

# **Final Report of the Joint Task Force on Basic Education Finance**

**January 4, 2008**

Washington State Joint Task Force on Basic Education Finance

<http://www.leg.wa.gov/Joint/Committees/BEF/>



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## EXECUTIVE SUMMARY

### Education: The Paramount Duty

“It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex.”

– Article IX, Washington State Constitution

This provision of our constitution seems perfectly clear, but for most of our state’s history, we have struggled to implement it. Even now, Washington law doesn’t provide a specific definition of how much or what kind of education all children should receive, or what amount of funding might be considered “ample.”

Pieces of a definition are scattered in several places in the Revised Code of Washington (RCW). RCW 28.A includes goals for student learning and an overarching call for students to be provided with “an opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives.”

Elsewhere in the law, there are funding formulas that determine the state’s allocations for school district staffing levels, salaries, and other costs. There are also formulas in the law that govern how much money can be raised by local school levies, and how much money the state must send to property-poor districts to equalize levy income among school districts. But none of these formulas is connected to the goals for public education. And nothing in the law really specifies what program of education students need in order to achieve the goals or learn the skills outlined in the RCW.

Today’s laws reflect multiple waves of court decisions and education reforms. In 1978, a state Supreme Court decision reiterated the state’s constitutional obligation to pay for basic education, and that court decision resulted in the creation of the funding formulas and levy laws now in the RCW.

Layered over those 1970s-era funding formulas is the state’s 1993 school reform legislation, which established the learning goals now in the RCW. The 1993 law recognized that dramatic changes in our economy and technology had raised the bar for students, and that higher levels of skill and knowledge would be required for meaningful participation in the emerging knowledge-driven world.

In 2006, Washington Learns—a Governor-led study of Washington’s cradle-to-career education system—called for raising the educational attainment of citizens even further, noting that all students will need some form of post-secondary education or job training, and that our state’s employers also

need more people with baccalaureate and advanced degrees, especially in math, science, engineering and health care.

Washington Learns also led to the creation of the state’s Department of Early Learning and expansion of the state’s early learning efforts. Recent research has highlighted the importance of ensuring that all children “learn to learn” in the crucial first years before they begin kindergarten. Early learning opportunities were also identified as a critical part of the state’s efforts to close the achievement gap between low-income children and their more affluent peers.

## **The Joint Task Force on Basic Education Finance**

So what exactly is basic education in the 21st century? How do we know whether the state is meeting its constitutional obligation to fully fund it, in accord with the constitution’s clarion call to make it our “paramount duty”?

Following the work of Washington Learns, the Joint Task Force on Basic Education Finance (Task Force) was commissioned to answer these questions, and to provide the missing link between the state’s learning goals and its funding formulas. The Task Force sought ways to move from piecemeal reform and episodic patchwork to a coherent, durable, and transparent system that lives up to our constitutional mandate to define and fully fund basic education.

The Task Force that took on this challenge included legislators, educators, a representative of the Governor, and a local school board member. For 17 months, we worked to craft answers to these daunting questions. This report presents their conclusions, and proposes legislative action to implement them over the next six years.

## **The Definition of Basic Education**

The State Board of Education, which sets high school graduation requirements, recently proposed that the state increase the current number of required courses from 19 to 24, and specify a more rigorous distribution of required subjects. This proposal, called “Core 24,” recognizes the need for all students to graduate from high school ready for post-secondary education, apprenticeship programs, or other job training.

The Task Force supports this change, and its definition of basic education begins with the need to implement Core 24. Thus, the starting point for the Task Force’s recommended definition of basic education is the opportunity for all students to meet the new, more rigorous high school graduation requirements proposed by the State Board of Education. To make achievement of this goal possible for all students, basic education must include pre-school for children from low-income families, specialized

instruction for English language learners and students with disabilities, and extra time and teaching for struggling students. The definition of basic education must also include the means to achieve these goals, including the associated funding formulas.

The Task Force’s most important recommendation is to link the goals of education to the means of achieving those goals, and to the necessary funding formulas required to make “ample provision” for the education of all children. This should include all the elements described below in the legal definition of “Basic Education.”

This definition means that the state is obligated to fund a program of education sufficient to provide every child in Washington with the opportunity to meet the graduation requirements set by the State Board of Education.

The Task Force recommends a specific program of education based on its broad review of education research, but recognizes that individual districts will need flexibility to respond to unique differences in their population. The program we recommend has significantly more instructional time than current state funding provides, which is necessary to meet the increased demands of the Core24 program.

The Task Force recommends a system of allocations to school districts that will provide smaller class sizes for both academic and career and technical education programs, and additional days for teacher professional development. The allocation formulas also provide increased funding for school counselors, teacher-librarians and other specialist professionals, and funding for classified staff, school administration, and other costs. All these allocations are based on the number of students to be served.

These funding allocations are more specific and more easily understood than current funding formulas. This clarity will help citizens and the legislature gauge the impact of funding allocations and measure results. In our current funding system, we are missing this vital feedback mechanism.

The task force recommends that the legislature also include the following elements in the funding formulas, as they are necessary adjustments that enable ALL children to take advantage of the core program.

- **Early learning**

Because many students will need pre-school to be prepared to succeed in our public schools, the Task Force recommends including pre-school for all children from low-income families in the definition of basic education. The proposed pre-school program would be funded based on the federal Head Start model.

- **Demographic adjustments**

The Task Force recommends specific allocations sufficient to fund additional time and resources for struggling students, students who need to learn English, students with disabilities, and students who live in state residential facilities.

Allocations for additional time and instruction for struggling students will be based on the percentage of students in a school who come from low-income families, because this is the best predictor of the level of need. However, these funds will be used to serve all students who need extra help, regardless of family income.

Due to the extremely variable nature of programs for highly capable students, the Task Force did not include these programs as part of Basic Education, but strongly recommends that districts develop programs best suited to their students' specific needs. We also urge the state to continue to fund these programs.

The quality of instruction in the classroom is the most important factor in determining student learning outcomes and so the Task Force also recommends revamping the teacher preparation and compensation system.

- **A new compensation system for new teachers**

Quality teaching is the most vital investment we make in education, and so improving teacher quality is the investment that matters most.

A new career ladder for teachers will require a new model for teacher compensation that provides increases in pay for increases in classroom effectiveness, based on new categories of residency, professional, and master teachers.

The new salary allocation model also provides for mentoring of new teachers by master teachers, a mechanism for comparing educator salaries to similar non-education salaries in regional labor markets, school-wide bonuses for improving student learning, and special incentives to attract teachers in shortage areas such as math, science, bilingual education, and special education.

- **A new system of teacher preparation and a new career ladder**

The current system of teacher preparation assumes that more post-graduate coursework and degree attainment translates into increased student learning, but research contradicts this belief. The Task Force recommends that the state invest in intensive mentoring of new teachers by expert teachers, coupled with an ongoing system of objective, structured peer review of teachers' classroom practice, and school-wide rewards and incentives for improvement.

The Task Force recommends creation of a career ladder for teachers that includes three levels: residency, professional, and master teacher. Moving up this career ladder will require successively higher scores on the objective, structured peer review. The Professional Educator Standards Board will create the peer review process and set scores for entry into the teaching

profession and advancement on the career ladder. The master level will be equivalent in skill and effectiveness to teachers who have earned National Board for Professional Teaching Standards certification.

Peer reviews will be performed by master teachers from school districts other than the teachers who are being reviewed.

## **Funding and Oversight**

Today's education funding system is an accumulation of patches, remedies for specific problems, and arcane formulas that are fully understood by only a handful of people. The allocation models created by the Task Force replace this rickety structure and keep only those pieces that contribute to the structural integrity of the new system.

The Task Force recommends retaining the provisions of Initiative 732, which provides cost of living increases for educators and school staff, but folding I-728 funding into the basic education core allocations. The Task Force also proposes to continue a small school district funding enhancement, in recognition of the diseconomies of scale in small districts.

To promote fiscal accountability, the Task Force proposes a new requirement that all schools use a common fiscal accountability and budgeting system. A new statewide student data system is also proposed to better track information about students, test scores, teachers, and overall student achievement, and to provide for quick transfer of student records when students change schools. Recognizing that parental involvement is the key to educational success, this new data system will also provide parents with a better means to stay involved in their child's education, allowing them easy access to records concerning their child's grades, attendance, and homework completion.

The Task Force supports implementation of the State Board of Education's accountability principles, which outline a system for intervention and improvement in schools where student achievement is insufficient.

## **Local School Levies and Levy Equalization**

Local levies should remain a part of the way Washington funds public education. They provide flexibility for local communities to go beyond the basics, use local funds to enrich their school programs, experiment and innovate, and tailor programs to local needs.

The ability of local districts to experiment and innovate will help drive educational improvement, letting districts innovate with new technologies and enhanced teacher training. Local levies also ensure that

communities are connected with their schools and increase the likelihood of community support for public schools, support for state funding of basic education, and community accountability for continuing educational improvements.

Local levies should be limited and equalized, with consistent formulas and no grandfathering of variable rates. These changes are necessary to ensure a basic equity across the state. Unlike the current system, the new levy system should be based on how much local support is permitted per student, rather than being based on either local property values or the revenues generated by the district.

These are complex and technical questions. The legislature should create a technical team to develop a new local levy and equalization system for implementation in the 2011–13 biennium and later.

### **Costs and Phase-in of the New System**

It is difficult to assess the total cost of these changes.

The goal, however, is to phase in these changes over six years. It will take time for technical experts to develop details of the new formulas, and for schools, districts and the state to create the support systems necessary for changes in teacher preparation, compensation, mentoring, and peer review. Reductions in class size will also create additional demand for teachers and other school staff, and these positions cannot be filled quickly.

It's important to recognize that a significant part of the proposed increases in state allocations will pay for expenses now being paid for by local school levies, including many that most parents would call "basic education." Supplanting these expenditures with state funding will allow local districts to reduce their levies, thus reducing the total impact on taxpayers.

The phase-in plan should be flexible, but the state's commitment to creating the new systems and providing full funding for basic education should be incontrovertible.

## TASK FORCE ASSIGNMENT

The 2007 Washington State Legislature created the Joint Task Force on Basic Education Finance to review the definition of basic education, and to develop options for a new funding structure. The Task Force was asked to build on the foundational work of Washington Learns, a 2005–06 Governor-led effort that analyzed and recommended improvements to Washington’s early learning, K–12, and higher education systems. (Exhibit 1 outlines the specific legislative direction provided to the Task Force.)

The Task Force was composed of 14 members. Five, including the Chair, were appointed by the Governor; the other members included eight legislators and the superintendent of public instruction. (Exhibit 2 lists Task Force members.)

In 2007 and 2008, the Task Force met 17 times for a total of 25 days (see Exhibit 3). Early meetings included staff presentations on basic education finance history, current funding formulas, and research evidence; public hearings; presentations from nationally known experts; and initial Task Force discussions. Funding proposals were first presented to Task Force members in June 2008. Formal Task Force proposals for preliminary decision-making were distributed in October and November 2008.

This document summarizes the recommendations of the Task Force following its final meeting on December 8-9, 2008.

**Exhibit 1**

**SB 5627 Assignments for the Joint Task Force on Basic Education Finance**

- ✓ “Review the definition of basic education and all current basic education funding formulas.”
- ✓ “Develop options for a new funding structure and all necessary formulas.”
- ✓ “Propose a new definition of basic education that is realigned with the new expectations of the state’s education system.”
- ✓ “[R]eview and build upon the following:
  - reports related to K–12 finance produced at the request of or as a result of the Washington learns study, including reports completed for or by the K–12 advisory committee;
  - high-quality studies that are available; and
  - research and evaluation of the cost-benefits of various K–12 programs and services developed by the institute.”
- ✓ The recommended “funding structure should reflect the most effective instructional strategies and service delivery models and be based on research-proven education programs and activities with demonstrated cost benefits.”
- ✓ Consider the following issues:
  - (a) Professional development for all staff;
  - (b) Whether the compensation system for instructional staff shall include pay for performance, knowledge, and skills elements; regional cost-of-living elements; elements to recognize assignments that are difficult; recognition for the professional teaching level certificate in the salary allocation model; and a plan to implement the pay structure;
  - (c) Voluntary all-day kindergarten;
  - (d) Optimum class size, including different class sizes based on grade level and ways to reduce class size;
  - (e) Focused instructional support for students and schools;
  - (f) Extended school day and school year options;
  - (g) Health and safety requirements; and
  - (h) Staffing ratios and other components needed to support career and technical education programs.\*
- ✓ “The recommendations should provide maximum transparency of the state’s educational funding system in order to better help parents, citizens, and school personnel in Washington understand how their school system is funded” and “be linked to accountability for student outcomes and performance.”
- ✓ “In light of recent court decisions, the task force shall specifically consider issues related to equalizing school employee salary allocations among school districts”\*
- ✓ Report to the legislature by December 1, 2008\*

*\*Added in 2008 legislation*

**Exhibit 2**

**Washington State Joint Task Force on Basic Education Finance**

Dan Grimm, Chair  
Representative Glenn Anderson  
Terry Bergeson, Superintendent of Public Instruction  
Senator Lisa Brown  
Cheryl Chow, Board President, Seattle School District  
Laurie Dolan, Governor's Office  
Senator Mike Hewitt  
Senator Janea Holmquist  
Representative Ross Hunter  
Superintendent Bette Hyde, Bremerton School District  
Superintendent Jim Kowalkowski, Davenport School District  
Representative Skip Priest  
Representative Pat Sullivan  
Senator Rodney Tom

Alternates:

Representative Kathy Haigh  
Representative Fred Jarrett

**Exhibit 3**

**Washington State Joint Task Force on Basic Education Finance  
Meeting Days**

September 10, 2007  
October 22, 2007  
November 19-20, 2007  
December 13, 2007  
January 11, 2008  
March 24, 2008  
April 14, 2008  
May 6, 2008  
June 9-10, 2008  
July 8, 2008  
August 6, 2008  
September 15-16, 2008  
October 20-21, 2008  
November 10-11, 2008  
November 17-18, 2008  
November 24-25, 2008  
December 8-9, 2008

# 1. BASIC EDUCATION DEFINITION

*Task Force Recommendation:*

**Define basic education as the opportunity for all students to meet new, more rigorous high school graduation requirements (Core 24)** proposed by the State Board of Education. To make achievement of this goal possible for all students, basic education must include pre-school for children from low-income families, specialized instruction for English language learners and students with disabilities, and extra time and teaching for struggling students.

## Key Ideas

Current Washington law calls for all students to have “the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives.” Current law also calls for students to learn the skills to:

- “Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and with a variety of audiences;
- Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness;
- Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems; and
- Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.”

Today, however, these goals are not connected with the funding or programmatic requirements needed to ensure that students meet them.

In addition, students need to learn progressively higher levels of skill and knowledge as our society and economy evolve. The State Board of Education now recommends raising state high school graduation requirements from 19 to 24 credits (this proposal is called Core 24), with course requirements that will prepare students for postsecondary education, job training or apprenticeship programs, lifelong learning, and citizenship. (Because this change will have a fiscal impact, it must be approved by the legislature before taking effect.)

Given this new benchmark for what students need to know and be able to do to lead “productive and satisfying lives,” the definition of basic education must include educational programs that provide all

students with the opportunity to earn the required 24 course credits and other requirements for high school graduation.

Students have differing needs, and so the new definition of basic education, and the new funding structure, should include specific programs to address those needs: early learning for children from low-income families, extra time and teaching for struggling students, programs for English language learners, special education services for students with disabilities, and programs for highly capable students.

Students from low-income families are the most likely to start kindergarten without the academic and social skills they need to succeed. Therefore, the definition of basic education includes pre-school for three- and four-year olds so that they can begin public school at the same starting line as their peers. Today, these students often start behind and stay behind, and they are at much higher risk of leaving school before high school graduation.

A wealth of data show that the students most likely to need extra time and teaching during their K–12 education are those from low-income families. Thus, the Task Force recommends driving funding to schools for this purpose based on the percentage of students from low-income families they enroll. However, in recognition that struggling students come from all demographic groups and income levels, the funding for extra time and teaching is intended to benefit all students who need it.

The complete text of the proposed definition is in Appendix A.

## 2. INSTRUCTIONAL PROGRAM OF BASIC EDUCATION

*Task Force Recommendation:*

**Adopt a specific description of the educational opportunities** that all students need in order to graduate from high school ready for post-secondary education, job training, apprenticeships, and lifelong learning and citizenship.

### **Key Ideas**

All students should receive the instruction necessary to prepare them to complete the proposed “Core 24” class requirements and to graduate from high school prepared for post-secondary success. An instructional program of basic education must include sufficient time, expertise, resources, and support so that students with a wide variety of educational needs will all be able to achieve this goal.

Statistically, it is clear that students from low-income families are most likely to need pre-school to be ready for kindergarten, and so the basic education definition includes pre-school for children from low-income families.

Students from low-income families are also likely to need extra time and teaching during their K–12 years. Therefore, the funding system provides extra resources to schools, based on the percentage of students from low-income families, for this purpose. However, the percentage of low-income students is intended to be a measure for predicting the level of need in a school for additional time and teaching. Schools will use these resources for all struggling K–12 students, regardless of family income.

Basic education also includes specialized instruction for students whose first language is not English, and special education for students with disabilities.

### Summary of Proposed Allocations

- Pre-school programs for three- and four-year-olds from low-income families.
- Allocations sufficient to provide the time and teaching needed for all students to successfully complete the Core 24 high school graduation requirements:
  - ✓ Middle school (grades 7–8) and high school (grades 9–12): 1,080 hours/year (sufficient to fund six instructional hours per day for 180 days, with the understanding that some schools may choose different ways of scheduling the school day);
  - ✓ Elementary school (grades 1–6): 1,000 hours/year;
  - ✓ Kindergarten: 1,000 hours/year (for voluntary full-day kindergarten) or 450 hours/year (for half-day kindergarten);
  - ✓ Institutions and residential programs, which provide year-round education programs: 1,320 hours/year;
  - ✓ Regularly scheduled teacher preparation periods;
  - ✓ The hours per year definitions apply to each grade level and may not be averaged across grade levels; and
  - ✓ In recognition of the additional annual hours of instructional time, allocations to school districts for teacher full-time equivalent units will be adjusted to maintain established staff workloads.
- The hypothetical model schools on which the allocation system is based define elementary schools as grades K–6, and middle school as grades 7–8, but school districts can design their schools' grade configurations based on local preference. The allocation model will be adjusted to accommodate either 1,000 or 1,080 instructional hours per year to sixth grade students, depending on their grade configurations in middle school. The Office of Superintendent of Public Instruction will implement rules to allocate the appropriate resources to each school district. (This provision applies to all references to middle schools in the report.)

- Extra time and teaching for struggling students.
- Specialized instruction for English language learners.
- Special education for students with disabilities.
- Instruction for students in institutions and residential programs.
- Unless the district receives a waiver approved by the State Board of Education as provided below, each school district's basic education instructional program will consist of a minimum of 180 school days per school year in all grades, and a minimum of 180 half-days or equivalent in kindergarten, to be increased to a minimum of 180 full-time days, consistent with the state's progress in reaching its goal of universal full-day kindergarten.
- Waivers from these requirements are limited. The State Board of Education may authorize waivers only within these limits:
  - ✓ A school district may apply for a waiver of the minimum instructional school year if necessary to provide a very specialized instructional program. The district's application must describe the educational advantages of offering the program for fewer than 180 days, and demonstrate how the minimum annual instructional hour requirement for students will be maintained;
  - ✓ The total number of 180-day waivers authorized statewide may not include more than 2 percent of the overall student population; and
  - ✓ 180-day waivers will not be granted for purposes of professional development or teacher/parent-guardian conferences.

### 3. CORE ALLOCATIONS FOR THE BASIC EDUCATION INSTRUCTIONAL PROGRAM

#### *Task Force Recommendation:*

**Allocate funding to local school districts based on hypothetical model schools** that establish funding levels for the required number of teachers and other staff; maintenance, supplies, and other operating costs; specialized programs for struggling students, English language learners, and students with disabilities; and pre-school for low-income four- and five-year-olds. Funding for highly capable students should be provided as an enhancement to basic education.

#### **Key Ideas**

The proposed finance model builds a program of Basic Education based on three hypothetical model schools: an elementary school with smaller class sizes in the primary grades (K–3) than in grades 4–6; a middle school with grades 7–8; and a high school that includes grades 9–12. (Local districts may choose different grade configurations than this model, which is for allocation purposes only.)

The distribution formula is an optimal, long-term goal. Implementing the degree of change required by this new formula will require a well-planned strategy over the next three biennia at a minimum.

The Task Force also recognizes that the global demands on our students and our education system will continue to evolve, and that the formula proposed today may need to be modified to reflect continuing change. This recommendation is presented as a template that can be adapted by the legislature as required.

### **Insert spread sheets with explanation (from Ben Rarick)**

## **Staffing Levels for the Core Instructional Program**

### ***Core Teachers***

School districts can use allocated funds to hire a combination of classroom teachers and instructional aides to provide instruction and services, even though the allocation model is based on “teachers.” Because teacher allocations will be calculated using the Salary Allocation Model, which includes Learning Improvement Days (additional, non-school days beyond the 180-day school year) for professional development, the allocations presume funding for professional development for instructional aides as well as teachers.

- Elementary schools, grades K–3: Class size of 15.
- Elementary schools, grades 4–6: Class size of 25.
- High and middle schools: Class size of 25 (average across the school).
- Career and Technical Education (CTE) exploratory classes, laboratory science, and Advanced Placement (AP) and International Baccalaureate (IB) courses: staffing ratio 19:1. Grade span: 7–12 for CTE; 9–12 for AP, IB, and lab sciences.
- CTE preparatory programs: staffing ratio 16:1. These programs will lead to industry certification, apprenticeship, or postsecondary placement; 9–12 grade span.
- Skill Center Preparatory programs: staffing ratio 16:1. These courses will lead to industry certification, apprenticeship, or postsecondary placement; 11–12 grade span. Funding for administration, classified, grounds, maintenance, and other staff enhancements is at the same level of hypothetical high schools.
- Teacher-librarians, a function that includes information literacy, technology, and media to support school library media programs: 1 FTE per hypothetical school.
- Consider basing student enrollment drivers on a three-year rolling average.
- Class size adjustments for schools with more than 50 percent of students from low-income families (measured by eligibility for free and reduced price meals), with an additional adjustment to correct for lower reporting rates for eligibility for free and reduced priced meals in middle and high schools.

### ***Educational Staff Associates (Counselors, Nurses, and Other Specialist Professionals)***

- Nurses and social workers: 1 per 400 students.
- Guidance counselors/parent outreach: 1.5 per 600 students.

### ***Principals and Other Building-level Administrators***

- Elementary principal/administrators: 1.2 per xx students.
- Middle school principal/administrators: 1.3 per xx students.
- High school principal/administrators: 1.8 per xx students.
- Professional development coordinator (instructional coach): 0.75 per xx students.

### ***Central Office Administration and Classified Staff***

The legislature needs to ensure that policies regarding classified staff are sufficient for school districts to maintain classified staffing that reflects current levels. The proposed distribution system will provide flexibility in staffing between teachers and instructional aides; specific allocations for office, maintenance, and security staff; and a block-grant allocation for central office administration.

These levels are estimated for each hypothetical model school:

- Office support and non-instructional aides: 3 FTE per XX students.
- Custodians and facilities maintenance: 4 FTE per XX students.
- Student and staff safety: 1 FTE per XX students.

### ***Maintenance, Supplies, and Operating Costs***

Allocate maintenance, supplies, and operating costs funding per student as follows:

- Student technology: \$200.
- Utilities: \$216.
- Curriculum, textbooks, library materials, and instructional supplies: \$155.
- Instructional professional development: \$103.
- Other building-level costs including maintenance, custodial, and security: \$102.
- Central office administration: \$310.

### ***Central Office***

Because of significant differences in administrator and classified staffing needs of school districts depending on their size, the Task Force proposes to provide a flat percentage allocation of about 6 percent for staffing costs, rather than identifying specific categories of central office staff. However, it is the intent of the Task Force to ensure, with further analysis if necessary, that the percentage allocations are sufficient for school districts to maintain current levels of central office classified and certificated administrator staff.

### **Extra Time and Teaching for Struggling Students**

Funding allocations to provide extra time and teaching for struggling students will continue to be defined as part of basic education, and will replace the current Learning Assistance Program funding formula.

This funding will be based on the number of students from low-income families enrolled in a school as measured by eligibility for free or reduced price meals, because these are the students most likely to need extra help. However, schools may use these funds to help all struggling students, regardless of family income.

### **Instruction for English Language Learners**

Funding for specialized instruction for English language learners will continue to be part of basic education.

### **Special Education**

Special education for students with disabilities will continue to be part of basic education. The new model maintains the current multiplier: funding per student is the core allocation multiplied by .9309 for children in K–12, and multiplied by 1.15 for children ages birth to five. However, because the core allocation will rise, the special education allocation will also rise. In addition, the new model preserves the “safety net” process that allows extra funding for districts that have students with exceptional needs.

### **Highly Capable Students**

Funding for teaching highly capable students should be included as an enhancement to basic education. There are multiple definitions of “highly capable” that include intellectual, academic, artistic, leadership, or other special talents. The Task Force recommended the use of multiple measures to identify highly capable children. Local school districts can define highly capable as they see fit.

Although access to accelerated and enhanced instruction should not be construed as an individual entitlement for any particular child, funding should be provided for 2 percent of each school district's population, identified as highly capable by the district through use of multiple objective measures.

The funding formula assumes:

- An extended school day of 2 additional instructional hours per week in classes of 5 students; and
- An extended school year of 10 instructional hours per week for 4 weeks in classes of 5 students.

Funds are for allocation purposes only; it is up to the school and district to determine how extra opportunities will be offered, and to whom.

## 4. EARLY LEARNING

*Task Force Recommendation:*

**Pre-school for three- and four-year-olds from low-income families will be included in the definition of basic education.**

### Key Ideas

The Task Force believes that a central purpose of public education is to help equalize opportunity for children from all demographic and income groups. To do this effectively, it is necessary to ensure that all students enter kindergarten ready to succeed. Today, students from low-income families are likely to start kindergarten behind their peers, and many are never able to catch up.

Therefore, the Task Force proposes defining basic education to include funding for pre-school programs for all children age three and four whose family income is at or below 130 percent of the federal poverty level, and whose parents choose to enroll in the program.

The 2008 Legislature directed the Department of Early Learning (DEL) to develop a proposal for implementing a statewide pre-school program based on Head Start standards (HB 3168). DEL's recommendations (due December 1, 2009) can form the basis of the basic education pre-school program.

A statewide kindergarten readiness assessment should be adopted to provide accountability for basic education pre-schools.

In addition, the Legislature should explore service delivery, program, and funding options for providing early learning services for eligible children aged birth to three, and make recommendations on how and to what extent these should be considered part of a basic education.

Funds will be appropriated on a per-student basis (initially based on current Head Start level) to public schools to either provide pre-school programs directly, or to contract with Educational Service Districts (ESDs) and/or community-based providers. Pre-school programs (school, ESD, or community-based) must be approved by the Department of Early Learning. To conform to existing Washington law, districts may not contract with, nor may any program be provided by or on the premises of, any religious or sectarian organization.

## 5. SCHOOL EMPLOYEE COMPENSATION

### *Task Force Recommendation:*

**School employee compensation should be sufficient to attract and retain highly capable teachers** and other school staff; reward increasing levels of teacher effectiveness in the classroom; provide school-wide bonuses for improvement in student achievement; be competitive with similar non-education jobs in regional labor markets; provide time for professional development; include special incentives to attract teachers in shortage areas such as math, science, bilingual education and special education, and incentives for experienced teachers to teach in schools with a significant percentage of low-income students.

### **Key Ideas**

Today's compensation system rewards educators for earning more academic credits and degrees, but research shows little or no connection between these efforts and improved student learning. The Task Force recommended that the state invest in intensive mentoring of new teachers by successful experienced teachers, objective peer review of classroom practice, and rewards and incentives based on improvements in teaching effectiveness.

A new compensation system based on this understanding should be established for new teachers, and incumbent teachers should be allowed to choose whether to remain in the existing system or transfer to the new one.

The compensation system should set salaries that are competitive with comparable non-education jobs, and recognize regional variations in labor markets.

The compensation system should also continue to provide robust incentives for master teachers (those who have earned National Board for Professional Teaching Standards certification) to teach in schools with a high percentage of low-income students.

Educators should also have time outside of class for professional development, including learning new course content, collaborating with peers, course planning, and other district-directed activities that have the potential to improve student outcomes.

To ensure that all students have the opportunity to meet high school graduation requirements, Washington must also increase its efforts to recruit and retain teachers for shortage areas such as math, science, bilingual education, and special education.

### **A New Salary Allocation Model**

The current salary allocation model (SAM) awards pay increases to teachers when they earn advanced degrees, but there is little evidence that advanced degrees improve the quality of teaching. The Task Force proposes to replace the current SAM with one that creates a career ladder for teachers with incentives for improving teacher effectiveness and student learning. The new rungs on the ladder are residency, professional, and master teacher. Master teachers will be those who complete certification by the National Board for Professional Teaching Standards.

Mentoring of new teachers is provided by master teachers with objective, structured peer reviews. Funding is provided for these activities.

The new model also creates a mechanism for adjusting salaries based on regional labor markets, so that salaries are competitive with similar jobs in similar locations.

Current teachers can remain in the current SAM or opt into the new system during the next ten years.

Exhibit 4 displays a sample salary schedule based on the principles outlined above.

**Exhibit 4**  
**Sample Salary Schedule**

Professional Status	Experience (years)	Base Pay	Mentor Stipend	Peer Reviewer Stipend	Hard-to-Staff Supplement	School Performance Bonus	Regional Wage Adjustment
Residency	1	\$XX,XXX				\$X,XXX	(by district)
Residency	2	\$XX,XXX				\$X,XXX	(by district)
Residency	3+	\$XX,XXX				\$X,XXX	(by district)
Professional	1	\$XX,XXX				\$X,XXX	(by district)
Professional	2	\$XX,XXX				\$X,XXX	(by district)
Professional	3	\$XX,XXX				\$X,XXX	(by district)
Professional	4	\$XX,XXX				\$X,XXX	(by district)
Professional	5	\$XX,XXX				\$X,XXX	(by district)
Professional	6	\$XX,XXX				\$X,XXX	(by district)
Professional	7	\$XX,XXX				\$X,XXX	(by district)
Professional	8+	\$XX,XXX				\$X,XXX	(by district)
Master	1	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	2	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	3	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	4	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	5	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)
Master	6+	\$XX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	(by district)

**State-funded Contract Days**

The Task Force recommends that the state should increase the number of Learning Improvement Days (LIDs, or non-school days in addition to the 180-day school year) from two to ten as part of the state-funded Salary Allocation Model.

The number of contract days for teachers will be 180 instructional days, plus 10 LIDs, for a total of 190 days. State funding for LIDs must be used for professional development or other district-directed activities and may not be used for salary increases.

**Salary Survey/Labor Market Analysis**

The state should collect information about compensation in occupations comparable to teaching and other school positions. To attract and retain the best and brightest teachers, school administrators, and other school staff, salaries must be competitive with comparable jobs. There is significant regional variation in job markets and salaries, and this should be reflected in what all school employees are paid.

The salary survey will include information about:

- Regional labor market differences in compensation;
- Different job descriptions/duties (e.g., math, science, special education, ell teachers), based on other occupations; and
- Health, pension, and other benefits.

### **Pay for Performance, Knowledge, and Skills**

The state should continue to pay bonuses to teachers who earn National Board for Professional Teaching Standards (NBPTS) certification, and provide extra pay for teachers who serve as mentors and/or peer reviewers.

Teachers who earn NBPTS certification become master teachers in the new Salary Allocation Model, in recognition of their increased effectiveness in the classroom and their ability to provide leadership in their schools to help their peers improve student learning.

- Continue to provide a \$5,000 bonus (adjusted for inflation in 2009 and beyond) to teachers on the current SAM who achieve NBPTS certification.
- Continue to provide an additional \$5,000 bonus (adjusted for inflation in 2009 and beyond) to NBPTS-certified teachers on the current SAM who work in high-poverty schools.
- Provide a bonus for teacher mentors and teachers who perform peer reviews under the new certification system (described in the following section on teacher preparation).

### **School-wide Bonuses for Improvement in Student Learning**

An incentive program should be developed to award bonuses to all school staff for significant improvements in student academic achievement. Awards will be determined based on multiple measures of student performance, including, at a minimum, narrowing the achievement gap, raising standardized test scores, and increasing student retention and graduation in secondary schools.

### **Stipends for Teachers on the Current SAM Who Earn Professional Certification**

For teachers who choose to remain on the current SAM, provide a one-time payment of \$1,000 to offset the educational costs of obtaining the Professional Certificate. This stipend recognizes that the current salary system does not compensate teachers for the investment they make to meet state requirements.

## **Loan Forgiveness**

Provide student loan forgiveness for teachers and other education professionals as an incentive to attract teachers to areas where there are staff shortages.

Add funding to the future teachers conditional scholarship and loan repayment program (RCW 28B.102) for teachers and educational staff associates (ESA) candidates in shortage areas such as math, science, bilingual instruction, and special education.

## **Supplemental Pay**

Restrict supplemental pay beyond the standard contract for teachers and other education professionals to activities that require additional time. (Currently, teachers often have supplemental contracts based on “time, responsibilities, and incentives.”)

Supplemental contracts must specify the minimum amount of additional time required, its purpose, and the amount of the contract. This information must be reported in a common format to the Office of Superintendent of Public Instruction (OSPI) to improve transparency and analysis.

## **Continuing Contracts**

Require new teachers to advance from residency to professional status within five years in order to be eligible for continuing contracts.

Currently, beginning teachers are employed on a provisional basis for two years. This change amends provisional status to last for up to five years, or until professional status is attained, whichever comes first. (Further explanation of this is in the following section.)

## **Collective Bargaining**

Make no changes to collective bargaining. Taken together, the recommendations above solve the problems in the previous compensation system. They provide greater equity, more incentives for improvement in student learning, and far more transparency. No additional changes to collective bargaining are necessary.

## 6. TEACHER PREPARATION AND CAREER LADDER

### *Task Force Recommendation:*

**Create a teacher preparation and career ladder system** that relies on evidence-based practices that have been shown to improve student learning.

### **Key Ideas**

The current system of teacher preparation assumes that more post-graduate coursework and degree attainment translates into more student learning, but research shows this is not so. The Task Force recommends intensive monitoring of new teachers by highly effective veteran teachers combined with a system of objective, structured peer review of classroom practice, and rewards and incentives for improving student learning.

### **Career Ladder**

- Create a career ladder with residency, professional, and master levels linked with the salary allocation model.
- In order to become a new teacher and earn residency status:
  - ✓ Candidates must pass an objective, structured review of their classroom practice, conducted by the state.
  - ✓ A successful score on the review will earn an initial certificate that is non-renewable and good for five years only.
  - ✓ The Professional Educator Standards Board (PESB) will design the structured review and set passing scores.
- For professional status:
  - ✓ Teachers must teach for at least two years, pass peer reviews, and earn a significantly higher score on the objective, structured review of their classroom practice than they did when they earned residency status. (The passing score will be set by the PESB.)
  - ✓ Teachers must achieve professional status within five years to continue teaching.
- For master teacher status:
  - ✓ National Board for Professional Teaching Standards certification.
- For other educational professionals, a similar career ladder, with similar mentoring, peer review, and promotion practices should be adopted.

## **Mentoring for New and Early Career Teachers**

A mentoring-based professional development program for new and early career teachers should provide intensive support during a teacher's first year in the classroom, with a progressive decrease in intensity based on need. Mentoring should be provided for up to five years, or until teachers attain professional status.

A statewide system for training and certifying master teachers to serve as mentors should be established, under the oversight of the Professional Educator Standards Board (PESB). Mentors may also be trained to become peer reviewers.

### ***Peer Reviews***

As the state salary schedule is modified through career ladders and the new residency, professional, and master teacher classifications, the peer review system must change to measure, recognize, and reward good instruction. To do this, a corps of well-trained peer reviewers should be developed and deployed. The principal is the lead reviewer and, as such, is able to use data from peer reviews.

- Teachers' classroom practices will be observed and analyzed by master teachers who are state-certified reviewers.
- The PESB will establish standards and a process to train and certify peer reviewers and mentors.
- The PESB will establish a common and standardized review process, using multiple forms of evidence, including student performance on assessments, in-class visits, reviews of artifacts such as lesson plans, and possibly videos of actual teaching.
- Teachers who conduct peer reviews will:
  - ✓ Be trained in reviewing the practice of teaching;
  - ✓ Use a uniform, structured rubric;
  - ✓ Teach the same or similar subject as the teacher being reviewed;
  - ✓ Come from a school district other than the teacher being reviewed, so there is no conflict of interest; and
  - ✓ Be at the highest step in the performance and compensation system.
- The system will be overseen by the PESB and delivered through regional networks managed by the Educational Service Districts.

## 7. FUNDING AND OVERSIGHT

### Initiative 732

*Task Force Recommendation:*

**Retain Initiative 732**, which provides cost of living increases in the salary allocation model for educators and school staff.

### Initiative 728

*Task Force Recommendation:*

**Fold Initiative 728 funds into the basic education core allocations**, and remove I-728 as a separate funding source.

### Small School Districts Funding Enhancements

*Task Force Recommendation:*

**Maintain a small school district funding enhancement.**

### Levy Authority and Equalization

*Task Force Recommendation:*

**Convene a technical team to redesign the levy equalization system** to encourage local engagement in school funding and support, and to ensure equity in per-student spending.

Local levies should remain a part of the way Washington funds public education. While the state is responsible for providing a “general and uniform system of public schools,” it is also important to provide flexibility for local communities to go beyond the basics, and to use local funds to enrich their school programs, experiment and innovate, and tailor programs to local needs.

The ability of local districts to experiment and innovate will help drive educational improvement. Local levies also ensure that communities are connected with their schools, and increase the likelihood of both community support for public schools, support for state funding of basic education, and community accountability for continuing educational improvements.

Local levies should be limited and equalized to assure a basic equity across the state. Unlike the current system, the new levy system should be based on how much local support is permitted per student, rather than being based on either local property values or the revenues generated by the district. Equity

requires both an equitable base (local funding per student) and a mechanism for property tax-poor districts to provide programs substantially similar to any other district.

These are complex and technical questions. The legislature should create a technical team to develop a new local levy and equalization system for implementation in the 2011–13 biennium and later.

## **Fiscal Accountability and Budgeting Data System**

*Task Force Recommendation:*

**Require all schools to use a common, state-developed, and state-funded budgeting and fiscal accountability system.**

The system will include:

- Separate accounting of state and local revenues and costs;
- A common, standardized structure for cost classifications;
- Costs linked with student outcomes data; and
- Program costs reported at the school and district levels.

State funding will support the development, implementation (including costs of necessary software), training, and auditing of the data system, with no cost to districts.

## **Student Data System**

*Task Force Recommendation:*

**The statewide student data system should include individual student standardized test scores, including scores on diagnostic and college readiness tests, and a dropout early warning system.**

A statewide student information system should connect information about students, test scores, teachers, and courses in real time. It should protect student privacy, but also ensure that student records are transferred quickly when students change schools.

The data system should be used by both local schools and districts and by the state to analyze where and how student achievement gains are being made, and where improvement is needed.

## Oversight and Accountability

*Task Force Recommendation:*

**Implement the accountability system principles proposed by the State Board of Education (SBE).**

Components of the SBE's proposed accountability system include:

- An accountability index that uses multiple criteria to evaluate school and district performance;
- Identification of schools with exemplary performance as well as those experiencing problems;
- Voluntary targeted assistance for struggling schools;
- Timelines for school improvement; and
- Specified district actions, required by the SBE, if districts do not improve.

*Task Force Recommendation:*

**Appoint an oversight group to conduct further analysis and evaluation** of the progress on Task Force recommendations.

The Task Force recommends that an oversight/implementation group be appointed and assigned to perform further analysis and evaluation of progress on the Joint Task Force on Basic Education Finance recommendations with periodic reports to the legislature and a six-year sunset.

## 8. COST ESTIMATE

Using the expenditure model developed by House of Representatives staff, Institute staff estimated the total costs of full implementation of the Task Force proposal detailed in this report. We calculated three expenditure levels: one based on teacher salaries at current levels, and second and third cases based on teacher salaries at the comparable wage levels suggested by Dr. Lori Taylor, based on a 10-month and 12-month work year, respectively. The Task Force directed Institute staff to provide estimates at both 10- and 12-month work years. **The production of a single cost estimate for a complex system like K-12 education involves a series of assumptions about unit costs, quantities, and interrelationships between variables. The House of Representatives' costing model, which we use here, represents one comprehensive attempt to model these estimates; nevertheless, uncertainty persists.**

Given the three different salary levels, and the Task Force's staffing levels, maintenance, supplies, and other operating costs, as well as other increases contained in this proposal, the estimated total increase in K-12 funding from the state of Washington is approximately \$7.8, \$8.5, and \$10.4 billion per

biennium, respective to the three alternative teacher salary cases. These amounts represent a 73, 79, and 97 percent increases over current funding levels.

## 9. PHASE-IN

### *Task Force Recommendation:*

**Development of the funding formulas for the new instructional program of basic education and the supporting compensation, personnel, and accountability systems should begin immediately, and be phased in over a six-year period,** starting in the 2011–12 school year. The phase-in plan should be flexible, but should ensure that the legislature is committed to full and timely implementation.

The goal of this proposal is to be ready to implement the new funding formulas in 2011–12 in school districts, which requires authorization by the 2011 Legislature and budget development beginning in mid-2010. It will take time for technical experts to develop the details of the formulas, and the 2010 Legislature will need an opportunity to review those details and provide additional statutory direction if necessary. Furthermore, the supporting systems of teacher compensation, certification, evaluation, mentoring, and accountability must be developed and ready to implement across the state.

Even given this timeframe, funding of the new instructional program will need to be phased-in. No school district can reasonably expect to hire in a single year the numbers of new teachers, aides, librarians, and other school staff that full funding will permit. The experience of California's class size reduction initiative provides valuable lessons about the educational costs of rushed hiring of unprepared staff and lack of adequate facilities to house them. Our own previous experience with I-728 funding and Student Learning Improvement Grants (SLIGs) from the 1990s also show the value of giving school districts time to set priorities and craft high-quality programs when new resources are provided, rather than rushing to "spend the money."

The phase-in plan should be at a level of detail that permits flexibility to adapt to circumstances as they arise. However, the authorizing legislation should set parameters and priorities as guides for future legislatures. The end goal has been clearly articulated and will be placed in statute.

Within the six-year phase-in, the funding priorities should be:

- Cover the fundamental costs of operating a district with enhanced allocations for maintenance, supplies, and operating costs and adequate salary allocations for staff.
- ✓ The proposed funding model contains specific allocations, by category, for maintenance, supplies, and operating costs that can be adopted as soon as the new finance model is implemented and adjusted as needed for inflation.

- ✓ OSPI will be directed to calculate the actual average salaries for the allocated categories of administrators and classified staff, plus authorized adjustments, to use when the new funding formula is implemented.
- ✓ A working group, with legislative oversight, will develop a new Salary Allocation Model (SAM) for the Legislature's consideration. The new SAM will be aligned with the mentoring, evaluation, and certification system that OSPI and PESB will design and put into place by 2012.
- ✓ The state Department of Personnel will be directed to conduct labor market surveys so that the Office of Financial Management can develop a regional wage adjustment schedule to be applied to the SAM and to administrator and classified salary allocations, also effective by 2011.
- Expand enhanced learning opportunities for struggling and ELL students, as well as full-day kindergarten, to accelerate progress in closing the achievement gap.
  - ✓ The proposed funding model contains specific enhancements for struggling students and English language learners, which can be implemented as a priority over other enhancements.
  - ✓ A phase-in plan for full-day kindergarten has already begun and should continue.
- As soon as a quality program can be clearly defined and the delivery system developed, early learning expansion should occur.
  - ✓ The Department of Early Learning is already scheduled to report to the Legislature by December 1, 2009, with a proposed plan for a state pre-school program that better aligns with federal Head Start.
  - ✓ In the meantime, resources could be provided for school districts to conduct outreach, build partnerships, and provide curriculum and professional development to the local early learning community.
- Class size reduction should start in the early grades.
  - ✓ The legislature has already demonstrated years of commitment to enhanced staffing for early grades, and this must continue as a priority.
- Core 24 should be phased in according to the State Board of Education's detailed plan.

While the details of the phase-in plan have not yet been articulated, it is understood that the very act of placing into statute a detailed description of the instructional program of basic education as detailed in this report, along with a commitment to a six-year phase-in timetable, obligates the legislature to demonstrate that any future modifications are based on a rationale directly related to education, rather than on a purely financial basis.



## APPENDIX A: PROPOSED DEFINITION OF BASIC EDUCATION

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A basic education is an evolving program of instruction that must provide students with the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives. Students must have the opportunity to learn the skills to:

- (i) Read with comprehension, write effectively, and communicate successfully in a variety of ways and settings and with a variety of audiences;
- (ii) Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness;
- (iii) Think analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems; and
- (iv) Understand the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

In order to have the opportunity to learn the basic education skills and knowledge, students must have the opportunity to complete graduation requirements of 24 credits, with course distribution requirements adopted by the State Board of Education that are intended to prepare students for postsecondary education, gainful employment, lifelong learning, and citizenship. Any change to graduation requirements proposed by the State Board that would have a fiscal impact must be approved by the Legislature before taking effect.

In order to provide this opportunity to students, the state must make available resources to the various school districts to enable them to provide the following program of education. Districts may find it appropriate to modify the model program to fit the unique circumstances of their population.

Instruction must be of sufficient quality to provide the students with the opportunity to learn the basic education skills and knowledge in the amount of instructional time provided by the model program.

In addition to the resources necessary to fund the model program, the state must provide resources that enable districts to provide supplemental instruction to underachieving students, transitional bilingual instruction for English Language Learners, and special education services for students with disabilities so as to provide the students with a reasonable opportunity to meet the graduation requirements.

In order to take advantage of the program of basic education, some at risk students will need early learning instructional programs.



## APPENDIX B: Zero-based Research-proven Option Developed by the Washington State Institute for Public Policy

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The 2007 Washington State Legislature directed the Washington State Institute for Public Policy (Institute) to provide staff support to the Joint Task Force on Basic Education Finance (Task Force). The legislation instructed the Institute to develop “a projection of the expected effect of the investment made under the new funding structure”<sup>1</sup> proposed by the Task Force.

Separately from its assignment to staff the Task Force, the legislation also directed the Institute to analyze a zero-based, research-proven option. The legislative language indicated that “one of the options [for the Institute to analyze] must be a redirection and prioritization within existing resources based on research-proven education programs.”<sup>2</sup>

The purpose of this appendix is to describe the zero-based and research-based option the Institute analyzed and to project how the option could be expected to affect student outcomes in Washington State.

### Procedure

To analyze the zero-based research-proven option, we followed the same general procedures we used to estimate the effect of the Task Force’s recommended portfolio. The first criterion for this option is that elements must be research proven, while the second criterion is that the portfolio of research-proven elements must be zero-based—that is, budget neutral. After selecting a “portfolio” of resources that met these two criteria, we then projected the effect of the portfolio on long-run statewide student outcomes.

**The “Research-proven” Criterion.** To construct this option, the Institute used the work we previously published for the Task Force and the legislature on evidence-based options that improve student outcomes. In these earlier reports, the Institute systematically analyzed existing research studies on “what works” to improve student outcomes as measured by test score improvements (or higher high school graduation rates).<sup>3</sup> To date, the Institute has studied the research literature on the following topics:

- **Class size reductions.** We found that reductions in the early grades have a statistically significant effect on short-run test scores, while the effect in higher grades is either statistically non-significant or very slightly positive.<sup>4</sup>

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<sup>1</sup> E2SSB 5627, § 2(5)(c), as amended in 2008.

<sup>2</sup> Ibid.

<sup>3</sup> For some topics where the existing research literature is more developed, we conducted formal meta-analyses. In other areas, there were too few studies to conduct formal systematic analyses, and, as a result, we simply conducted a narrative review of the available studies.

<sup>4</sup> S. Aos. (2008). *Current state K-12 budget drivers: Key trends and tradeoffs*, <<http://www.leg.wa.gov/documents/joint/bef/Mtg05-06-08/Aosmay08.pdf>>; see, also, S. Aos, M. Miller, & J. Mayfield. (2007). *Benefits and costs of K-12 educational policies: Evidence-based effects of class size reductions and full-day kindergarten*. Olympia: Washington State Institute for Public Policy, Document No. 07-03-2201.

- **Per-pupil expenditure changes.** We found statistically significant, though fairly small, effects for general increases in K–12 spending as applied in typical K–12 structures. The effects are a bit larger in the early grades than in later grades.<sup>5</sup>
- **Teacher pay for graduate degrees and teacher experience.** We found no statistically significant effect for graduate degrees and a non-linear effect for teacher experience with the largest gains in the first few years of teaching.<sup>6</sup>
- **Professional development for teachers.** There are very few credible studies of the effect of teacher professional development on student outcomes; the few studies we found suggested small or non-statistically significant results, but, again, there are too few studies from which to form reliable estimates.<sup>7</sup>
- **Early childhood education.** We found a substantial effect on the later test scores for low-income 3- and 4-year-olds who attended the average pre-school.<sup>8</sup>
- **Full-day vs. half-day kindergarten.** We found a significant short-run improvement in test scores for full-day kindergarten, but the effect appears to decay in grades 1–3. More research is needed on how to maintain the initial substantial gains.<sup>9</sup>
- **New performance-based systems for teacher compensation.** We found too few credible studies, to date, that have evaluated the pay experiments that are underway in some parts of the United States.<sup>10</sup>
- **Mentoring programs.** In an unpublished and incomplete review, we have found only a few credible studies on this topic, and the results are mixed.

Thus, in some of these areas, the existing research literature is more advanced, and reasonable conclusions can be drawn about the efficacy on student outcomes of different options; in other areas, however, we found too few credible studies from which to form “research-proven” conclusions at the present time.

**The “Zero-based” Criterion.** After we selected resource options that met the research-proven criterion, we then balanced the resulting portfolio so that it would not result in increased state K–12 expenditures. To do this, we used the financial model that has been constructed by staff at the House of Representatives.<sup>11</sup> This model adds up the financial costs of changing state-funded inputs to the K–12 system. For example, if class

<sup>5</sup> S. Aos, M. Miller, & A. Pennucci. (2007). *Report to the Joint Task Force on Basic Education Finance: School employee compensation and student outcomes*. Olympia: Washington State Institute for Public Policy, Document No. 07-12-2201.

<sup>6</sup> Ibid.

<sup>7</sup> A. Pennucci & S. Aos. (2008). *Preliminary review of research: Does teacher professional development affect student test scores?* <[http://www.leg.wa.gov/documents/joint/bef/Mtg08-06-08/WSIPP\\_profdevel.pdf](http://www.leg.wa.gov/documents/joint/bef/Mtg08-06-08/WSIPP_profdevel.pdf)>.

<sup>8</sup> S. Aos. (2008). *Early childhood education and full-day kindergarten: Effects on K-12 outcomes*, <[http://www.leg.wa.gov/documents/joint/bef/Mtg10-20\\_21-08/II-c-ii.pdf](http://www.leg.wa.gov/documents/joint/bef/Mtg10-20_21-08/II-c-ii.pdf)>; see, also, S. Aos, R. Lieb, J. Mayfield, M. Miller, & A. Pennucci. (2004). *Benefits and costs of prevention and early intervention programs for youth*. Olympia: Washington State Institute for Public Policy, Document No. 04-07-3901.

<sup>9</sup> Aos, 2008, *Early childhood education & full-day kindergarten*; see, also, Aos, 2007, 07-03-2201.

<sup>10</sup> A. Pennucci. (2008). *Pay for performance, knowledge, and skills*. <<http://www.leg.wa.gov/documents/joint/bef/Mtg04-14-08/PayInitiatives.pdf>>; see, also, Aos, 2007, 07-12-2201.

<sup>11</sup> The model was constructed by Ben Rarick, Office of Program Research, Washington State House of Representatives.

sizes are lowered, then total operating costs go up; if class sizes are raised, then total operating costs go down. Thus, this fiscal model allowed us to construct a zero-based option by setting total expenses to zero, while changing the funding levels for the selected research-proven options.

***Projecting the Effect of the Portfolio.*** After selecting a portfolio of research-proven options that, in total, has a zero-based effect on K–12 funding, we then ran our projection model to forecast how statewide student outcomes could be expected to change after full implementation of this option. In a previous report to the Task Force, we described the basic model the Institute created to project student outcomes as a function of funded inputs.<sup>12</sup>

## Result

For this zero-based research-proven option, we selected changes to two key resources from the list of options above. We included pre-school for low income 3- and 4-year-olds, and we lowered class sizes (from their current levels) in kindergarten to third grade.

In terms of fiscal magnitude, we “funded” (in this option) the pre–K investment assuming that, statewide, 40 percent of eligible low-income children would be served by this voluntary program. This assumption is consistent with the proposal presented to the Task Force in Representative Skip Priest’s amendment. The annual price tag for this pre–K investment is estimated to be \$126 million per year. For the class size reductions, we lowered class sizes in K–3 by two students per class, statewide. We kept class sizes at their current levels in grades 4–6. To pay for the increased expenditures associated with the pre–K investment and K–3 class size reductions under the zero-based criterion, we had to increase class sizes for secondary grades by 5.3 students per class. This latter effect would raise class sizes to 35 students per class in middle and high school. Again, this was done to meet the requirements of the zero-based criterion: the costs of the pre–K investment and the costs of the reduction in K–3 class sizes had to be funded with a change in another research-proven option.

We projected the results of this zero-based research-proven option on student outcomes. At the December 8, 2008, meeting of the Task Force, we presented the estimated long-run effects on high school graduation rates in Washington.<sup>13</sup> These effects are estimated 14 years after full implementation of this option to reflect the estimated long-run effect of investments in pre-school and the other grades at the end of the education cycle in 12th grade. As we presented to the Task Force, our projection is that this zero-based research-proven option could raise mean statewide high school graduation rates from their current level of 72.5 percent to 73.2 percent, again 14 years after implementation of the option. We also presented an estimated range of uncertainty around this expected result.

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<sup>12</sup> A. Pennucci, S. Aos, & I. Ngugi. (2008). *September 15, 2008, report to the Joint Task Force on Basic Education Finance*. Olympia: Washington State Institute for Public Policy, Document No. 08-09-2201. Some modifications to the model’s methodology were made after this publication was issued, principally concerning the degree to which subsequent K-12 investments made attenuate the long-run decay rate of short-run resource changes.

<sup>13</sup> S. Aos. (2008). *Projections of the “expected effect of the investment” on student outcomes*. <<http://www.leg.wa.gov/documents/joint/bef/Mtg12-08-08/Projections.pdf>





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