

SENATE BILL REPORT

SB 5465

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 20, 2019

Title: An act relating to basic education funding.

Brief Description: Concerning basic education funding. [**Revised for 1st Substitute:** Concerning public education funding.]

Sponsors: Senators Wellman, Pedersen, Wilson, C., Hunt, Hasegawa and Kuderer; by request of Superintendent of Public Instruction.

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/08/19, 2/20/19 [DPS-WM, w/oRec].

Brief Summary of First Substitute Bill

- Changes the date when school districts must submit a copy of their budget to OSPI, and requires that the four-year budget plan be included.
- Requires the Governor recommend a formula for the distribution of institutional education allocations based on a prototypical school model.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5465 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hunt, McCoy, Mullet and Salomon.

Minority Report: That it be referred without recommendation.

Signed by Senators Hawkins, Ranking Member; Holy, Padden, Pedersen and Wagoner.

Staff: Alex Fairfortune (786-7416)

Background: Prototypical School Model. The state's public school funding model allocates funding to school districts based on assumed levels of staff and other resources necessary to support a prototypical school serving an assumed number of students at defined elementary,

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middle, and high schools levels. The use of prototypical schools is intended to illustrate the level of resources needed to operate a school of a particular size using commonly understood terms such as class size, hours of instruction, and specified staff positions.

The structure of the formula, which appears in statute, provides allocations for classroom teachers at an assumed class size, plus other building-level staff such as principals, teacher-librarians, counselors, and office support. Based on these staffing ratios, the state uses salary assumptions for each of the different staff types to generate state funding allocations. The funding provided to school districts through the prototypical school formulas is for allocation purposes only, and districts have discretion over how the money is spent, subject to some limits.

Institutional Education Funding. The Legislature's statutory definition of "basic education" includes the educational programs for individuals under the age of eighteen in juvenile detention centers and state institutions. The education funding for these programs does not use the statutory prototypical school funding model. Instead, five factors generate the funding amount: student enrollment; the certificated instructional staff mix based on education and experience of the staff; staffing ratios; a 220-day school year instead of the regular 180-day school year; and the materials, supplies, and operating costs to support the program.

Professional Learning Days. State law defines professional learning as a comprehensive, sustained, job-embedded, and collaborative approach to improving teachers' and principals' effectiveness in raising student achievement. Beginning with the 2018-2019 school year, the Legislature must begin phasing in funding for professional learning days for certificated instructional staff, beginning with a minimum of one professional learning day in 2018-19, two professional learning days in 2019-20, and three professional learning days in 2020-21.

Washington School Improvement Framework. Released in March 2018, the Washington School Improvement Framework identifies how schools can improve the education of students based on assigning a 1-10 score for up to nine indicators, such as graduation rates, attendance, and proficiency on state tests.

Summary of Bill (First Substitute): Budget Submission. School districts must submit a copy of their proposed budget and four-year budget plan summary to their educational service district for review by July 10th, and file a copy with the Office of the Superintendent of Public Instruction (OSPI) by September 10th.

Institutional Program Allocations. The Governor must, and OSPI may, recommend a formula to the Legislature for the distribution of institutional education allocations. The distribution formula must be based on minimum staffing required to support a prototypical institutional education program, with actual funding allocations adjusted based on the actual number of full-time equivalent students in the school district. Seven prototypical institutional programs are identified and assigned prototypical student enrollment. Staff ratios for each institutional program are provided.

OSPI must report state per-pupil allocations for institutional education programs for each school district, as well as state per-pupil allocations for each institutional education program

type. This information must be reported on the OSPI website, linked to each school district website, and included in the operating budget documents published by the Legislature.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute):

- Eliminates the staffing ratio increases for school nurses, guidance counselors, and family and community engagement coordinators.
- Eliminates the requirement that the Legislature fund content-specific professional learning days.
- Eliminates the requirement that school districts adopt a minimum fund balance of at least 8.5 percent.
- Changes the title from "Relating to basic education funding" to "Relating to public education funding."

Appropriation: None.

Fiscal Note: Requested on February 20, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill is part of a safety package to address funding and structure needs, as staff numbers are currently falling short of meeting needs. One nurse for every thirty-seven elementary schools is inadequate. More funding is needed for school safety, behavioral health, and student success. Kids learn best when they are healthy. This can help close the equity gap for low-income kids and kids of color, and address safety concerns for kids with chronic conditions. Currently if a student needs a nurse regularly, that student has to move schools to get that assistance. The 8.5 percent minimum fund balance requirement averages out to about a month of reserve, so it is just a policy question of whether the Legislature wants this in statute. Some districts are about to have local levies reduced, so the 8.5 percent will be difficult for these districts.

CON: Many of the bill components attempt a one-size fits all approach that takes away local authority. The narrow focus of the professional development days may not be best to address school needs. The 8.5 percent minimum fund balance will result in increased class sizes as schools make cuts to maintain the balance. Funding for institutional education programs does need to be changed, as half of students receive special education services but do not receive special education funding.

OTHER: Staffing ratio increases should be accelerated and it should be up to school districts how they are deployed. School districts should also be able to determine how to deploy professional development days. The 8.5 percent fund balance is a one-size fits all approach. Currently, restoring and sustaining this would be very difficult. The policy should be scalable based on the size and needs of the district. An enrollment drop or surge can require additional staffing, so having a restriction on how the minimum fund balance can be used

does not allow for these unanticipated costs. This conversation needs to develop so people can give feedback on the 8.5 percent number.

Persons Testifying: PRO: Senator Lisa Wellman, Prime Sponsor; Amy Brackenbury, Washington School Counselors Association and School Nurses of Washington; Dave Mastin, OSPI; Rupin Thakkar, President, Washington Chapter of the American Academy of Pediatrics; Charlie Brown, Tacoma School District.

CON: Lorrell Noahr, Washington Education Association.

OTHER: Jim Kowalkowski, Superintendent, Davenport School District and Director, Rural Education Center; Jessica Vavrus, Washington State School Directors' Association.

Persons Signed In To Testify But Not Testifying: No one.