

Key Points of Washington School Financing

1. The timeline for budget adoption is out of sync with other critical dates.
 - a. The legislature adopts a budget, generally between March and June.
 - b. Teachers must be notified, by law, whether they will have a contract for the coming school year by May 15.
 - c. School boards are required to adopt a final budget for the coming school year, after two public meetings, by August 31.
 - d. Budgets (revenue and expense projections) are driven by student enrollments (known in September).
2. There are five budget funds: General Fund, Capital Projects Fund, Debt Service Fund, Transportation Vehicle Fund and Associated Student Body Fund.
 - a. General Fund: for everyday operations, from teaching to transportation, to food service, to facilities maintenance.
 - b. Capital Projects Fund: for purchase of property and equipment, construction of buildings, and capital improvements to grounds and buildings.
 - c. Debt Service Fund: to pay principal and interest related to the redemption of outstanding bonds.
 - d. Transportation Vehicle Fund: to purchase school busses.
 - e. ASB Fund: Financed by fees paid by students or attendees to participate in extracurricular activities.
 - *The district cannot charge students for things that are required, only for optional programs and events.*
 - *Money in the Capital Projects Fund cannot be shifted to the General Fund. If the district were to sell property, income from the sale must remain in the Capital Projects Fund. However, interest from that fund can be used for instructional supplies and materials. In Bellevue this amounts to about \$800,000 a year.*
3. In addition to these funds, Bellevue runs several fee-based, completely self-supporting programs: childcare, full-day kindergarten and preschool. The revenues from these are considered part of the district's General Fund and therefore add more than \$500 a year to what is reported as funding per Bellevue student.
4. The State Constitution says, "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."
 - *The reality is that local levies are used to backfill inadequate state funding.*
 - *Areas least well-funded by state, which, therefore, require extensive local investment, are: special education, English as a Second Language programs, transportation, and employee medical benefits.*
 - *The state funds 182 teacher work days. Bellevue uses levy dollars to fund the equivalent of another 18 days pay, as well as a 3% incentive pay stipend. Each supplemental day costs a total of approximately \$280,000.*

5. In addition to placing local levy dollars in the underfunded areas above, Bellevue has chosen to use levies for the seven-period middle and high school day, additional certificated and classified positions, and extracurricular activities and athletics, among other priorities.
6. Based on our 2001-02 apportionment, Bellevue has:
 - about 11 fewer administrators than the state funded out of basic education
 - about 56 more teachers and other certificated staff than the state funded out of basic education
 - about 80 more classified staff than the state funded out of basic education.
7. Certificated staff base salaries are paid according to a statewide salary schedule. Some districts have a higher base pay that has been grandfathered in, which makes them more competitive in a tough hiring market. These include Seattle, Northshore and Everett school districts.

The state funds salaries based on the experience levels of the teachers in the district. With many staff reaching retirement age within the last few years, Bellevue's teaching corps, overall, is now less experienced than teaching staff in Seattle, Northshore, Lake Washington, and Issaquah, which explains why fewer funds come to Bellevue for staff salaries than to these other districts.

Each district negotiates salaries with its teachers union. The total amount of money coming from the state for salaries is fixed, but how that money is distributed, based on education and experience, is negotiated locally. This means that some of our teachers may earn less in Bellevue than they would in another district and some may earn more, based on the idiosyncrasies of each district's salary schedule.

8. The state average funding per student was \$7,473 and the Bellevue School District average was \$7,381 for 2001-02.
 - ***Bellevue receives less state money than the average and more local dollars than the average. Less state money is related to the fact that our teachers are less experienced and therefore generate less state revenue, as well as to a practice by the state of giving property-poor districts additional funding called "levy equalization."***
9. The state restricts the amount local districts can raise in local levy elections. The statewide levy lid is 24% of a district's combined state and federal revenues. Ninety-one districts have "grandfathered" levy authority percentages of up to 34%. Bellevue's levy lid is at 30.66%.
 - ***Each time the state cuts revenues to local districts, this lowers the levy base and therefore the total dollars generated by the 30.66%.***
10. Federal funding, which represents 5% of the district's budget is called "categorical funding," because it must be used for specific programs: special education, remediation

for students whose families qualify as low-income, food services and professional development.

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