

WA State School Funding Information

Developed by Funding Washington Schools

Reference:

http://www.fundingwaschools.org/index_files/FundingStats_Funding_WA_K12_Schools.htm

Note: The QR codes to the right can be used with a smart phone to view the source of the referenced data



Can school districts do anything to generate more money for their actual needs?

Answer: No — not a significant amount.

The two premises to the question are

1. current funding models aren't meeting schools' real-world fiscal needs, and
2. schools have exhausted alternatives to cutting expenses or adding more funding.

Per current limitations:

- Districts are limited by state law as to how much can be raised by local levies. The majority of districts are at or very near their limits, and have been for along time. Levies for operating expenses versus capital expenditures are rigidly separated. For more info, see the section on local levies.
- Districts can not charge student fees for most things because it violates district policies to provide an education as free of costs as possible.
- Districts must by law keep a small cash reserve on hand to pay for unexpected things like a leaky roof or broken sewer line.
- Although districts do compete to win grants, and often benefit heartily, the reality is that grant moneys will never be enough to fill the much deeper hole left by the state's underfunding.



Five Statistics on Dollars and WA K-12 Schools

Each data point is described in more detail on an attached page.

1. 27% of WA's total revenue goes to K-12
2. 42nd in average class size (reflects # of paid teachers)
3. 44th in state funding per student (\$7,432 vs \$8,973 U.S. per student)
4. 70% of school district budgets are funded from WA State
5. 33% of ed dollars purchasing power is lost to inflation since 1992—no CPI included

Main Components to WA K-12 Funding

School District revenues come from local, state & federal sources. Slices of the funding pie (approx. every school district is different):

1. 70% by WA — Sources of General Fund revenue for Basic Education. These State funds mostly come from statewide sales tax and property tax revenues.
2. 20% by WA localities—Most local funds come from a local property tax. A school district is authorized to levy a local property tax in the district to raise revenues that are used only in that school district. Other local funds come from such things as district rental fees, property sales, or investments. There is more to the role of Local Bond and Levy funding in school district budgets and local control.
3. 10% by USA—Federal dollars pay for federal poverty and equity programs but performed by WA. Federal funds are distributed by the U.S. Department of Education and other agencies and largely come from federal income taxes.

Stats to grasp when talking state funding of K-12 schools

of Students in K-12

over 1 million+ per year

of School Districts

295 independent school district Boards & Superintendents

size ranges from Seattle with 40,000 students, to several

dozen districts with less than 1,000 students each

K-12's Annual Budget

\$8.55 billion per year of 2007-09 biennium budget

- 27% of Total WA Revenue
- 41% of WA General Fund
- 70% of a school district's budget (Basic Ed programs)

School District's Budget Sources (approx.)

- approx. 70% from WA State sales, property, B&O taxes
- approx. 20% Local Property Levy(s)
- approx. 10% Federal (poverty/equity)

Dollars invested per K-12 pupil in 2006-07

\$8,752 per Full Time Equivalent (FTE) student; unadjusted and

includes all WA state and local, plus federal dollars

Factors to understand on State's funding of K-12 schools

- Local levy dollars are not to be used to pay for Basic Ed.
- Levies are intended for locally elected “enhancements” and legally restricted from paying for WA Basic Ed programs, but school districts don't have a choice and are paying more and more for Basic Ed with local dollars, in significant percentages.

Largest single line-item in every school district's budget

= teachers and staff. About 70-75% of staff are at least partially paid by state Basic Ed dollars—the remainder are paid wholly by local “enhancement” levies.

Avg. Ratio of Staff to School Administrators (managers)

= 30+ to 1; compare to average in a service business of 12:1, and often 8:1 or less at many companies, especially technology-based companies

WA State's Revenue and Operating Budget

- In the state's 2007-09 \$56.7 billion operating budget, K-12 education appropriations accounted for \$15.1 billion—26.6%. The operating budget includes appropriations for the general day-to-day operating expenses associated with health, social & human services, education, transportation, natural resources, corrections and courts, among other things. The operating budget is by far the largest of the three state budgets. The other two budgets are for capital and transportation expenses.
- The General Fund Account is the state's main discretionary account and the largest of the state's 400+ different accounts. The General Fund accounts for about half of the state's operating budget. The General Fund supplied all current education funds in school year 2006-07 and totaled over \$8 billion dollars - \$8,653,049,612
- Current education funds are for the routine costs incurred each year in providing education services to the 1+ million students now in Washington state's public schools. Such costs include those for instruction, the maintenance of school facilities, administration at districts' central offices and schools, food services, and pupil transportation. Current education funds do not include capital funds, debt service, funds for purchasing buses, or Associated Student Body (ASB) funds.
- The state allocates dollars from the General Fund to districts using a series of funding formulas. The main factor that determines how much a school district receives is the district's enrollment—the average number of students enrolled through the year.

44th in State Funding Per Student

- Washington ranks 44th overall in per-pupil funding. The figure has been adjusted for the regional differences in the cost of education for 2004-05. Plus, this figure contains state, local and federal dollars.
- In school year 2004-05, the national average of \$8,973 minus WA's \$7,432 = \$1,541, or about 17% less per WA student. In 2005-06, WA was \$8,563 vs national average of \$9,749
- With approximately 1 million students in WA State, we invested about \$1.5 billion (\$1,541 x 1 million students) less in dollars per year in public education than other states on average with an equal number of students. Source: Ed Week, Quality Counts 2008.
- Although a recent national average is not yet available, we do know that in 2006-07, Washington spent an average of \$8,692 per pupil to finance the routine and current expenses of education. Source: OSPI <http://www.k12.wa.us/safs/PUB/FIN/0607/Section%203%20pdf/exprevfbE.pdf>
- Two different expert studies have looked at our state's annual school funding and both said the same thing -- WA's funding is not enough to ensure all students can meet academic standards. The Washington Learns Committee determined a per pupil funding of \$10,325. The Educational Policy Improvement Center determined a per pupil funding of \$11,676.
- Considering that Washington has about 1 million students, it's easy to estimate that the cost of upgrading our funding will run from about \$2.4 to \$3.8 billion dollars per year – this is a very large, very significant amount to invest.
- Our state funding has been below average for quite some time. The graph above shows Washington's per pupil funding (the pink line) as a percentage of the national average (the straight, navy blue line). From 1995 to 2003, Washington per-pupil funding as a percentage of the national average fell from 99 percent to 92 percent. More recent data shows WA is at about 89% of the average as of school year 2004-05. http://www.nces.ed.gov/programs/digest/d07/tables_2.asp#Ch2Sub9
- The data shows that inflation has been eating away at WA funding per pupil over a 14-year period beginning in 1994. Even though the state did increase its funding for education, it was not enough to offset the negative effects of inflation. Just in terms of real dollars alone, we are losing ground. On average each student needs an additional \$2,103 per year to have the same purchasing power of education as in 1994. Data Source: Dollars were adjusted for inflation using the Seattle/Tacoma/Bremerton CPI. Approximately 60% of all K-12 students in Washington State live in that Seattle/Tacoma/Bremerton area.



Some WA School Districts More Significantly Underfunded

WA State PTA analyzed the equity of 2001-02 funding across the state's districts. After adjusting for 1) cost differences in different student types and 2) differences in the local cost of educational resources, PTA found 17 districts with very low funding. These 17 districts were one or more standard deviation (\$577 per pupil) below the average. Most of these low-funded districts are clustered in the Puget Sound Area. The average per-pupil funding for all districts in the study was \$6,906. King, Pierce, Snohomish and Yakima counties contain most of the low-funded districts – with other low-funded districts sprinkled across the state. Remember, PTA found that no district had adequate funding based on the Rainier Institute's recommended level of funding.

Data Source: Billinghurst, Barbara. "Washington State School Finances: Does Every Child Count?" Washington State PTA, March 25, 2004.

- These figures include general fund revenues from federal, state, and local sources for current operations. The PTA report was reviewed by experts and all statistical methods were in conformance with the general practices recommended by the American Education Finance Association. This PTA study included 96.5 percent of all students in the state. These students attended school in 174 of the 296 districts in the state. The researcher eliminated from the study the 122 districts that receive extra funding because they either have small enrollments or were very remote. No systematic way exists to account for their extra costs. Had the 122 districts been included, the disparity in funding would have been much larger.

