billion and the Senate by \$1.424 billion). That said, the 2009–11 K-12 budget is \$415 million lower than that of 2007–09. Compared to the 2007–09 K-12 budget, the House increases 2011–13 spending by \$781 million and the Senate increases it by \$1.009 billion.

In 2011–13, the House would spend \$227.6 million more on public schools than the Senate. Maintenance level changes increase spending by \$2.158 billion over 2009–11; policy changes would reduce spending by \$1.307 billion in the House and \$1.535 billion in the Senate.

Many of the big ticket spending reductions are related to class size and school employee compensation. Additionally, graduation requirements for math and science would be delayed under both budgets.

Chart 1: K-12 Spending
(Dollars in Billions)



Class Sizes

Neither budget would fund Initiative 728. I-728, related to class size reduction, was approved by voters in 2000 with no funding source. The initiative has been suspended previously during tight budget cycles. For the 2009–10 school year, federal American Recovery and Reinvestment Act funds were used to fund I-728 September through June, and state funds were used for July and August. No funds were appropriated for I-728 for the current school year; continuing the suspension of the initiative for the 2011–13 biennium would save \$860.7 million.

Also, both budgets would eliminate the K-4 class size reduction (it was also cut in the December 2010 special session). In the House, this saves \$166.4 million; in the Senate, \$163.3 million. Both would, however, fund

smaller K-3 class sizes in high-poverty schools. The House would provide \$25.0 million; the Senate, assuming smaller class sizes than the House, would provide \$64.3 million.

Compensation

The Senate would reduce payments to school districts by \$263.5 million—an amount representing a 3 percent reduction to K-12 employee salaries begin-

ning September 1, 2011. (Using “rolling furloughs” state employee salaries would also be reduced by 3 percent under the negotiated collective bargaining agreement.) The Senate would also create a \$10 million salary reduction mitigation pool, to help employees who earn less than \$30,000. In order to make these salary reductions, school districts would have to renegotiate salary agreements with school employee unions.

The House would freeze certificated staff salary steps as of August 31, 2010, saving \$56.4 million.

Both budgets would make changes to the National Board for Professional Teacher Standards bonus program. The House would save a total of \$61.2 million by paying the bonuses on July 1 of the school year and by reducing the first year National Board bonus by 40 percent. The Senate would save a total of \$75.8 million by paying the bonuses on July 1 and by limiting a National Board-certified teacher’s annual bonuses to three.

Both budgets would suspend Initiative 732 (providing cost-of-living adjustments for school employees). In the House, this would save \$269.3 million; in the Senate, \$260.1 million. I-732 was suspended in 2009–11 as well, with the stipulation that catch-up cost-of-living adjustments (COLAs) be paid in the 2011–13 biennium. These proposals would also suspend those catch-ups, and they do not promise catch-ups for the loss of 2011–13 COLAs.

Additionally, the Senate would create a voluntary consolidated statewide health benefits purchasing program for public schools to improve efficiency and lower costs. The state would provide higher benefit allocations for those who participate. It is estimated that the proposal would save \$2.4 million. \$1.9 million would be appropriated to implement the program, so the net spending reduction from this proposal would be \$534,000.

Graduation Requirements

The Senate would change math requirements for students graduating in 2013 and 2014. Instead of being required to meet the state standard in math with two end-of-course assessments, students would only need to take one. This would save \$13.0 million. The Senate would also change science requirements for students graduating prior to 2017. Instead of being required to pass the science High School Proficiency Exam, they could pass one additional science class. This would save \$10.8 million.

The House would change math and science graduation requirements as well. Like the Senate, it would allow students graduating in 2013 or 2014 to take only one end-of-course assessment in math. Also like the Senate, it would delay science proficiency requirements until the graduating class of 2017. Together, these changes would save \$21.2 million.

The bills implementing the science requirement changes (HB 1410 and SB 5226) were not voted on during session. HB 1412, which makes the math requirement changes, was signed into law by the governor on April 11, 2011.

Other Significant Policy Changes

A number of additional policy changes would occur under each budget. Both would appropriate \$611.8 million for levy equalization (a maintenance level increase of \$231.7 million). The Senate would save \$91.9 million by revising the school bus depreciation formula.

Both budgets would provide funding to implement new funding formulas for several programs (\$19.2 million in the House and \$41.5 million in the Senate).

In the House budget, \$6.4 million would be provided to continue to phase in full day kindergarten at schools with significant numbers of low-income students. Also in the House, \$6.6 million would be appropriated for the PASS act (ESSHB 1599), which rewards schools that reduce drop-out rates and improve attendance.

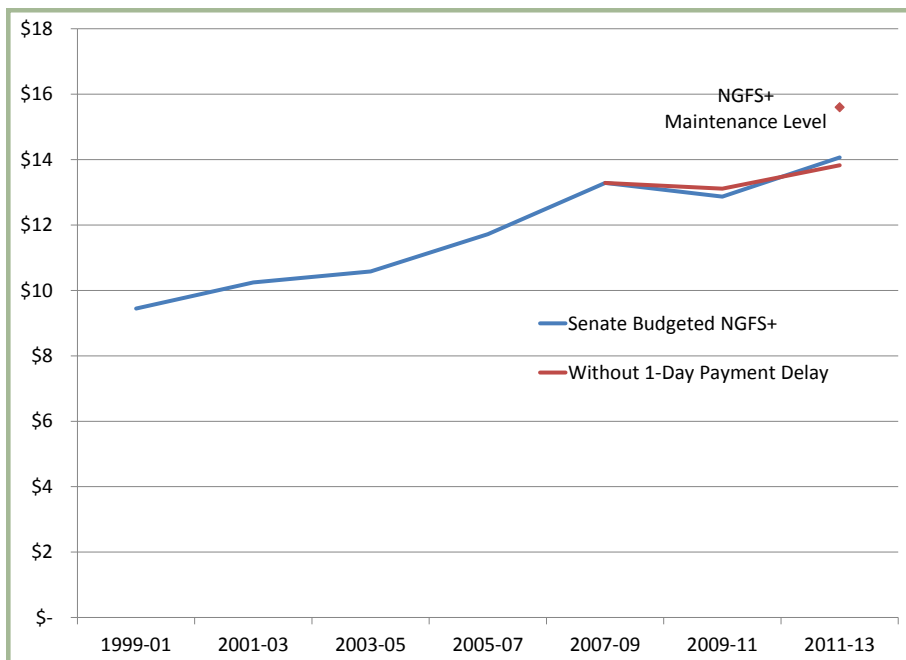
Students in Alternative Learning Experience (ALE) programs (e.g., online learning) are funded at the same rate as traditional students. The House

budget would reduce per ALE-pupil funding by 19.9 percent, saving \$53.1 million. The Senate budget would reduce per ALE-pupil funding by 10 percent, saving \$25.8 million.

Both budgets would limit enrollment in the Running Start program. The enrollment reduction of 680 student FTEs per year would save \$6.0 million.

Due to the school apportionment one-day payment delay that reduced 2009–11 spending by \$253 million, that same amount would be spent in 2011–13. Chart 2 shows how this payment delay affects the Senate-passed budget. The payment shift from June 30 to July 1 allows the state to spend less in the 2010-11 fiscal year. Because school districts operate on September 1–August 31 fiscal years, the one-day delay does not change the fiscal year in which they receive the payment.

Chart 2: K-12 Spending
(Dollars in Billions)



Department of Early Learning

The Department of Early Learning is accounted for as part of the Other Education budget area; consequently, it is not included in the Public Schools totals above. Maintenance level changes increase spending on early learning by \$10.6 million in 2011–13. Meanwhile, policy changes would reduce spending by \$1.0 million in the House and \$4.5 million in the Senate.

Both budgets would eliminate a program that provides wage supplements to child care center employees, saving \$3 million.

The Senate would increase licensing fees for child care centers and family home providers. Because the revenue would offset general fund costs, the state would save \$1.4 million.