

WA Legislative Session Ending Budget Implications for K-12 Education

April 13, 2010

2010 Supplemental Budget – The big picture

Once again this session legislators faced a budget hole that they had to fill in order to maintain a balanced budget for this biennium. Last night they passed a final budget and revenue bills that addressed the \$2.8 billion gap in the following ways:

Budget Cuts	\$755 million
Federal Relief Funding	\$618 million
Reserves and Transfers	\$690 million
New Revenue (taxes)	\$757 million

Does this budget include new spending as well as cuts?

Yes, it does. There are approximately \$660 million in maintenance level increases including caseload changes related to the recession and some higher than expected program costs. During economic downturns caseloads for state services, including K-12 education, rise.

There are also \$401 million in policy level increases. The largest increases are \$65 million for additional inflation in employee health benefit costs; \$29.8 million for new K-12 levy equalization costs and \$18 million for additional worker training at community and technical colleges. For those who want to look at the full detail, which is 344 pages it is [here](#). K-12 Education is sections 501-517, p. 181-233.

K-12 Budget Changes

Maintenance Level Increases for K-12 for the biennium due to caseload increases and other increased costs amount to **\$252.1 million**.

Major policy increases:

- **Levy equalization funding** increase from 12% to 14% (part of the bill that increases local levy lids by 4%) + **\$29.8 million***
- **Education Reform funding** – Funding needed to support our state’s Race to the Top federal grant application and some follow up work to 2261 to implement the new funding distribution formulas, and new pupil transportation funding. This funding was necessary to support our top priority bills 2776 and 6696. +**\$5 million**

Major Savings:

- **728 Funding, all funding related to this initiative has now been eliminated.** Districts often used this funding to reduce class sizes and offer extended learning opportunities. **-\$79 million** (this is on top of the \$600 million that was eliminated in last year’s budget) Proposed budgets by the Governor, the Senate and the House all eliminated funding for I-728. There was so much agreement regarding this cut that we did not make saving this funding a coalition priority.

- **Reduction in K-4 Class Size enhancement funding** - Although labeled an enhancement, the K-4 class size enhancement has been funded for approx. 20 years and is considered by districts to be maintenance level funding. -**\$30 million***
- **Bus Depreciation** – Delays annual payments sent to districts so that they can replace bus fleets to the end of the expected life of buses. - **\$22 million**
- **Learning Improvement Day** – The only remaining state-funded professional development day for teachers has been eliminated. – **\$10 million**
- **Grants and Statewide Programs** – Many grants and programs are reduced or eliminated. - **\$9 million**

* The two items that are starred above were on our list of education coalition priorities. Below the 4 coalition priorities are listed as well as and what happened to them in this budget. The coalition felt that it was successful in its efforts to develop common priorities (only items that we felt could be influenced or might benefit from our help made the list) and to convey them to the legislature. We also showed the legislature that the education community can work together.

1. Higher levy equalization funding to support the bill that passed this session which increased the levy lid by 4%. There is another factor related to the levy amount that school districts can collect, called the per pupil inflator. The inflator was at 4% in the original 2009-11 budget, but there was a proposal to decrease it to 1%. The 4% level has been maintained. The cost to the state to keep the inflator was minimal (approx. \$7 million) compared to the amount that it allows districts to collect for schools (approx. \$55 million).
2. Although K-4 class size enhancement funding has been decreased by \$30 million, this result was a big improvement over the \$102 million cut (which would have been complete elimination) initially proposed by the Senate.
3. Full funding for classified support staff was maintained.
4. Full funding for all day kindergarten for lowest income schools was maintained.

Your district will already be calculating the local impact of this budget. Ask your district finance officer to share their analysis.

Please contact me if you have any questions. Kim

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