

Education

Building a new foundation for excellent schools

For too long, Washington has failed to provide adequate funding for its public schools. This issue has been debated in the Legislature and the courts for decades. Governor Inslee proposes a new approach for meeting and targeting our basic education funding needs: close tax breaks and tap existing revenue sources to provide a funding foundation, and focus new spending where it's needed most, with strong accountability to ensure our investments yield strong outcomes. With new state funding comes an obligation to use resources effectively to improve student learning. Districts that do not meet specified expectations will be required to implement research-proven best practices.

The state constitution requires the Legislature to define and fund a program of education that serves all children in the state. In the 1970s, the state Supreme Court ruled that Washington had not met its constitutional obligation to fund schools. Decades later, in last year's *McCleary v. State* decision, the court reaffirmed that the state is again not meeting its education funding obligation. While important, the ruling confirms we must do better for our students in

both funding and results. While it is true that insufficient resources diminish the effectiveness of our schools, taxpayer resources are limited and new funding for schools must result in better student outcomes.

Washington's graduation rate of 77 percent is unacceptable. We have large achievement gaps between low-income and higher-income students throughout the kindergarten-through-12th grade system and in all academic subjects. Our students face unacceptable and persistent opportunity gaps based on race and ethnicity. More troubling is the fact that these achievement and opportunity gaps are not narrowing. We have significant room for improvement in our schools, and we owe it to our children to make those improvements — their careers and lives depend on it. And there's more at stake: Washington's economy is dependent on a better-educated and more skilled workforce.

In 2009 and 2010, the Legislature made sizable new statutory commitments to increase school funding over the next six years. Estimates of the cost to fully meet these commitments over the next three biennia vary from \$3.2 billion to more than \$4.5 billion per biennium. Regardless,

Early learning

Budget priority: *Giving our youngest citizens a great start in the classroom to ensure future education and economic success*

Expand preschool opportunities. The state's **Early Childhood Education and Assistance Program (ECEAP)** supplements the federal Head Start program in providing preschool for low-income 3- and 4-year-old children. Research is clear that for many children, access to high-quality early learning programs improves kindergarten

readiness, success in school, graduation rates and outcomes in adult life. Together, however, Head Start and ECEAP serve just two-thirds of the state's eligible preschool population.

The proposal gives access to 3,035 more eligible children and includes quality improvements such as more class time for preschoolers, educator professional development and site visits. *(\$35.0 million)*

Targeted investments to meet Washington’s education needs

Priorities	Actions
Invest in early learning <i>\$279.2 million</i>	<ul style="list-style-type: none"> √ Expand preschool opportunities for children in poverty (<i>\$35.0M</i>)* √ Expand full-day kindergarten to all high-poverty schools (<i>\$116.2M</i>) √ Reduce class sizes from 24 to 20 for kindergarten & 1st grade for all high-poverty schools (<i>\$128.0M</i>)
Reduce dropouts <i>\$59.7 million</i>	<ul style="list-style-type: none"> √ Ensure 3rd grade literacy (<i>\$12.5M</i>) √ Provide support for students exiting the bilingual program (<i>\$21.9M</i>) √ Use evidence-based practices for schools not meeting 3rd grade literacy targets √ Offer additional supports for students in pivotal years: 6th–9th grade (<i>\$25.3M</i>) √ Use evidence-based practices for districts with high dropout rates
Increase courses in middle and high school <i>\$97.7 million</i>	<ul style="list-style-type: none"> √ Increase secondary course offerings by hiring 1,400 new teachers
Improve instruction and leadership <i>\$132.0 million</i>	<ul style="list-style-type: none"> √ Provide principal and teacher professional development time for the school year — 1 hour every other week. State sets topic. (<i>\$90.4M</i>) √ Support new teachers with additional time and mentoring (<i>\$37.5M</i>) √ Offer pilot of yearlong principal residency program, starting in 2014–15 school year (<i>\$4.1M</i>)*
Ensure strong outcomes <i>\$23.4 million</i>	<ul style="list-style-type: none"> √ Fund school turnaround programs (<i>\$12.5M</i>)* √ Design statewide strategy to improve STEM education (<i>\$10.9M</i>)*
Fund basic operations <i>\$664.3 million</i>	<ul style="list-style-type: none"> √ Fully fund new transportation formula in 2013–14 school year (<i>\$197.5M</i>) √ Fully fund utilities, insurance & professional development in Materials, Supplies and Operating Costs formula (<i>\$466.8M</i>)
Total 2013–15 <i>\$1.26 billion</i>	<p style="text-align: right;"><i>*Indicates outside the definition of basic education</i></p>

substantial, smart funding increases for K-12 schools during the next two years are critical to building the foundation for future investments and innovations to improve education outcomes.

The Governor proposes to build that foundation with \$1.3 billion in targeted new investments, which will be paid for by extending tax rates and closing tax exemptions that cannot be justified in the face of our pressing education needs.

A strong start in the elementary grades

The proposal offers two investments for our young learners to give them a solid start on their education path:

- » Reduce **sizes of kindergarten and first-grade classes** from 24 to 20 students in all high-poverty elementary schools. Smaller classes in these grades will extend the advantages of early learning and full-day kindergarten programs, especially for students with greater needs; half the state’s kindergarteners and first graders will benefit. An additional 900 teachers will be funded to serve these students. *(\$128.0 million)*
- » Provide **full-day kindergarten classes** at all high-poverty elementary schools during the 2013–15 biennium. This enhancement also builds on the Governor’s expansion of preschool programs. An additional 288 schools will receive funding to serve 11,500 more kindergarteners. An additional 650 teachers will also be funded. *(\$116.2 million)*

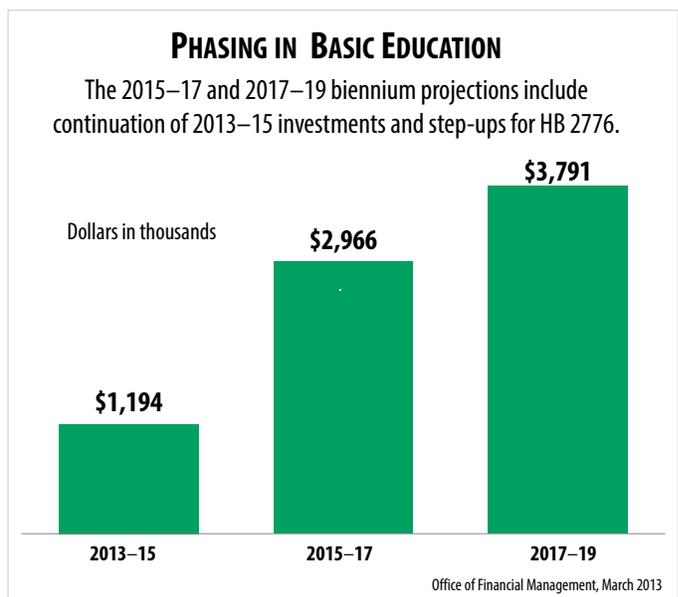
High-quality instruction and leadership

Having a highly qualified, skilled teacher is the most important school-based factor in student achievement. Teachers need principals with strong leadership skills. Governor Inslee proposes two investments in basic education to support high-quality instruction and a pilot program, which is outside the definition of basic education, to test a new principal residency model:

- » Provide for one hour of **professional development time**, set by the state, every other

week outside of regular classroom instruction time. A new state funding formula will give teachers and principals an additional 1.25 percent of the state’s salary allocation. Across the state, teachers and principals are already embracing the new professional evaluation system and changes in standards-based instruction. For the 2013–15 biennium, the statewide focus will be successfully implementing the new teacher and principal evaluation program. This will allow principals and teachers to collaborate on improving their practices, make changes in the classroom and monitor improvement. *(\$90.4 million)*

- » Fund the **Beginning Educator Support Team (BEST)** approach for all teachers in their first three years on the job. About 2,000 first-year teachers are hired in Washington each year, and as the state emerges from the recession, our schools will be hiring more. Research shows students of well-supported first-year teachers demonstrate achievement gains equivalent to the students of fourth-year veterans. BEST supports new teachers by including additional paid time for weekly meetings with mentors and more opportunities for peer observation and feedback on teaching. Mentor teachers will receive compensation for taking on this important leadership role. *(\$37.5 million)*



- » Offer the **Principal Residency Program**. Because schools need excellent principals, the proposal includes piloting a new model for principal training. This yearlong residency program would match 50 principal candidates with 50 veteran principals for a job shadow. Principals who apply to the Office of Superintendent of Public Instruction (OSPI) to serve as a mentor principal must have earned a high ranking on the new evaluation system. Candidates will be screened and matched with a mentor principal in their region. Starting with the 2014–15 school year, OSPI will support the cost of the resident principal by providing the state’s allocation for salary, fringe benefits and health care. (*\$4.1 million*)

Dropout prevention: Identification, assistance and interventions

It’s past time to meet our state’s dropout problem head on. The data tell us that students who are not reading proficiently by third grade are four times more likely than their peers to leave school without a diploma. Last year, 31 percent of Washington’s third graders did not meet the standard for reading. By looking at absence rates, behavior issues and academic struggles, students as early as grades six through nine can be identified as being at risk of dropping out. The proposal includes three additional supports to boost student achievement and prevent students from dropping out:

- » **Ensure third-grade literacy**. Districts will receive a larger allocation for the Learning Assistance Program, which offers extra instructional help to struggling students, based on the prior year’s count of students who did not meet state standard for third grade literacy. Districts will implement literacy activities that work best in their own communities. (*\$12.5 million*)

We will identify schools where fewer than 60 percent of students meet the state third-grade literacy standard, with measures adjusted for students learning English in the Transitional Bilingual Instruction Program, and with the

2012–13 school year serving as the baseline measure. Starting with the 2014–15 school year, schools identified as not meeting the literacy requirement will be required to implement evidenced-based, K-3 literacy instruction strategies with their state basic education funds.

- » Close the **achievement gap** with supplemental instruction for students who have recently demonstrated English language proficiency. Data show there is a gap between the state standard for reading and the state standard for demonstrating English proficiency in the bilingual program. Districts will receive additional funds to provide instructional support for students for two years after they exit the Transitional Bilingual Instruction Program. (*\$21.9 million*)

Research shows it takes four to seven years for students to learn English at a level that enables them to succeed in school. Across the state, more than 19 percent of bilingual students have been in bilingual programs for more than five years. Districts in which the average student time to gain proficiency is more than five years will be required to implement research-based bilingual instruction strategies.

- » Prevent students in grades six through nine from **dropping out**. Though districts are able to identify students in these grades who are at risk of dropping out, they need more resources to support them and keep them engaged. School districts will receive additional learning assistance funding based on 15 percent of students in grades six through nine. This money can be used for academic liaisons, tutoring or small-group instruction. Supports will help students who are behind academically to catch up, including those who need additional instructional assistance due to suspensions or expulsions. Again, districts will tailor these research-proven support strategies so they offer the most effective ones to meet their students’ needs. (*\$25.3 million*)

OSPI currently calculates a district’s dropout rate, which consists of students who started in ninth grade and who within four years no longer participate in an education program and do not

graduate. Starting with the 2014–15 school year, a district identified as having a four-year dropout rate of more than 14 percent will implement evidenced-based dropout prevention and re-entry programs. School districts with fewer than 20 ninth-grade students will be excluded.

Ensure strong outcomes

- » Fund school **turnaround programs**. The state will provide funding for school turnaround programs for the lowest-performing schools in the state as identified through the required action district process, which is built on a partnership among the State Board of Education, OSPI and local school districts. (*\$12.5 million*)
- » In the past 10 years, science, technology, engineering and math (STEM) jobs have grown three times faster than non-STEM jobs. Skills learned through STEM education are essential in a wide range of employment fields. Governor Inslee’s proposal creates the **STEM Education Innovation Alliance** to implement a bold, results-driven approach to align the work of state agencies and resources with a comprehensive preschool-through-graduate school strategy to improve the quality of STEM education. The Alliance’s membership of business, labor, nonprofit and education organization partnerships is dedicated to help accomplish the state’s education goals. The proposal also calls for building a talent pipeline from high school to college, and then career, by expanding industry-developed high school skills programs and allowing credits earned in high school to transfer to college. (*\$10.9 million*)

Middle and high school courses

The Legislature has committed to increasing learning time for the state’s middle and high school students by the 2017–18 school year. Our students need the learning and skills growth benefits of more instructional time sooner.

Offering more courses will lead to improved learning and skills development, which will enrich the education experience and make students more attractive to employers.

- » Hire 1,400 **additional middle and high school teachers** to extend student learning time. Average instructional hour offerings will increase from 1,000 to 1,080 hours per year, starting in the 2014–15 school year. (*\$97.7 million*)

Basic operations

Some of the need for improved state funding for schools is truly basic — state school funding formulas provide insufficient resources today for basics such as heating, lighting, insurance and supplies, and for operating costs such as buses to transport children to and from school.

Part of the down payment this biennium must include such funding:

- » Increase funds for the **MSOC formula** to keep the lights on. Starting with the 2013–14 school year, the proposal improves funding of the formula called MSOC, for materials, supplies and operating costs. The change will provide 100 percent of the formula enhancements for the utilities, insurance, professional development and school security components of the state funding commitment. This change is equivalent to an average annual increase of \$241 per student above maintenance level. (*\$466.8 million*)
- » **Fully fund pupil transportation**. Multiple studies have called for reforms to how the state funds student transportation. The proposal funds 100 percent of the new pupil transportation funding formula, beginning next school year, one year ahead of the schedule set forth in House Bill 2776. Districts will receive state allocations as provided under OSPI’s expected cost model, which is based on statistical analysis of all 295 school districts to determine each district’s expected cost of operations. (*\$197.5 million*)

Higher education

Tuition

Tuition will remain at 2013 levels for the next two years at the community and technical colleges as they serve thousands of students who need high-quality job training and academic instruction. Tuition growth of up to 3 percent each year at the regional universities (Eastern Washington, Central Washington, Western Washington universities and The Evergreen State College) will allow them to serve their higher enrollments and support student services. Greater, but still limited, tuition growth of up to 5 percent per year at the research universities (University of Washington and Washington State University) will help preserve and enhance their research and instruction mission, which allows them to foster new industry growth and to prepare leaders and employees for the new economy.

Decisions on tuition levels are made by the regents or trustees of the individual universities and the State Board for Community and Technical Colleges. Should a board of regents or trustees approve tuition at a rate higher than proposed in the state budget, the institution is responsible for providing increased financial aid.

Investments

STEM enrollment pool

Budget priority: Increasing the supply of qualified engineers and getting more Washington students to fill high-tech job vacancies

- » Create a competitive **enrollment pool for the public four-year universities**. This will help industry fill positions with qualified employees, especially those in STEM fields. Winning proposals must demonstrate innovation and cost efficiency. Such new investment allows us to grow the workforce that our economy needs. (\$11.0 million) ◆

- » Create an **enrollment pool for the community and technical colleges**. This will help them graduate students ready to work for STEM, aerospace and other manufacturing firms that need employees for the new economy. (\$5.0 million) ◆

Financial Aid

Budget priority: Ensuring low-income students have access to Washington's postsecondary education and training system

- » Boost funding for **College Bound scholarships** to meet a shortfall. This will fulfill the state's promise of a college education for low-income students who meet certain criteria. This program has energized middle school students who have been preparing for college during high school. The first cohorts are entering college, and funding will allow nearly 4,000 students to pay no tuition at the public institutions. (\$35.0 million)
- » Increase award amounts in the **State Need Grant and State Work Study programs** to keep pace with the modest tuition increases proposed in the budget. These increases mean recipients will be shielded from higher costs in the 2013–15 biennium. (\$24.7 million)

Clean Energy Research

Budget priority: Ensuring that the global leaders of the clean energy industry are based in Washington

- » Create a **Clean Energy Institute** at the University of Washington to focus on next-generation energy storage and solar energy. Additional staff, advanced computing support and, most importantly, a clear mission will make the institute a global model in this emerging sector. (\$12.0 million) ◆
- » Invest in Washington State University's **Center for Bioproducts and Biofuels** in the Tri-Cities to leverage new federal and private grants and scale up its promising efforts. Ramping up research funding will help keep the region at the forefront of alternative and biofuels research. (\$5.2 million) ◆

STEM capacity in the community and technical colleges

Budget priority: Ensuring that communities meet the needs for highly skilled, high-demand workers

- » **Expand capacity** in a variety of high-cost programs from aerospace to nursing. More Washington residents need training in industries that are hiring right now. The community and technical colleges need to be flexible and adaptable to local employment trends, but the state needs to step up when the high cost of providing training becomes a barrier to serving students and industry. (\$20.0 million) ◆

Reductions/Savings

Save **\$320.5 million** by suspending Initiative 732 cost-of-living salary increases for K-12 and certain higher education employees. The proposal restores salary reductions of 1.9 and 3.0 percent for classified and certificated education employees, and maintains current health benefit contribution rates.

Save **\$29.8 million** by limiting state funding for alternative learning experience (ALE) programs in certain cases. In response to recent state audit findings, the state will limit funding of ALE programs to districts predominantly serving their own students, providing online courses solely from state-approved providers and/or demonstrating minimum face-to-face teacher/student contact time for out-of-district students. These reforms will preserve innovative ALE programs while avoiding inappropriate uses of taxpayer dollars.

Save **\$21.1 million** by streamlining and improving state-mandated, K-12 student assessments. By implementing new assessments developed through the multi-state Smarter Balance Assessment Consortium, Washington can reduce the cost of elementary and middle school assessments while providing schools with more timely results that teachers can use to inform instruction. In addition, the state will consolidate currently separate 10th grade reading and writing assessments into a single language arts test that saves money and student learning time while meeting state education standards and federal testing requirements.

Other

The Governor supports OSPI as it allocates funds through the School Construction Assistance Grant Program for the reconstruction of Crestline Elementary School in the Evergreen School District in Clark County. The school was destroyed by a January 2013 fire.