

## A Primer on School Funding in Washington and the Northshore School District

School finance in Washington is a complex subject. This document is an effort to explain the basics for parents, business and community members who wonder

- where their tax dollars are going,
- how much money the schools actually receive,
- why they're being asked to contribute, and
- whether requests for local funding increases are justified.

### Background

Following a lawsuit in 1977, the State of Washington assumed a major role in financing public education. The lawsuit required the state to fully fund basic education and, at the same time, limited the amount of special levy revenues local districts were allowed to collect. The primary sources of state school funding are the sales tax and the state property tax.

The major problem is that state basic funding — \$5,736 per student (average

for 05-06) — is inadequate. More than 90 percent of the students in Washington are being educated in districts that use special levy funds to supplement the state's basic funding level. Northshore's levy added an additional \$1,577 per pupil to state funding in 05-06.

An additional problem is that state funding has not kept up with inflation. In fact, since 1993, in inflation-adjusted dollars, per-student funding in the Seattle, Tacoma, Bremerton area (60 percent of all K-12 students), has dropped by more than \$500 per student.

### How our state compares to the nation

Three facts provided by the League of Education Voters show how school funding in Washington compares to the rest of nation.

- Washington is in the bottom half of the nation in per-student spending.
- Our national ranking in teacher salaries is 19th.
- Class sizes in Washington are the 4th highest in the country.

### Primary sources of funds for the Northshore School District

Northshore School District's total operating budget for 2007-08 is about \$180 million. The bulk of the money comes from a state per-pupil allocation. All school districts receive about the same per-pupil funding. The average for 05-06 was \$5,736. Northshore received \$5,582 per-pupil.



About 19% percent of the Northshore budget comes from local levies, which must be renewed every two to four years. Levies enable the district to hire more teachers to reduce class sizes. They provide more textbooks and curriculum materials, extracurricular activities, quality music and art programs, a more complete program for gifted and special education students, teacher training, and seven, rather than five, class periods for all junior and high school students.

School districts also receive state and federal funds for students with special needs, such as gifted and special education students and those studying English as a Second Language. About six percent of Northshore's budget comes from federal sources.

Funding limitations

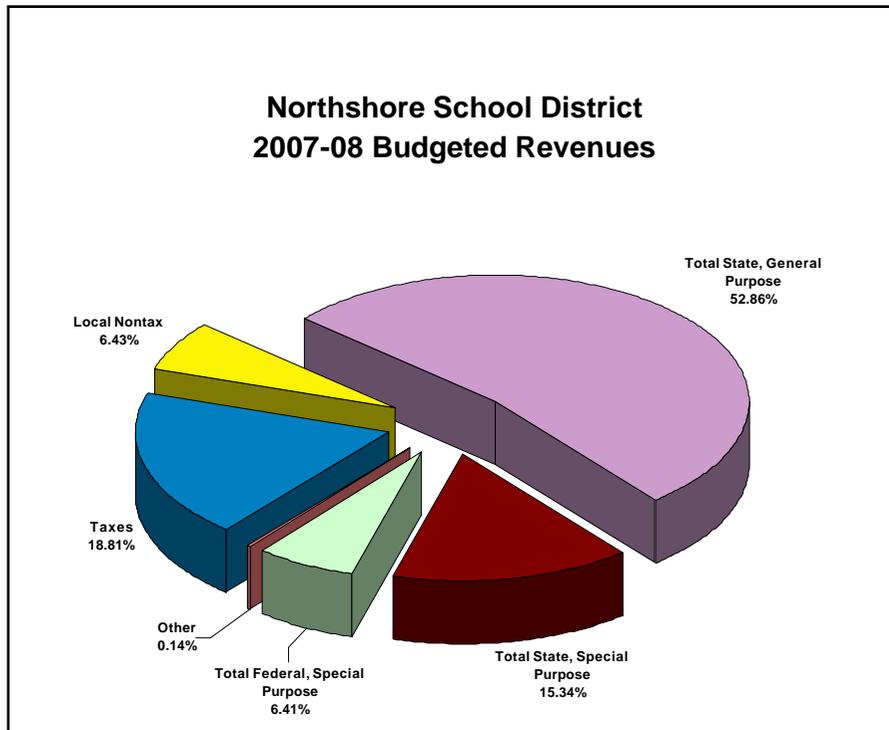
Northshore and other neighboring districts are limited in the amount of money local communities can provide. Even if local taxpayers want to support their schools by being taxed at a higher rate, they are not allowed to do so.

Teacher salaries are established by the state and are generally uniform across the state. Washington may be the only state that uses a statewide salary schedule and caps the amount that can be paid by all districts. A teacher in Northshore earns about the same amount of money as a teacher in Moses

Lake. Regional cost-of-living differences are not taken into account. The main way a teacher's salary can increase is by additional compensation for time spent, responsibilities, or incentives. This is in addition to the 182 days the state funds. In 2007-08, a beginning teacher in Northshore earns \$38,290 for working 185 days. A teacher with five years of experience and a masters degree earns \$49,221.

How the money is spent

Like most school districts, Northshore spends about 86 - 87 percent of its budget for salaries and benefits. The remaining 12 - 13 percent goes to the day-to-day operations of the district, schools and the programs that support them. The district funds go toward curriculum development, textbooks, professional development and classroom supplies, fuel for busses and other vehicles, heating, lighting and other utilities.



Each school within the district gets an allocation to be used for salaries of non-teaching staff, such as secretaries and classroom aides. The allocation is also to be used for classroom and office supplies, conference fees, copiers and replacement textbooks. Schools with larger populations of students with special needs also receive additional federal and state funds to provide extra services to these students.

### Voters supported two school-funding related initiatives

In November 2000, voters approved two education initiatives, I-728 and I-732. Northshore uses I-728 funds to reduce class sizes in grades K-12, to provide extended learning opportunities for students, to provide supplemental training days for teachers, and to provide extra support to students who are struggling academically.

As a result of I-732, teachers were to receive annual cost-of-living allowances. After a hiatus in 2004-05 when no raises were granted, the legislature granted an increase of 1.2% for 2005-06. They granted 3.3% in 2006-07 and 3.7% in 2007-08. However, the district provided for COLAs in 2004-05 that the state did not fund.

### Private Sources of Funds

In Northshore, public funding is supplemented through private fundraising by PTAs and the Northshore Public Education Foundation.

Individual school PTAs often raise money for their schools for specific purposes. PTA funds are significantly less than one

percent of the total district budget. PTA leaders work with the principal and staff at each school to set the priorities for the funds they raise. These priorities have ranged from technology labs to instructional assistants who help increase the adult-to-student ratio.

The Northshore Public Education Foundation – a grassroots community organization – was formed in 1995 to help fill the gap between the actual educational needs in the district and the funding received from the state. Since 2002-03, the Foundation has been implementing a multi-year campaign aimed at fulfilling its mission to enhance learning opportunities for all Northshore students. The foundation has recently identified three target areas for support: increasing academic standards and rigor for students, meeting classroom needs through individual grants, and providing training for both teachers and volunteers to increase support for students in the



classroom.

### Capital and Other Funds

In addition to the **General Fund**, which goes to salaries and day-to-day school operations, the district has other funds. These funds are established for a specific purpose and cannot be used for salaries or school operations.

The [Capital Projects Fund](#) is supported by a combination of bond sales, state matching funds, local levies, investment earnings, and sales or rentals of school district properties. This fund is used for modernization of school district buildings, systems replacements, such as heating or plumbing systems, and other small facilities projects, as well as for purchase of technology and other equipment.

[The Transportation Vehicle Fund](#) is for the purchase of new school busses. Funding comes from local levies and state payments to offset part of the cost of replacing older busses.

[The Associated Student Body Fund](#) provides for student activities and athletics at all schools.

When voters of a school district authorize a bond issue to finance a capital project, they also authorize property taxes to pay for the project. [The Debt Service Fund](#) is established to pay interest and pay the principal over the life of the bonds.

For more detailed information on school funding, call the Northshore Budget office at 425-408-7632

To learn more about Washington school funding go to [www.levfoundation.org](http://www.levfoundation.org).

To support the work of the Northshore Public Education Foundation go to [www.npefoundation.org](http://www.npefoundation.org).

Special thanks is extended to the League of Education Voters and Bellevue Schools Foundation for the inspiration and blueprint for

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