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ABSTRACT

This handbook on school finance is prepared to give the taxpayers of the state of Washington an overview of the financing and organization of the public schools, grades K-12. An attempt has been made to show in general terms where the revenues to support this segment of public education come from, how they are distributed to individual school districts, and the purposes for which they are expended. Included in this publication is a brief description of the school distribution formula, and how the amount of state and local funds distributed by this formula is calculated. (Author)

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CITIZENS' HANDBOOK

ON

WASHINGTON PUBLIC SCHOOL ADMINISTRATION AND FINANCE

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Division of Financial Services

Dr. Frank B. Brouillet
Superintendent of Public Instruction

Olympia, Washington

Revised
May, 1974

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TABLE OF CONTENTS

	<u>Page</u>
Chapter I	
THE BASIC LAW.....	1
State Constitution.....	1
State Code of Washington.....	1
State Board of Education.....	1
Chapter II	
SCHOOL DISTRICT ORGANIZATION BELOW THE STATE LEVEL.....	3
Intermediate School Districts.....	3
Local School Districts.....	4
School System Boundaries (Map).....	5
Chapter III	
REVENUES FOR THE BUILDING FUND OF SCHOOL DISTRICTS.....	7
Local Revenues.....	7
State Revenues.....	7
Miscellaneous Building Fund Revenues.....	8
Chapter IV	
TAXES--THE MEANS OF SCHOOL SUPPORT.....	11
State General Fund Revenues and Expenditures.....	11
Property Taxes.....	11
Special Levies.....	13
Timber Excise Tax.....	15
School District Revenues and Expenditures.....	15
Chapter V	
OPERATING REVENUES FOR LOCAL DISTRICTS.....	21
Per-Pupil Support Level.....	21
Funds Included in the Formula.....	22
Property Tax.....	22
State Forest Funds.....	22
In Lieu of Taxes.....	22
Real Estate Excise Tax.....	23
Public Utility District Revenue.....	23
Federal Forest Funds.....	23
Excise Tax on Travel Trailers and Campers.....	23
Timber Excise Tax.....	23
Revenues Outside the State Formula.....	23
Legislative Appropriation of April 1974.....	23
Salary Improvement Funds.....	24
Employee Insurance Benefits.....	24
Pupil Transportation.....	24
Programs for the Handicapped.....	25
Traffic Safety Education.....	25
Secondary Vocational Programs.....	25
Vocational-Technical Institutes.....	25
School Lunch and Special Milk Programs.....	25
Urban, Rural, Racial Disadvantaged Programs.....	25
Public Law 874 Funds.....	26
Elementary and Secondary Education Act Grants.....	26
National Defense Education Act Grants.....	26
Other Funds from Federal Sources.....	26
Non-High District Participation.....	26

Chapter VI

SCHOOL DISTRICT BUDGETS.....	27
Time Schedule for Preliminary Budget Process.....	28
Time Schedule for Final Budget Process.....	29
Summary of General Fund Budget.....	30
Expenditure by Program.....	31
Form F-203--Worksheet for Estimating Average Enrollment and Computed Weighted Enrollment for 1974-75 School Year.....	32
Form F-204--Computation of Estimated Level of Per-Pupil Support from Local and/or State Funds for 1974-75 School Year.....	33

FIGURES

Figure 1 -- Source of ISD Revenue and Percentage of Each Source for 1972-73.....	3
Figure 2 -- 1973-75 Biennium Revenue by Source--State General Fund.....	10
Figure 3 -- 1973-75 Biennium State General Fund Expenditures.....	10
Figure 4 -- Changes in Property Tax Allocations 1933-1975.....	12
Figure 5 -- Special Levies for School Maintenance and Operation.....	14
Figure 6 -- Variations in Excess Levy Revenue Per Pupil Collectible in 1974.....	16
Figure 7 -- Calculation of Timber Excise Tax.....	17
Figure 8 -- A Profile of Washington School District General Fund Receipts 1961-1973.....	18
Figure 9 -- 1972-73 School District General Fund Revenues.....	19
Figure 10 -- 1972-73 School District General Fund Expenditures.....	19
Figure 11 -- Staff Weighting Factors.....	39



Superintendent of Public Instruction

DR. FRANK B. BROUILLET · OLD CAPITOL BLDG., OLYMPIA, WASH. 98504

May, 1974

FOREWORD

This handbook on school finance is prepared to give you the taxpayer of our State an overview of the financing and organization of the public schools grades K-12.

An attempt has been made to show in general terms where the revenues to support this segment of public education comes from, how they are distributed to individual school districts, and the purposes for which they are expended.

Included in this publication is a brief description of the school distribution formula, and how the amount of state and local funds distributed by this formula is calculated.

It is my hope that this handbook will provide you with answers to many of your questions regarding the financing of our public schools.

Frank B. Brouillet

Frank B. Brouillet
State Superintendent
of Public Instruction

CHAPTER I

THE BASIC LAW

Our Constitution names education for all children as a paramount duty of the State. It requires the Legislature to provide for a system of public schools and creates the office of the Superintendent of Public Instruction to supervise them and to perform other duties which the law may prescribe.

STATE CONSTITUTION

Article IX:

Section 1. *"It is the paramount duty of the State to make ample provisions for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex."*

Section 2. *"The Legislature shall provide for a general and uniform system of public schools. . . . and such . . . normal and technical schools as may hereafter be established. . . ."*

Article III:

Section 22. *"The State Superintendent of Public Instruction shall have supervision over all matters pertaining to the public schools, and shall perform such specific duties as may be prescribed by law. . . ."*

Acting under this constitutional mandate, the Legislature requires the Superintendent of Public Instruction to estimate the amount of state funds required to carry out the law.

The Superintendent of Public Instruction has many other duties which are implied by the Constitution. From time to time the Legislature has specified additional responsibilities.

STATE CODE OF WASHINGTON

"The Superintendent of Public Instruction shall certify biennially, to the Governor for submission to the Legislature, the estimated amount of state funds required to carry out the law governing state support for the common schools."

STATE BOARD OF EDUCATION

The State Board of Education is one of the oldest agencies of state government, having been created in 1877 by the Legislature of the Territory of Washington. It has operated continuously since that date, having been reconstituted by the State Legislature in 1897, in 1909 and most recently in 1947.

The 1947 Legislature established in law the principle that the Board should be

composed entirely of lay persons (not professional educators) by providing that no one employed in the field of education shall be eligible for Board membership.

The present Board consists of 14 laymen, two from each Congressional District, elected by school directors to six-year unsalaried terms. Board members cannot be employed by any educational institution.

The State Board of Education is called the voice of the public in determining basic educational policy. Its powers and duties, prescribed by law, are primarily to establish rules, regulations and standards for the general management and operation of the public schools, from kindergarten through high schools and vocational-technical institutes.

The Board is legally responsible for general government and unification of the public school system, school district organization, courses of study, accreditation of secondary schools, school building construction, and preparatory requirements for entrance into state-supported institutions of higher learning.

Requirements for teachers' certificates are established by the State Board of Education, which also must approve the courses and programs for teacher education at public and private colleges in Washington State.

To acquaint you with our system of public education, the State Board frequently holds meetings in various cities around the State. All meetings are open to the public.

According to the State Constitution, the Superintendent of Public Instruction is responsible for administration of the total state educational program, including carrying out policies of the State Board of Education. The Superintendent of Public Instruction serves as president of the Board, but votes only to break a tie.

The items on the Board agenda are developed and presented by the staff of the Superintendent of Public Instruction, with official action or policy decisions then taken by the Board.

STATE BOARD OF EDUCATION

First Congressional District

H. Eugene Hall, M.D.
Levy S. Johnston

Second Congressional District

Jack L. Reid, O.D.
Dr. Edward Diamond

Third Congressional District

Mark E. Hoehne
Mrs. Wanda T. Linderman

Fourth Congressional District

Walter H. Lewis
James M. Spalding

Fifth Congressional District

Mrs. Ollie Mae Wilson
Orville L. Barnes

Sixth Congressional District

Grant L. Anderson
Mrs. Eileen B. Kalles

Seventh Congressional District

Stanley M. Little, Jr.
Robert B. Stookey

Dr. Frank B. Brouillet, President
Vern V. Leidle, Secretary

CHAPTER II

SCHOOL DISTRICT ORGANIZATION BELOW THE STATE LEVEL

The Legislature has created two types of school districts below the state level. These are intermediate school districts and local districts.

INTERMEDIATE SCHOOL DISTRICTS

The 1969 Legislature mandated and the State Board of Education created 14 intermediate school districts that became operative on July 1, 1969. At a subsequent date, Intermediate School Districts 102 and 103, and 106 and 107 were combined to form Intermediate School Districts 123 and 167, respectively. Each of the 12 intermediate school districts is under the jurisdiction of a seven-member board of education. The intermediate school district board of education members are elected from each of the seven-board-member districts within their intermediate school district. The intermediate school district board of education selects a superintendent to manage the district. The intent and purpose of the intermediate school district system according to statute are as follows:

"(1) Establish intermediate school district offices as regional educational service agencies which will provide cooperative and informational services to local school districts;

(2) Assist the superintendent of public instruction and the state board of education in the performance of their respective statutory or constitutional duties;

(3) Make the territorial organization of intermediate school district offices as such educational service agencies and the school districts more readily and efficiently adaptable to the changing economic pattern and educational programs within the state; and

(4) Provide the pupils within the state with equal educational opportunities."

Intermediate school districts derive their support from four main sources of revenue--federal, state, county and local school districts. They expend their revenues to provide services to the Superintendent of Public Instruction, the State Board of Education, the general public, and for programs and services for the local school districts.

SOURCE OF ISD REVENUE AND PERCENTAGE
OF EACH SOURCE FOR 1972-73

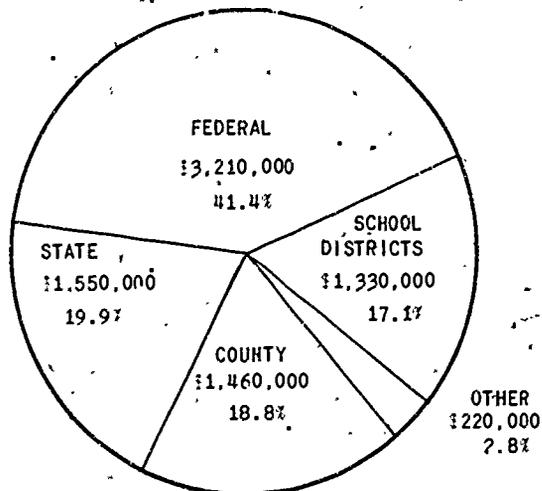


Figure 1

The intermediate school district is not a taxing district. Local school districts on their option provide funds through contracts or agreements to pay for services. At this time, county funds are required by statute to be appropriated by county commissioners to the intermediate school districts. Recent legislation provides for the phasing out of this requirement of county support. State funds from the State General Fund are appropriated by the Legislature to the Superintendent of Public Instruction for allocation to intermediate school districts.

The map on the following page sets forth the boundaries of the system of intermediate and local school districts.

For additional information, a publication entitled "The Intermediate School District in the State of Washington" may be obtained from the Superintendent of Public Instruction.

LOCAL SCHOOL DISTRICTS

The second level of district below the state level and one to which the Legislature has delegated much control is the local school district. There are 313 local school districts as of April 1974. In 1959 there were 434 districts, including 44 first-class districts, 245 second-class districts, and 145 third-class districts.

Local school districts are of three classes:

1. First-Class District -- Population in excess of 10,000. There are currently 74 first-class districts. They serve approximately 80% of the total state school population.
2. Second-Class District -- Any other district containing an organized town or a population of 300 in a square mile, or maintaining a fully accredited high school. In 1974 there are 194 districts of this category. They serve 19% of the students.
3. Third-Class District -- All others. There are now 45 third-class districts.

There are two "divisions" among the above classes:

1. High School Districts -- High school districts must accept students of non-high school districts who elect to attend the high school program provided. High school districts are either first or second class. There are 248 such districts.
2. Non-High School Districts -- Non-high districts are usually, but not necessarily, districts of the third class. They do not offer high school programs. There are 65 non-high school districts.

Districts of the first and second class are governed by five elected school board members, except for Seattle which has seven. Districts of the third class are governed by boards of three members.

Their powers and duties are broad insofar as they do not conflict with authority specifically reserved for the State or delegated to state officials.

CHAPTER III

REVENUES FOR THE BUILDING FUND OF SCHOOL DISTRICTS

The building fund budget constitutes a completely separate fund from that for maintenance and operation or bonded debt amortization.

Building funds may be used by school districts to finance the purchase and/or improvement of school sites, the construction of new facilities and remodeling or modernization of existing buildings, and for initial equipment, library books and textbooks. Building funds are budgeted as needed, virtually annually, in large or growing districts. In smaller districts and those with stable enrollments, this fund is quite often dormant and unbudgeted unless and until there is a specific need for it.

The decision to purchase sites, construct facilities, etc., is entirely within the authority of the local district board of directors.

Moneys accrue to the building fund from local revenues and miscellaneous sources and, in addition, certain districts qualify for state revenue grants.

LOCAL REVENUES

These are derived from two major sources, with the additional option of drawing from minor sources. The major sources are:

1. The Sale of Bond Issues -- In recent years this has been the primary source of funds. Bond issues must be authorized at a special or regular election by at least 60% of the voters casting ballots. A further qualifying 40% vote is always based upon the number of votes cast in the most recent State General Election. Such bonds are amortized by a levy which is authorized at the time the issue is approved. The constitutional and statutory limitation of bonded indebtedness is 5% of the value of the taxable property in the school district.
2. The Approval of Excess Building Fund Levies -- Excess levies for the building fund are subject to the same requirements for passage as the excess levies for the General Fund, as well as also having a one-year limitation.

By far the most common minor revenue source available to the building fund is interest earned from investing building fund moneys. Following the sale of a bond issue, there is often a period of time before payments must be made to contractors. It is permissible for districts to invest these funds in short-term government notes or bonds or other approved investments.

STATE REVENUES

The State Board of Education administers the school construction assistance program under the provisions of Chapter 28A.47 RCW. Since the program began in 1947,

approximately 1467 million in state revenues have been allocated to local school building projects.

Prior to 1965 these revenues were derived from bond issues authorized by the Legislature, which were amortized from proceeds accruing from the sales tax, cigarette tax, motor vehicle excise tax, etc. Since 1965 the revenues have come from a constitutionally authorized dedicated source--the Common School Construction Fund. These funds have basically come from the sale of renewable resources--primarily timber--from state school lands set aside to fund education by the Enabling Act of 1889.

The 1965 funding change also permitted the Legislature to authorize bond issues to be amortized from investment income earned by the Permanent School Fund, which fund was also established in the above-mentioned Enabling Act.

The amount of state building funds to which a district is entitled is determined according to a statutory formula. The formula establishes a relationship between the adjusted assessed valuation per pupil in the individual district to the state-wide adjusted assessed valuation per pupil, thus, in effect, measuring the wealth per pupil. The resulting distribution pattern provides state assistance on building projects from a statutory ceiling high of 90% of the cost in the least wealthy districts to a low of 20% in the wealthiest districts. Additional percentage points--to a maximum of 20%--are provided to districts that have experienced growth during the three-year period preceding application for state funds, computed on the basis of 1% additional for each 1% of growth.

The formula is set forth in statute as follows:

$$\begin{array}{rcccl} & \text{District adjusted} & & & \\ & \text{2-valuation per full-} & & \text{Total state adjusted} & \\ \text{Computed State} = & \text{time equivalent} & \div & \text{valuation per full-} & = \text{State} \\ \text{Ratio} & \text{pupil} & & \text{time equivalent pupil} & \text{Assistance} \\ & \hline & \text{District adjusted} & & & \\ & \text{2+valuation per full-} & & \text{Total state adjusted} & \\ & \text{time equivalent} & \div & \text{valuation per full-} & \\ & \text{pupil} & & \text{time equivalent pupil} & \end{array}$$

The formula was designed to provide the average district with 33-1/3% state aid.

Districts qualify for state aid on two bases. The first is need, as expressed by unhoused pupils (resulting either from enrollment growth and/or the need to replace unsafe or poor facilities). If a district can document a need based on program, it can also qualify for assistance on a modernization project. Secondly, districts must have authorized (by bond issue or excess millage levy) sufficient local funds to cover their cost of the project(s).

At any time the local board elects and local voters authorize funds and grant approval, the district may construct any facilities it desires without State Board approval.

MISCELLANEOUS BUILDING FUND REVENUES

1. Federal Aid -- Districts which qualify for Public Law 874 operational assistance may also qualify for capital construction needs through Public Law 815.

- From 1951 through 1969 Washington school districts had been allocated a total of \$51.8 million from this source, but only token amounts have been received since 1969.
2. Fire Insurance Settlements -- Settlements received by school districts for fire damages or other losses suffered are placed in the building fund.
 3. Sale of School Property -- Whenever a school building or site is sold, the money is either deposited in the building fund or used to reduce bonded indebtedness.
 4. Gifts -- On occasion school districts may be the recipient of gifts for the building fund.
 5. Other Sources -- Receipts derived from federal forest lands, state forest lands, or the P.U.D. excise tax may be placed in the building fund. Under certain circumstances, various other local resources may become available to the building fund.

Figure 2

1973-75 Biennium
REVENUE BY SOURCE
STATE GENERAL FUND
(in Million \$)

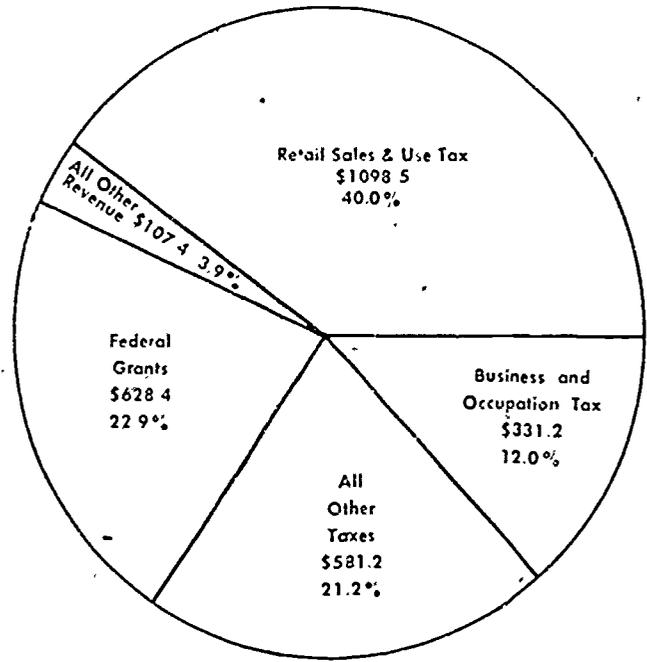
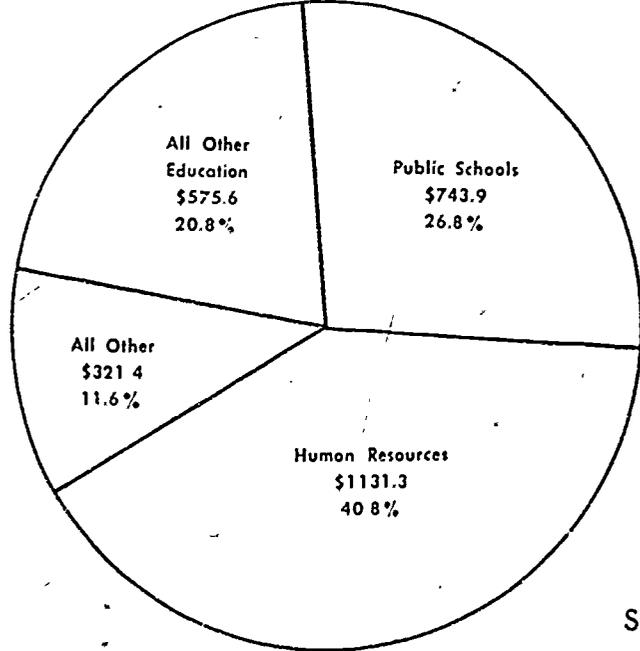


Figure 3

1973-75 Biennium
STATE GENERAL FUND
EXPENDITURES
(in Million \$)



Source: State of Washington
Budget
1973-75 Biennium



CHAPTER IV

TAXES--THE MEANS OF SCHOOL SUPPORT

STATE GENERAL FUND REVENUES AND EXPENDITURES

The State of Washington receives 73.2% of its General Fund revenue from state taxation. The major revenue sources are illustrated in Figure 2, 1973-75 Biennium Revenue by Source--State General Fund. The State has several funds in its accounting system including bond redemption funds, retirement funds, liquor excise tax fund, motor vehicle fund, and General Fund. Appropriations for schools other than construction come from the state General Fund.

Washington State's chief revenue source is the sales tax. The state sales tax is 4% on retail sales made in the State. This includes retail sales and rental of tangible personal property and the sale of many services such as cleaning, maintenance, construction and accommodations. The retail sales and use tax provides 40% of estimated total revenues to the state General Fund for the 1973-75 biennium. The Legislature in April 1974 amended the state sales tax law to exempt drugs prescribed for human consumption from the sales tax.

The Business and Occupation Tax is a tax on the gross receipts of most businesses in the State of Washington. The tax rate varies by class of business. The tax is reported monthly by the taxpayer to the State Department of Revenue which collects the tax. The B&O tax is Washington's second largest source of revenue from within the State. The B&O tax accounts for 12% of the General Fund revenue for the 1973-75 biennium.

All other taxes such as property and excise tax, the motor vehicle tax paid at the time the vehicle is licensed, the death and gift taxes--or inheritance tax, state liquor tax, etc., contribute 21.2% to the General Fund revenues. Federal grants contribute 22.9% of estimated total revenues, and other miscellaneous sources contribute 3.9% of total revenues. In general, three-fourths of the State's General Fund is provided by tax revenues.

The significance of school funding in the state expenditure budget is illustrated in Figure 3, 1973-75 Biennium State General Fund Expenditures. Public schools receive 26.8% (\$743.9 million), human resources receive 40.8%, other education receives 20.8%, and 11.6% for all other General Fund categories. The largest single user of General Fund revenues is the public school system.

PROPERTY TAXES

The property tax payable by the taxpayer is a function of the tax rate times the assessed valuation of the property. The property tax for the 1974-75 school year is unusually complex since the laws governing property taxes change radically in January 1975.

For the 1974 tax year property is assessed at 50% of true and fair value. Against this value a regular property tax of 20 mills may be levied without a vote of the people. A mill is one one-thousandth, or expressed as a decimal is .001. A 35-

mill tax would therefore be .035. Of the 20 mills levied, 8 mills are for schools, 4 mills are for counties, and 8 mills are for cities. Taxes are collected by the county and returned to the school district.

In 1975 property will be assessed at 100% of true and fair value. Taxes that can be levied without approval of the voters will be limited to 1% of the assessed value. Tax rates will be expressed in terms of dollars per thousand dollars of assessed valuation rather than in mills.

Another major change is that property taxes not requiring a vote of the people for schools, beginning in 1975, will be collected at the state level and distributed to districts through the equalization formula. The amount of money distributed to a given district is not necessarily related to the amount collected in that district.

In order to protect districts that might suffer a severe reduction in revenue because of this change, the law includes a "grandfather" clause. That is, a district will receive no less than the amount per enrolled student received from state and local funds excluding special levies the previous year or 95% of the average of the previous three years, whichever is less.

Although the property tax has always been a significant source of revenues for school districts, the limitations on this tax, the assessed valuation, and the tax rates have varied. Figure 4 graphically illustrates some of the most significant of these changes.

SPECIAL LEVIES

If the voters in a school district wish to provide a better program than can be provided by regularly available funds, they may approve the raising of additional funds via "special levies."

A special levy can be voted for only one year at a time. Special levies are submitted by local school boards to be voted on at either a regular election or a special election called for that purpose. For a special election to be valid, at least 40% of the number of voters voting in the previous General Election in the district must vote; 60% of those voting must vote yes.

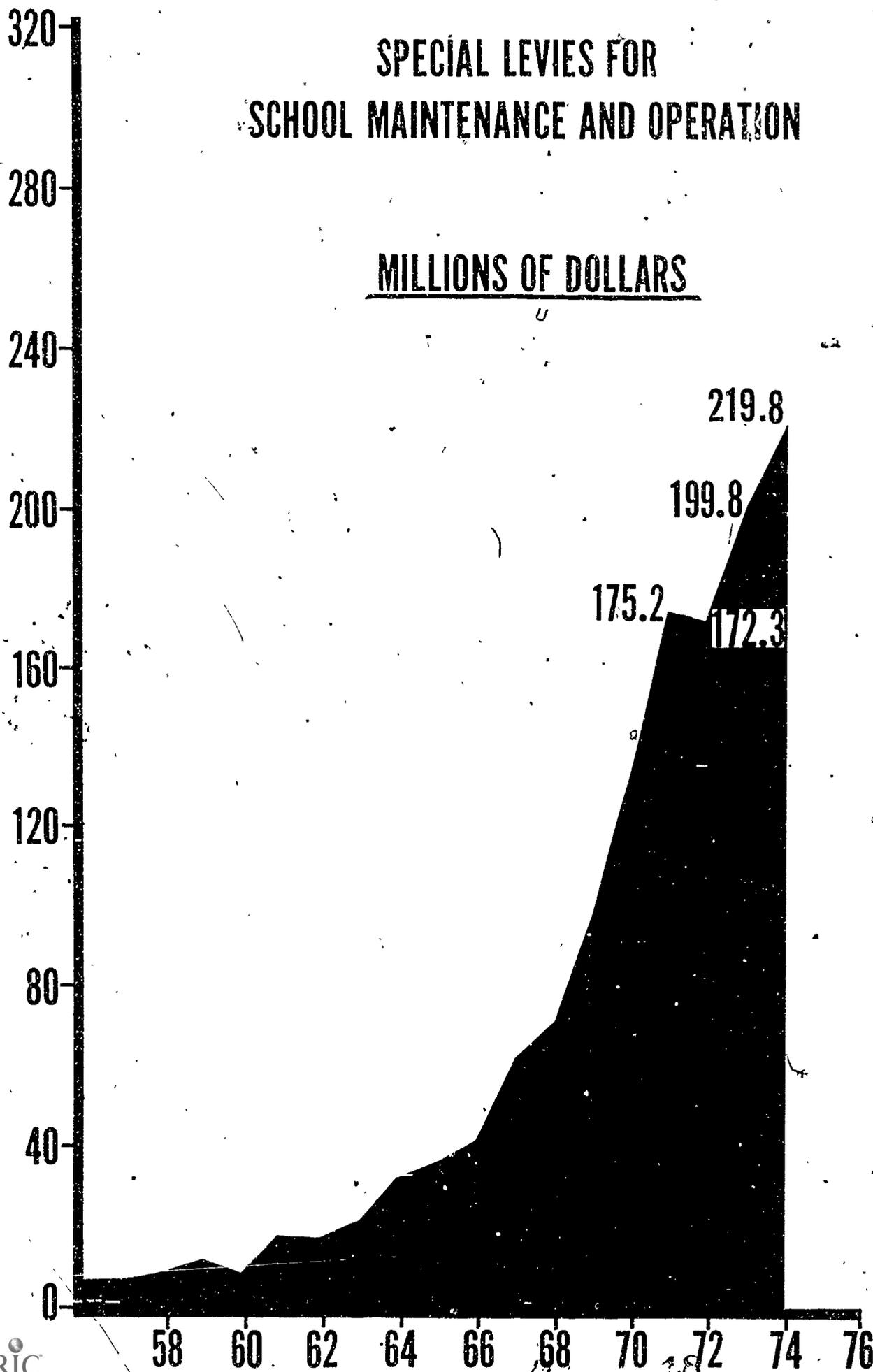
A referendum passed in November 1972 modified this requirement by allowing a levy to be passed if the total vote is less than 40% of the last preceding General Election, but the yes vote equals at least 60% of 40% of the votes cast in the last General Election. The provision has allowed many levies to pass since November 1972 that otherwise would have failed to be validated.

If a special levy fails to pass, it may be resubmitted or a substitute levy submitted at a later date. A district may vote on special levies only twice for a given tax year. A second failure constitutes final failure.

During the past several years it has become increasingly difficult to operate an adequate program from regular sources. The result is that most districts are relying on special levies and the amounts of levies are increasing. Districts passed special levies totalling \$7,000,000 in 1957. By 1974 the special levies increased to an amount in excess of \$219 million. Due to recent changes in the school distribution formula, changes in property tax laws pertaining to school districts and to rapid inflation, it is anticipated that the 1975 special levy

SPECIAL LEVIES FOR SCHOOL MAINTENANCE AND OPERATION

MILLIONS OF DOLLARS



total will approximate \$300 million. This increased reliance on special levies is graphically illustrated by Figure 5.

Every year many school districts fail in their attempts to pass special levies. Thousands of students have been denied educational advantages that have been available to those districts where special levies have been approved.

Currently suits are pending in the courts challenging the legality of financing schools by special levies.

TIMBER EXCISE TAX

The 1971 Legislature made major changes in the system of taxation of timber and forest lands in Washington. The legislation exempts timber from the property tax base and substitutes a severance (excise) tax based on the value at time of harvest. The rate of this tax, effective October 1, 1974, as established by the Legislature, is 6½%.

Timber assessments were set at 75% of 1972 assessed value for 1973 tax collection, 45% for 1974 collection, and eliminated from the assessment roles for subsequent years. This forest excise tax is scheduled to be phased in concurrently.

The application of this change in timber taxes as it applies to school district budgets is shown on Figure 7.

SCHOOL DISTRICT REVENUES AND EXPENDITURES

In the 1972-73 school year, school district General Fund receipts totalled in excess of \$784 million (Figure 9). The state provided 49.4% of this amount--including 2.6% from the state 2-mill property tax. Local property taxes, including special levies, contributed 33.3%. Other local sources provided 8.1% and 9.2% was provided by the federal government. Property tax revenue directly provided 35.9% of all General Fund revenues of school districts.

Figure 8 shows the sources of school district General Fund revenues for the past 12 years. In 1962, state funds were 63% of school district General Fund revenues, but in 1972-73 the state share was 49.4%, including the 2-mill state property tax of 2.6%. 1973 was the last year that the 2-mill state property tax was collected. Undoubtedly, the decline in the percentage of state support for schools has forced more reliance on the local property tax, including the special levy.

The school district General Fund expenditures are illustrated graphically in Figure 10. In 1972-73 school districts spent 72.7% of General Fund expenditures on instruction, 12.6% on plant maintenance, 4.4% on food services, 4.3% on transportation, 3.3% on administration, and 2.7% on General Fund expenditures provided pupil services and other miscellaneous support services.

FIRST CLASS DISTRICTS

EXCESS LEVY REVENUE PER PUPIL

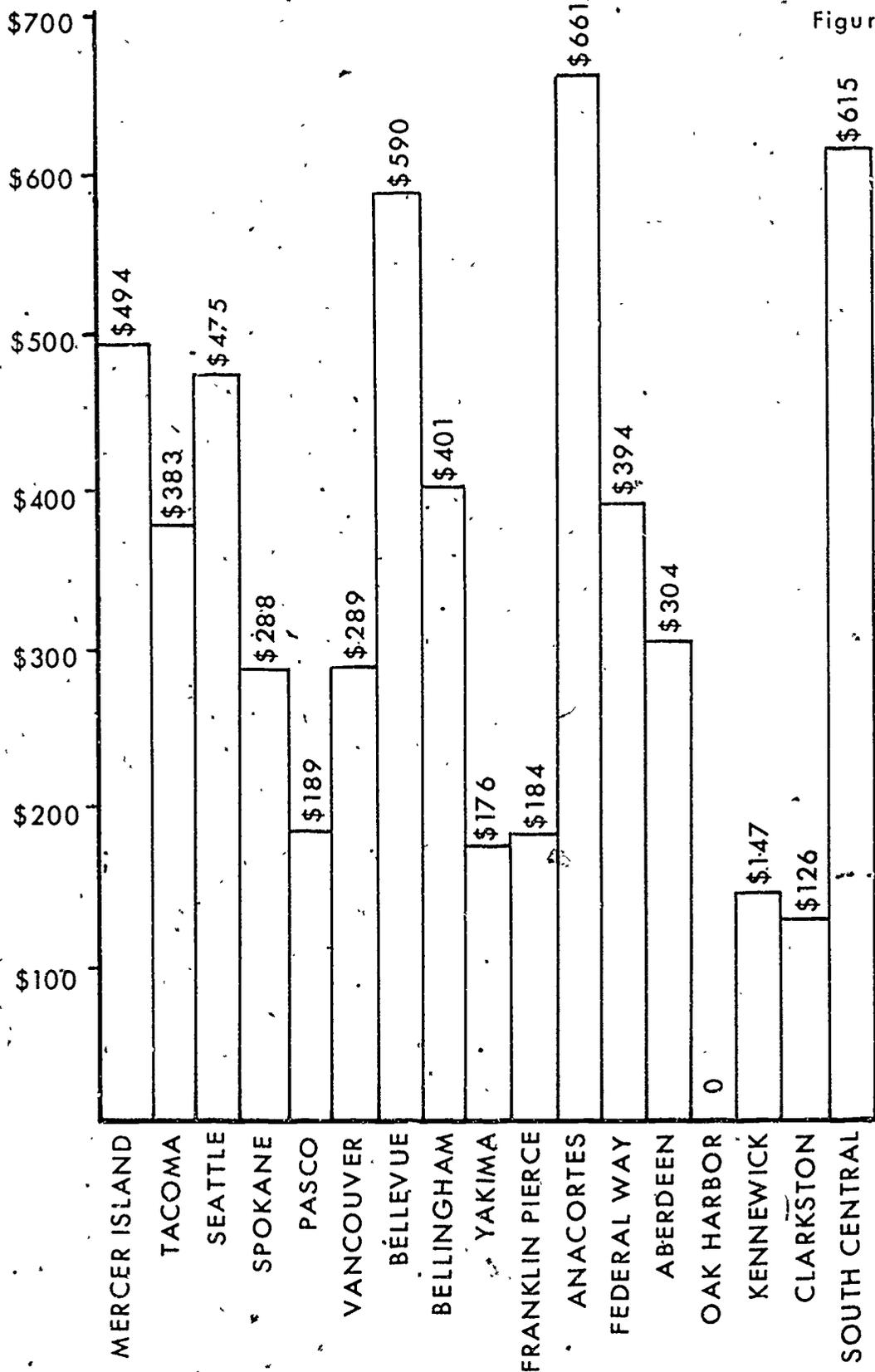


Figure 6

Variations in Excess Levy Revenue per Pupil Collectible in 1974

TIMBER EXCISE TAX (REVENUE ACCOUNT 3170)

For 1972 and thereafter the assessor shall establish a separate Timber Roll. 25% of the Timber Roll will be removed from the Property Tax Rolls in 1972 for 1973 tax collections, 55% in 1973 for 1974 tax collections, and 100% in 1974 for 1975 tax collections. Commencing October 1972, sales of privately held timber will be subject to an excise tax. The amount of revenue generated by the Timber Excise Tax is expected to be what would be received from an ad valorem tax. Therefore, the revenue estimates for FY 1974-75 will be computed as follows:

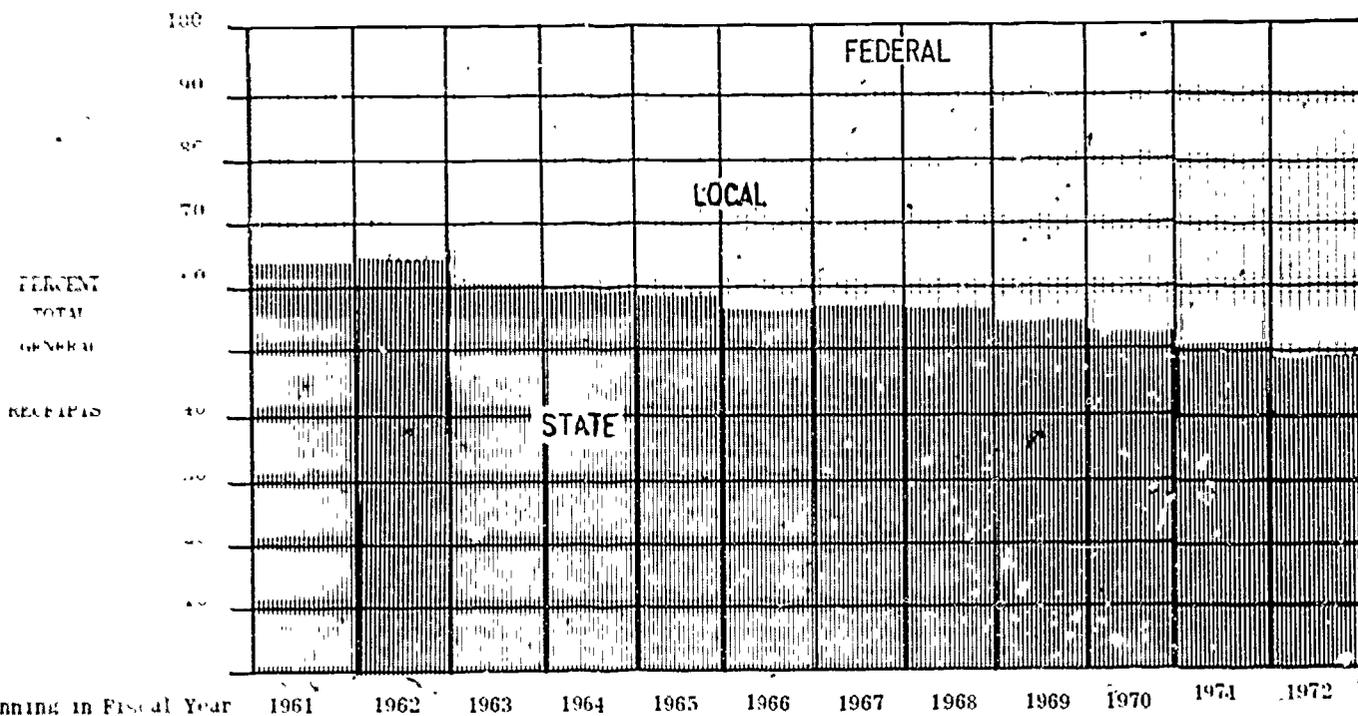
<u>Fund</u>	<u>Year</u>	(1) 55% Assessed Valuation of Timber Roll	(2) 100% Assessed Valuation of Timber Roll	(3) Aggregate Levy Rate <u>1/</u>	(4) Estimated Levy Amount	(5) Coll. %	(6) Amount Budgeted
General	1974	XXXXXXX	XXXXXXX			50%	
		XXXXXXX	XXXXXXX			50%	
		XXXXXXX	XXXXXXX			50%	
		XXXXXXX	XXXXXXX			50%	
General	1975	XXXXXXX				50%	
		XXXXXXX				50%	
		XXXXXXX				50%	
		XXXXXXX				50%	
		1974-75 General Fund Budgeted Timber Excise Tax (Rev. Acct. 3170)					
Building	1974		XXXXXXX			50%	
			XXXXXXX			50%	
Building	1975	XXXXXXX				50%	
		XXXXXXX				50%	
		1974-75 Building Fund Budgeted Timber Excise Tax (Rev. Acct. 3170)					
Bond	1974		XXXXXXX			50%	
			XXXXXXX			50%	
Bond	1975	XXXXXXX				50%	
		XXXXXXX				50%	
		1974-75 Bond Fund Budgeted Timber Excise Tax (Rev. Acct. 3170)					

1/ Aggregate Millage Rate includes regular and excess levies for 1974. In 1975 only the excess levy dollars per thousand dollars of assessed valuation will be included.

A PROFILE of WASHINGTON SCHOOL DISTRICT GENERAL FUND RECEIPTS

1961-62 — 1972-73

By Percent

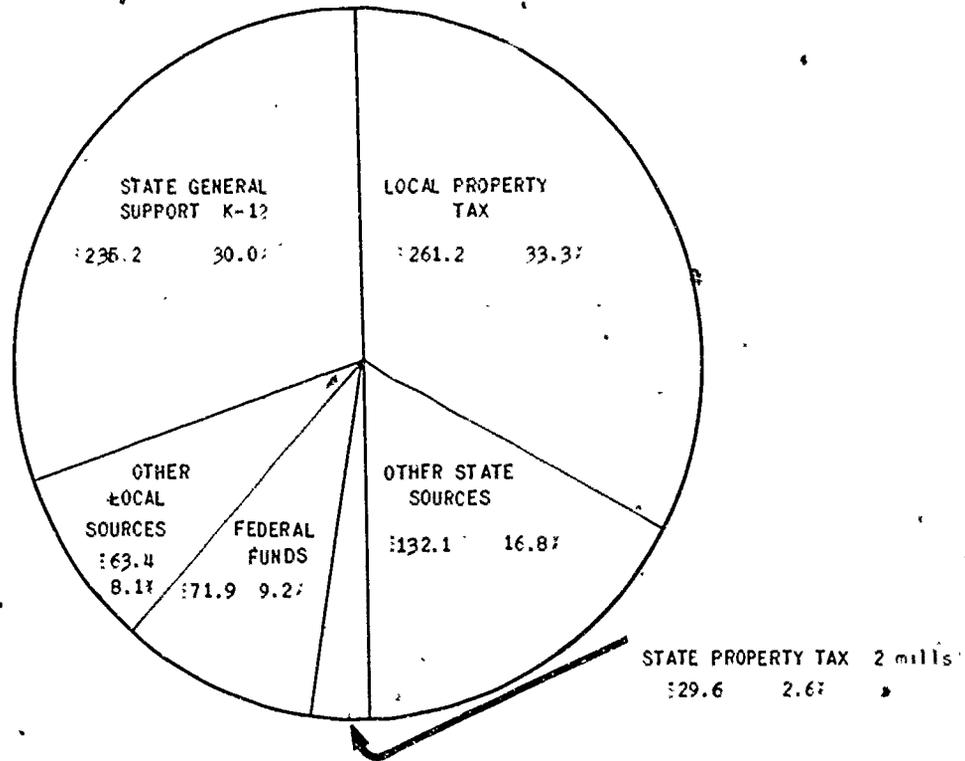


	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
STATE FUNDS	62.7%	62.0%	60.6%	59.2%	58.0%	55.7%	56.1%	56.2%	55.2%	53.6%	50.6%	49.4%
LOCAL PROP. TAX	22.6%	21.8%	21.9%	25.5%	24.8%	26.5%	26.1%	26.9%	29.1%	31.5%	33.2%	33.3%
FEDERAL FUNDS	4.8%	5.0%	4.3%	5.4%	7.5%	8.1%	7.2%	6.7%	6.7%	7.3%	9.0%	9.2%
OTHER LOC. FUNDS	6.8%	6.7%	6.6%	6.5%	6.1%	6.0%	6.3%	6.0%	5.8%	5.1%	4.3%	4.7%
REAL EST. TR. TAX	3.7%	3.5%	3.6%	3.4%	3.6%	3.7%	4.3%	4.2%	3.2%	2.5%	2.7%	3.4%

Source: Statistical information supplied by the Superintendent of Public Instruction.

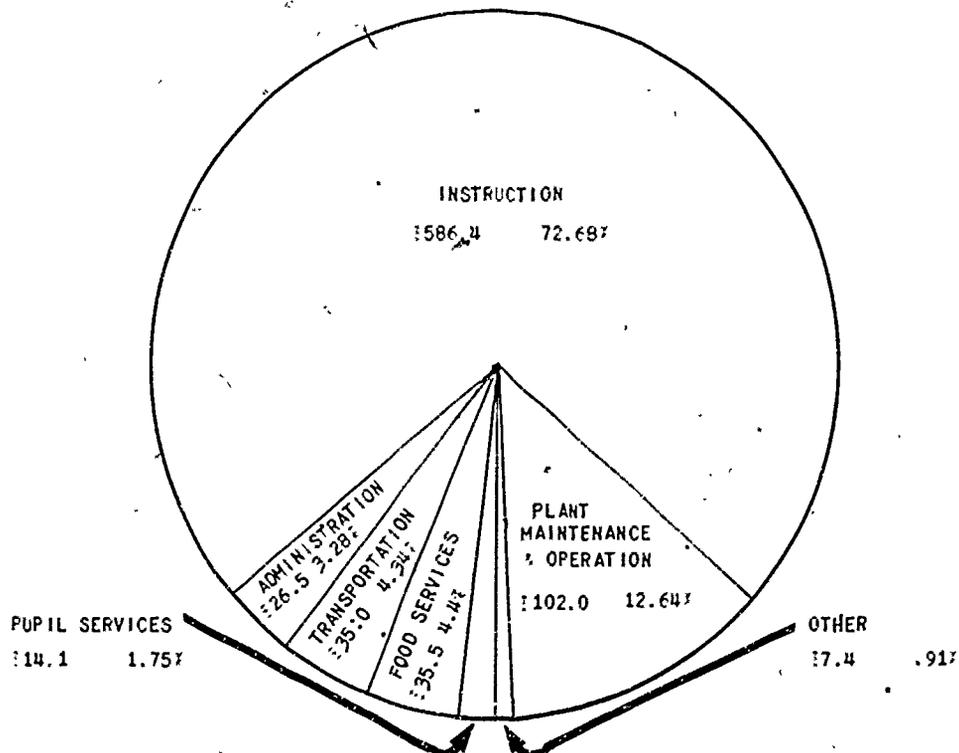
1972-73
 SCHOOL DISTRICT
 GENERAL FUND REVENUES
 (in Million \$)

Figure 9



1972-73
 SCHOOL DISTRICT
 GENERAL FUND EXPENDITURES
 (in Million \$)

Figure 10



CHAPTER V

OPERATING REVENUES FOR LOCAL DISTRICTS

There are a number of local sources of revenues available to school districts for operating costs. Some of these funds are included in the state equalization formula; other local revenues are totally available to districts and not subject to state equalization.

The following paragraphs describe the application of the equalization formula. The funds included in the distribution formula are identified on page 33, item B, of Form F-204, and are described below.

PER-PUPIL SUPPORT LEVEL

Each biennium the State Legislature determines and appropriates the amount which may be allocated to school districts to finance operational costs. The legislative appropriation, more than any other single action, establishes the level of services provided by local school districts.

The appropriated funds are distributed to districts in such a way as to guarantee an equal dollar amount per "weighted" student enrolled.

In order to determine the weighted enrollment, the enrollment in kindergarten is multiplied by .5. To this is added the enrollment in grades 1-12 and a calculation of full-time equivalency for pupils attending part-time from private schools. The figure thus derived constitutes the total base enrollment expressed in full-time equivalents. The total base enrollment is converted to weighted pupils by using the following factors if appropriate to a given district:

1. Student hours in approved vocational classes times .2.
2. Base enrollment is multiplied by a staff characteristic factor which depends on the average professional preparation and experience of the certificated staff in each district.
3. A weighting of .25 is added to the base enrollment for pupils who reside on state property or are enrolled from tax-exempt homes or institutions.
4. Remote and necessary elementary schools enrolling fewer than 100 students receive weighted credit according to an approved schedule.
5. High schools enrolling fewer than 250 pupils receive an added weighting, also from an approved schedule.
6. A district receives an additional .1 weighting for each identified culturally disadvantaged child (those eligible for free or reduced price school lunches) enrolled in an approved program.
7. A district receives an additional .25 weighting for each pupil enrolled in an approved interdistrict cooperation program.

The total base enrollment plus the various applicable weighting factors equal the weighted enrollment. For the 1973-74 school year, an estimated statewide base enrollment of 757,190 will generate a weighted enrollment of approximately 1,19,131 when the various weighting factors are applied.

About 90% of the total weighting is derived from the staff weighting factor. Figure 11, page 39, shows the staff weighting factors currently in use. State-wide the current average staff weighting factor is .553.

A district's guaranteed support is established through multiplying the district's total weighted enrollment by a dollar guarantee per weighted student. This dollar guarantee per weighted student depends upon the legislative appropriation for apportionment and the statewide amount of local revenue specified for equalization available for the year. The dollar amount of the per weighted pupil guarantee is specified by the Superintendent of Public Instruction. For the 1973-74 school year, the guarantee was set at \$386. For 1974-75 the per-weighted-pupil guarantee is expected to be \$392.

The per-weighted-pupil guarantee is just what the term implies. It is not a flat grant from the State. It is rather a guarantee that at least \$392 (or such sum as may apply for a given year) will be available from a combination of state and local sources.

The method of calculating the local district's contributions to the per-weighted-pupil support is shown on page 33, item B of Form F-204, which is found in the back of this booklet. The remaining amount constitutes the State's share of the per-pupil guarantee. All or part of the moneys received by a district from these sources are used in calculating the district's share of the per-pupil guarantee. Please note the significant changes in the percentage of these revenues used in this calculation beginning January 1975. Because of these changes, the F-204 form will be changed for the 1975-76 year.

FUNDS INCLUDED IN THE FORMULA

PROPERTY TAX

A statement regarding property tax and its relationship to the equalization formula appears on page 11.

STATE FUNDS FUND-

Revenue derived from the lease of state forest land or from the sale of timber from these lands is divided on a 25/75% basis between the forest development fund and the county in which the land is located. The county share is distributed to the taxing districts within the county on the same basis as property taxes are distributed.

IN LIEU OF TAXES

State law permits tax-exempt municipal corporations to enter into agreements with school districts to make payment to these districts in compensation for loss of taxes.

REAL ESTATE EXCISE TAX

The statutes provide for the collection by the county of a 1% excise tax on all real estate transactions within the county. The 1% real estate excise tax is distributed to school districts within a county on the basis of weighted enrollment.

PUBLIC UTILITY DISTRICT REVENUE

Statutes require that 35% of the county receipts be distributed to school districts of the county involved. These moneys may be placed into the General Fund by the local board and treated as local property revenue, or placed in the district building fund.

This total figure currently amounts to approximately \$1,750,000 annually.

Public utility districts may also make voluntary grants to school districts.

FEDERAL FOREST FUNDS

Current statutes require county commissioners to distribute the proceeds from national forest receipts between schools and roads in their counties. The division between schools and roads is legally specified at not less than 50% for the schools, based on weighted enrollment.

In 1972-73, these amounted to \$4,583,000. The amount of such funds varies greatly from year to year, depending upon the activities in the federal forest lands across the State.

EXCISE TAX ON TRAVEL TRAILERS AND CAMPERS

An excise tax of 1% is collected from all travel trailers and campers. Districts in which these vehicles are located receive 70% of this tax.

TIMBER EXCISE TAX

An explanation of the timber excise tax may be found on pages 15 and 17.

REVENUES OUTSIDE THE STATE FORMULA

The following special purpose grants have no effect on the amount of basic state aid provided to a school district:

LEGISLATIVE APPROPRIATION OF APRIL 1974

The Legislature in April 1974 appropriated \$25,000,000 to be allocated to certain school districts on a per-student-enrolled basis. Districts may qualify for these funds by meeting one of the following three criteria: 1) the district passed a special levy for 1975 collection; 2) the district tried to pass a special levy for 1975, but failed to pass the levy in two trials; 3) the district's cost per pupil, exclusive of transportation, was below the state average for the 1973-74 school year. It is anticipated that districts qualifying for these funds will receive \$33 for each full-time enrolled student.

SALARY IMPROVEMENT FUNDS

Historically the Legislature has frequently appropriated funds for pay increases for certificated and classified employees of local school districts.

These increases have followed several patterns. Some have been included in the basic guarantee per weighted student. Others have been granted over and above the basic guarantee. Some have combined both methods--that is, those districts that did not receive enough through the equalization formula to pay the mandated raise were given additional grants outside the formula. It has been a common practice to allocate money for pay raises outside the formula, then at a subsequent date appropriate money to maintain the pay raises through the formula.

Most of the pay raises mandated by the Legislature have been percentage raises although some have been flat dollar amounts. Recently money in varying amounts has been allocated to school districts in an attempt to lessen discrepancies between salaries paid school district classified employees and those paid workers in other state agencies and private business.

At the present time all salary increase money granted by the previous Legislatures has been incorporated into the formula guarantee per weighted student with two exceptions. The 1973 Legislature mandated a \$40 per month per full-time equivalent classified employee. Some districts do not receive sufficient money to maintain these raises; they are given additional money outside the formula. Also, the money for equalization of classified employees' salaries is distributed completely outside the formula.

EMPLOYEE INSURANCE BENEFITS

If a district pays \$5 per month toward approved insurance benefits for its employees, it is eligible for up to \$15 per month per employee of state funds for employee insurance, depending upon the type of insurance provided.

PUPIL TRANSPORTATION

The state support for the operation of the pupil transportation program is computed essentially on the basis of approved routes, driving time, servicing costs and insurance. The acquisition of approved transportation equipment is also supported with state funds.

The State reimburses up to 90% of the actual maintenance and operation costs on approved routes based on the state averages of the second prior year. Until 1973-74, the 90% level has been attained. The drop to an approximate 78% share was directly due to inadequate appropriations, inflationary costs, energy crisis, and expanded services associated with implementing the "Education for All" legislation. At the same time the support for equipment acquisition has been maintained at 90%. Because of a supplemental appropriation made by the Legislature (April 1974), it is anticipated that state support for transportation will approximate 90% in 1974-75. For either operations or capital outlay purposes, the costs above the state support level becomes a local tax burden. Commencing in January 1975--unless changes are made in either state funding levels or in local school district property tax authority--this cost will require excess levies in most districts operating transportation programs.

PROGRAMS FOR THE HANDICAPPED

The Legislature provides, through separate appropriations, moneys for helping districts meet the excess or above-average costs involved in providing educational services for this group of students.

These excess costs and the extent of state reimbursement for them are determined by application of specific staffing ratios by disabilities as related to programs in individual districts. For 1972-73 the excess cost funds covered 91% of the total approved handicapped program costs. It is the intent of the funding plan to fund those cost elements that are most ascribable, in a priority ranking, for providing the needed educational services for the handicapped children.

TRAFFIC SAFETY EDUCATION

A portion of the fines levied for moving traffic violations and bail forfeitures are placed in the Traffic Safety Education Account. Reimbursement is made to school districts from this account for up to 75% of the statewide per-pupil costs of traffic safety education instruction.

SECONDARY VOCATIONAL PROGRAMS

Categorically designated federal assistance is also available for the operation of approved vocational programs. These funds usually supplement state and local funds which are regularly distributed for the same service.

The allocations follow the provisions of specific state plans which are consistent with the requirements of the congressional act providing them.

VOCATIONAL-TECHNICAL INSTITUTES

Five school districts maintain vocational-technical institutes. Within annually reviewed enrollment allocations, an allotted sum is allowed for each full-time equivalent student in attendance.

SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

The National School Lunch Program is operated to provide a low-cost, nutritious lunch to school children. It is a cooperative enterprise of federal, state and local agencies. During the 1972-73 school year, the federal subsidy provided 30% of the total cost of \$35,529,715. This included \$9,731,565 for school lunch reimbursement.

The federal payment for the Special Milk Program in the same year was \$1,021,326. This enabled children to buy milk at a reduced price.

State funds totalling \$1,736,500 were provided in 1972-73.

The largest item of income to support the School Lunch and Special Milk Programs is sales to children. Local school districts make up the deficit if the children's payments, state funds and federal subsidy do not cover costs. The difference for 1972-73 was \$2.5 million.

URBAN, RURAL, RACIAL DISADVANTAGED PROGRAMS

School districts may apply for funds to operate special programs designed to meet these needs.

PUBLIC LAW 874 FUNDS

Approximately \$14,558,189 annually is currently being provided by federal appropriation to qualified districts serving children who either reside on federal property or reside with parents employed on federal property. Applications are made to the federal government with payment being made on the basis of \$472.56 for each child in full attendance connected both by residence and employment with federal property and \$148.85 for each child in full attendance connected by either residence or employment of parents. These figures apply to the 1973-74 school year.

Receipt of these funds by a school district does not reduce the amount of guaranteed state aid as of July 1, 1971.

ELEMENTARY AND SECONDARY EDUCATION ACT GRANTS

Under the Elementary and Secondary Education Act of 1965 (ESEA), \$24,227,309 was appropriated and disbursed to Washington schools during 1973-74 for the purpose of meeting the educational needs of certain educationally disadvantaged children, particularly those of low-income families residing in each community. Other needs met with the use of this money include acquisition and use of library resources, and the strengthening and improvement of programs for handicapped children. Some of the grant money can be used to establish and maintain, for a period of time, supplemental centers and services. Programs which are deemed to be innovative and exemplary as approved by the U. S. Office of Education, with recommendations by the Superintendent of Public Instruction, are funded from this source.

NATIONAL DEFENSE EDUCATION ACT GRANTS

Approximately \$408,000 annually comes to schools from the National Defense Education Act grants. The purpose of these grants is to improve elementary and secondary school instruction in specific subject matter areas.

OTHER FUNDS FROM FEDERAL SOURCES

Funds from miscellaneous sources also flow through the office of the Superintendent of Public Instruction to various school districts. Some \$1,237,978 is made available annually to selected school districts which serve substantial numbers of Indian children from Indian reservations or Indian allotment lands to assist them in meeting urgent needs not otherwise met. Districts having substantial numbers of older youth and adults who have not completed their basic education--high school level--can qualify for some assistance in establishing programs in this area, amounting to \$1,074,134 under the Adult Basic Education Act.

NON-HIGH DISTRICT PARTICIPATION

Non-high districts having secondary students enrolled in other districts are required to reimburse the district in which these students are enrolled. The amount of reimbursement is calculated by determining the amount of secondary weighted per-pupil costs provided by local funds. This amount is multiplied by the number of secondary weighted pupils from the non-high districts. Public law 874 receipts for non-high secondary pupils are deducted to determine the net amount due the high school district.

CHAPTER VI

SCHOOL DISTRICT BUDGETS

School Boards are required by law to prepare annual detailed budgets setting forth estimated receipts and expenditures. The Superintendent of Public Instruction promulgates rules and regulations for the planning, execution, and approval of the budgets. Once finalized, the budget limits the expenditures (including the incurring of liabilities) within a school district.

A preliminary budget is proposed before the end of a fiscal year for the ensuing year. A final budget is prepared after the end of a fiscal year that compares actual receipts and expenditures for the two previous fiscal years to the ensuing year estimates. The fiscal year extends from July 1 of a calendar year to June 30 of the following calendar year.

Recent legislation allows any school district to submit a request to the Superintendent of Public Instruction for authority to stipulate that the preliminary budget of such district shall become in fact the final budget thereof, such procedure being subject to rules and regulations as promulgated by the Superintendent of Public Instruction in accordance with Chapter 34.04 RCW, the administrative procedure act.

Final enactment of the budget for first-class school districts is made at a meeting of the Board of Directors on or before the first Monday in October. For second- and third-class districts, the budget is sent to the intermediate school district for review and possible revision by the Final Budget Review Committee as shown in the following budget calendar.

Following the budget calendar are two pages from the school district's final budget document. The first shows the summary of the General Fund budget, both revenues and expenditures. The second page shows the breakdown of expenditures by program.

Following these pages are copies of Forms F-203 and F-204 for use by districts in calculating the state share of the per-pupil guarantee.

TIME SCHEDULE FOR PRELIMINARY BUDGET PROCESS

Following is the time schedule for preparation of the preliminary budget for the common school districts as required by statute:

ON OR BEFORE DATE	FIRST-CLASS DISTRICTS	SECOND- AND THIRD-CLASS DISTRICTS
May 10	Final date for district board of directors to prepare preliminary budget. Immediately thereafter publish notice of the completion of the preliminary budget (once each week for two consecutive weeks), and date, time and place of public hearing.	Same as first-class.
2 weeks preceding public hearing	Copies of preliminary budget made available to taxpayers.	Same as first-class.
June 1	Final date for board of directors in public hearing to fix and adopt the preliminary budget. (The maximum time for this hearing is two days.)	Same as first-class.
Conclusion of hearing	Board of directors' resolution to adopt preliminary budget.	Same as first-class.
Within 5 days after adoption		Forward 5 copies of the preliminary budget to the intermediate school district superintendent for review, alteration, and approval by the Preliminary Budget Review Committee.
Within 10 days after adoption	File copies of the budget with the intermediate school district superintendent, the Superintendent of Public Instruction, and the county auditor.	
June 30		Final date for approval by the Preliminary Budget Review Committee.
Within 10 days after adoption		File copy of budget with the intermediate school district superintendent, the Superintendent of Public Instruction, and the county auditor.

TIME SCHEDULE FOR FINAL BUDGET PROCESS

Following is the time schedule for preparation of the final budget for the common school districts as required by statute:

DATE	FIRST-CLASS DISTRICTS	SECOND- AND THIRD-CLASS DISTRICTS
September--2 weeks preceding public hearing	Final date to commence public notice (per RCW 28A.65.070) for meeting of board of directors to revise preliminary budget.	Final date to commence public notice (per RCW 28A.65.070) for meeting of board of directors to revise preliminary budget.
September 15	Final date for board of directors to petition Superintendent of Public Instruction in writing for permission to budget receivables collectible in future years.	Same as first-class.
September 25		Final date for board of directors to convene in public meeting for purpose of revising preliminary budget.
September 25		Final date for local school districts to submit revised budget to intermediate school district for review and approval by Final Budget Review Committee.
September 30		Final date for final Budget Review Committee to fix and determine budget for local school districts.
1st Monday in October	Final date for certification and filing of final budgets for the local school districts.	Same as first-class.

SUMMARY OF GENERAL FUND BUDGET

(Whole dollars only)

	Actual 1972-73	Budget 1973-74	Budget 1974-75
<u>BEGINNING CASH AND INVESTMENT BALANCE</u>			
Cash on Hand, July 1	_____	_____	_____
Treasurer's Balance, July 1	_____	_____	_____
Plus: Investment Balance, July 1	_____	_____	_____
Sub-Total--Cash & Invest. Bal., July 1	_____	_____	_____
Less: Warrants Outstanding, July 1	(_____)	(_____)	(_____)
Less: Wrnts. Iss., July 1-20, for prev. yr.	(_____)	(_____)	(_____)
A. Total <u>BEGINNING NET CASH & INVESTMENTS</u>	(A)	1/	
<u>REVENUES</u>			
4 1000 Local Taxes	_____	_____	_____
2000 County Administered Funds	_____	_____	_____
3000 State Funds	_____	_____	_____
4000 Federal Funds	_____	_____	_____
5000 Local Non-Tax Revenue	_____	_____	_____
6000 Local Reimbursements	_____	_____	_____
7000 Federal Reimbursements	_____	_____	_____
8000 Payments from Other Districts	_____	_____	_____
9000 Permanent Transfers In	_____	_____	_____
B. Total <u>REVENUES</u>	(B)		
C. Total CASH, INVESTMENTS & REVENUES (A+B)			
<u>EXPENDITURES</u>			
10 Administration	_____	_____	_____
20 Instruction	_____	_____	_____
40 Food Services	_____	_____	_____
50 Pupil Transportation	_____	_____	_____
60 Maintenance and Operation	_____	_____	_____
70 Other Services	_____	_____	_____
80 Interest Expense	_____	_____	_____
D. Total <u>EXPENDITURES</u>	(D)		
E. Add or (deduct) Adjustments (p. 10)			
Add or (deduct) Other Adjustments	_____	_____	_____
F. Total <u>DISBURSEMENTS</u>	(D+E)		
G. <u>ENDING NET CASH AND INVESTMENTS</u>	(C-F)	1/	2/
<u>ANALYSIS OF ENDING NET CASH AND INVESTMENTS</u>			
Cash Reserved for Transportation Equipment (see schedule p. 8)	_____	_____	_____
Other Restricted Cash	_____	_____	_____
Unrestricted Cash Balance	_____	_____	_____
<u>ENDING NET CASH AND INVESTMENTS</u>		1/	

1/ Must agree

2/ Line G must be equal to or greater than Cash Reserved for Transportation Equipment (Item II D, page 8).

EXPENDITURE BY PROGRAM

(Whole dollars only)

<u>Account</u>	<u>Actual 1972-73</u>	<u>Budget 1973-74</u>	<u>Budget 1974-75</u>
<u>Educational Programs</u>			
00 Basic Education	_____	_____	_____
21 Handicapped - District Operated	_____	_____	_____
29 Handicapped - Education by Another District	_____	_____	_____
30 Vocational Education - Secondary	_____	_____	_____
41 Traffic Safety	_____	_____	_____
42 Urban, Rural, Racial & Disadvantaged	_____	_____	_____
44 Culturally Disadvantaged	_____	_____	_____
46 State Institutions	_____	_____	_____
47 Vocational-Technical	_____	_____	_____
48 Adult Education	_____	_____	_____
49 Other	_____	_____	_____
51 ESEA, Public Law 89-10, Title I	_____	_____	_____
55 ESEA, Public Law 89-10, Title II	_____	_____	_____
57 ESEA, Public Law 89-10, Title III	_____	_____	_____
59 ESEA, Public Law 89-10, Title IV	_____	_____	_____
61 Head Start	_____	_____	_____
62 Neighborhood Youth Corps	_____	_____	_____
63 Adult Basic Education	_____	_____	_____
64 Manpower Development & Training Act	_____	_____	_____
65 Public Law 864-NDEA, Title III	_____	_____	_____
66 Vocational Education	_____	_____	_____
67 Indian Education	_____	_____	_____
68 Federal Projects (Used to identify expenditures of other accountable Federal Funds not specifically identified above)	_____	_____	_____
81 Special Accountable Projects Funded by Foundation and Other Non-Governmental Sources	_____	_____	_____
83 Summer School	_____	_____	_____
85 Community Services	_____	_____	_____
86 Other	_____	_____	_____
<u>Supportive Services Programs</u>			
97 General	_____	_____	_____
98 Food Services	_____	_____	_____
99 Pupil Transportation	_____	_____	_____
Total <u>EXPENDITURES</u> (Line D, p. 4)	=====	=====	=====

State of Washington
SUPERINTENDENT OF PUBLIC INSTRUCTION
Olympia

WORKSHEET FOR ESTIMATING AVERAGE ENROLLMENT (CONVERTED TO FULL-TIME EQUIVALENTS)
AND COMPUTED WEIGHTED ENROLLMENT FOR 1974-75 SCHOOL YEAR

DISTRICT _____ NO. _____ COUNTY _____

APPROVED PROGRAMS

ESTIMATED ENROLLMENT

- 1. Kindergarten (Incl. H/C) FTE _____ X .5..... _____
- 2. Grades 1-6 (Incl. H/C) FTE..... _____
- 3. Grades 7-12 (Incl. H/C) FTE..... _____

Pupils Attending Part-time From Private Schools:

- 4. Grades 1-6 Number of class hours _____ + 1080 = _____
- 5. Grades 7-12 Number of class hours _____ + 1080 = _____

6. TOTAL BASE ENROLLMENT..... _____

COMPUTATION OF ENROLLMENT WEIGHTINGS

A. For Approved Vocational Classes:

- 1. Total Annual Public School Pupils
Hours Enrolled _____ ÷ 180 = _____ FTE Pupils X .2.... _____
- 2. Total Annual Private School Pupils
Hours Enrolled _____ ÷ 180 = _____ FTE Pupils X .2.... _____

B. Staff Experience and Professional Preparation: (See Table A)

Average Weighting Factor _____ X Line 6..... _____

C. Number of Pupils who reside on property of state, etc., (at least 3% of enrollment) and/or pupils enrolled from tax exempt homes or institutions [See RCW 28A.41.140 (6) (b) & (c)] _____ X .25..... _____

D. For "Remote and Necessary" Elementary Districts and "Remote and Necessary" Schools Within a District: (See Table B)

Weighting Factor _____ X No. of Pupils _____ = _____

E. For Small High Schools: (See Table C)

Weighting Factor _____ X No. of Pupils _____ = _____

F. For Culturally Disadvantaged Pupils: (Requires Program Approval)

Number of Identified Pupils _____ X .1..... _____

G. Interdistrict Cooperation: (Requires Program Approval)

Number of FTE Pupils Enrolled _____ X .25..... _____

H. TOTAL WEIGHTED ENROLLMENT (Item 6 plus A through G)..... _____

State of Washington
SUPERINTENDENT OF PUBLIC INSTRUCTION
Olympia

COMPUTATION OF ESTIMATED LEVEL OF PER-PUPIL SUPPORT
FROM LOCAL AND/OR STATE FUNDS FOR THE 1974-75 SCHOOL YEAR

DISTRICT _____ NO. _____ COUNTY _____

A. Total weighted pupils (Item H, F-203) _____ X \$392.00.....\$ _____

B. Less receipts from sources other than state funds:

1. 1974 tax receipts computed on Page 2.....\$ _____

2. Less 1973-74 revaluation charges.....\$(_____)

3. 1974-75 receipts from State Forest Funds:

a. \$ _____ X 50% X 90% (July-Dec. 1974) \$ _____

b. \$ _____ X 50% X 100% (Jan.-June 1975) \$ _____

4. 1974-75 receipts from in-lieu-of-taxes:

a. \$ _____ X 90% (July-Dec. 1974).....\$ _____

b. \$ _____ X 100% (Jan.-June 1975).....\$ _____

5. 1974-75 receipts from 1% Real Estate Excise Tax..\$ _____

6. 1974-75 receipts from P.U.D. Excise Tax:

a. \$ _____ X 90% (July-Dec. 1974).....\$ _____

b. \$ _____ X 100% (Jan.-June 1975).....\$ _____

7. 1974-75 receipts from Federal Forest Funds:

\$ _____ X 90%.....\$ _____

8. 1974-75 receipts from Excise Tax on
Travel Trailers and Campers:

a. \$ _____ X 90% (July-Dec. 1974).....\$ _____

b. \$ _____ X 100% (Jan.-June 1975).....\$ _____

9. 1974-75 receipts from Timber Excise Tax:

\$ _____ X 90% (July-Dec. 1974).....\$ _____

TOTAL OF ITEMS B-1 THROUGH B-9.....\$ _____

C. Allotment from state funds per-pupil support level (A minus B).....\$ _____

Plus additional \$40 salary increase (See April 1974 Report 1191).....\$ _____

Total allotment from state funds (C + D).....\$ _____

1974-75 REVENUE WORKSHEET

FOR COMPUTATION OF ESTIMATED TAX RECEIPTS FOR FORMULA USE TO BE SHOWN ON LINE B-1 OF
FORM F-204, Page 1

FOR ALL SCHOOL DISTRICTS:

Tax receipts collectible in second half of 1974 computed
from adjusted valuation for 1974 tax collection year:

(Adj. Val.) \$ _____
x .003096 (8 Mills X 90% X 43%).....\$ _____

FOR COMPUTATION OF ADJUSTED VALUATION FOR 1974:

1974 Assessed Valuation x $\frac{50\%}{\text{county ratio}}$ = Adjusted Valuation

1974 \$ _____ x _____ = \$ _____
Assessed Valuation Adjusted Valuation

NOTE. Assessed valuations used in this computation should include 45% of the
Timber Roll.

WORKSHEET FOR DETERMINING IF LOCAL SCHOOL DISTRICTS WILL COME UNDER
THE GRANDFATHER PROVISIONS AS STATED IN H.B. 189 FOR 1974-75

<u>REVENUE ACCOUNTS</u>		<u>ACTUAL</u> <u>1971-72 (1)</u>	<u>ACTUAL</u> <u>1972-73 (1)</u>	<u>ESTIMATE</u> <u>1973-74 (1)</u>	<u>ESTIMATE</u> <u>1974-75 (2)</u>
1030 (3)	Property Tax	\$ _____	\$ _____	\$ _____	\$ _____
1040 (3)	Property Tax	_____	_____	_____	_____
2010	Real Estate Excise Tax	_____	_____	_____	_____
2040	In lieu of Taxes	_____	_____	_____	_____
3010	Regular K-12 Program	_____	_____	_____	_____
3070	State Property Tax	_____	_____	_____	XXXXX
3090	P.U.D. Excise Tax	_____	_____	_____	_____
3120	State Forest Funds	_____	_____	_____	_____
3130	Salary Increase	_____	_____	_____	XXXXX
3131	Class. \$40 Sal. Increase	XXXXX	_____	_____	XXXXX
3132	Class. Sal. Equal. Allot.	XXXXX	XXXXX	_____	_____
3150	Travel Trailer/Camper Tax	_____	_____	_____	_____
3170 (3)	Timber Excise Tax	XXXXX	_____	_____	_____
4040	Federal Forest Funds	_____	_____	_____	_____
4150	In lieu of Taxes	_____	_____	_____	_____
(A)	TOTAL REVENUES	\$ _____	\$ _____	\$ _____	\$ _____
(B)	Average Annual FTE's	_____	_____	_____	_____
(C)	Revenue Per FTE (A) + (B)	_____	_____	_____	_____
		(C.1)	(C.2)	(C.3)	(C.4)
(D)	Average Revenue Per FTE for 1971-72, 1972-73, 1973-74, [(C.1 + C.2 + C.3) ÷ 3]	\$ _____			
(E)	Average Revenue Per FTE X 95% [(D) X .95]	\$ _____			

If (E), Average Revenue Per FTE times 95%, is less than (C.4), 1974-75 Revenue Per FTE, the grandfather provisions do not apply for 1974-75.

If (E) is greater than (C.4) for 1974-75 the estimated grandfather funds can be computed as follows:

(F)	Average Revenue Per FTE X 95% (E) <u>Less</u> 1974-75 Revenue Per FTE (C.4)	=	\$ _____
(G)	Grandfather Funds = (F) X 1974-75 Average Annual FTE's	=	\$ _____
(H)	Computation of Maximum Grandfather Funds		
1.	1974-75 Total Revenues (Line (A))	=	\$ _____
2.	1973-74 Total Revenue less July 1973 State Property Tax Receipts	=	\$ _____
3.	Maximum Grandfather Funds (H.2 - H.1)	=	\$ _____
(I)	Grandfather Funds (Lesser of H.3 or G)	=	\$ _____

NOTE:

- (1) Revenues for 1971-72, 1972-73, and 1973-74 should include General Fund receipts only for all accounts.
- (2) Revenues for 1974-75 should include General Fund, Building Fund and Bond Interest and Redemption Fund receipts for Accounts 3090 and 4040. Revenue Accounts 1030, 1040, and 3170 for 1974-75 should include any revenue transferred pursuant to RCW 28A.65.060 to the Building or Bond Interest and Redemption Funds. Accounts 2010, 2040, 3010, 3120, 3132, 3150, and 4150 should include General Fund receipts only.
- (3) Revenue Accounts 1030, 1040, and 3170 should exclude any revenue attributable to special excess levies for 1971-72, 1972-73, 1973-74, and 1974-75. The levy amounts and collection percentages in Bulletins Nos. 30-72 and 42-73 may be referred to in segregating special levy revenue from that of the regular levy. Nonhigh district contributions to the nonhigh fund should be included in Accounts 1030, 1040, and 3070 for 1971-72, 1972-73, and 1973-74 in determining if the grandfather provisions apply.

REFERENCE: EHB 1420, as passed by the 43rd Legislature, 3rd Extraordinary Session, states in part:

. the minimum guarantee of state and local funds to school districts for the 1974-75 school year shall be the lesser of the following amounts: ninety-five percent of the average amount per enrolled student, excluding special levies, which a district realized from state and local funds during the preceding three school years; or the total amount of money received from state and local funds, excluding special levies and the July 1973 distribution of state collected 2-mill revenue to schools, during the 1973-74 school year.

1974-75 REVENUE WORKSHEET

A. Estimated revenue for REGULAR APPORTIONMENT (Account 3010)

1. Page 1, Item E \$ _____ X 87.2% =\$ _____
2. Estimated 1973-74 Allotment X 17%.....\$ _____
3. Estimated Grandfather Allotment, Page 3, Item I..\$ _____
4. Estimate of revenue for Account 3010 \$ _____

B. Estimated revenue for TRANSPORTATION OPERATION (Account 3020)

1. Estimated Transportation Operation
for 1974-75 \$ _____ X 83% X 90% =\$ _____
2. Estimated 1973-74 Allotment X 17%.....\$ _____
3. Account 3020 for 1974-75.....\$ _____

C. Estimated revenue for TRANSPORTATION DEPRECIATION (Account 3021)

1. Estimated School Bus Depreciation
for 1974-75 \$ _____ X 83% X 90%.....\$ _____
2. Estimated 1973-74 Allotment X 17%.....\$ _____
3. Account 3021 for 1974-75.....\$ _____

D. Estimated revenue for HANDICAPPED (Account 3030)

1. Estimated Handicapped Allotment
for 1974-75 \$ _____ X 83% =\$ _____
2. Estimated 1973-74 Allotment X 17%.....\$ _____
3. Account 3030 for 1974-75.....\$ _____

E. Estimated revenue for TRAFFIC SAFETY EDUCATION (Account 3080)

1. Estimated Completing Students
in 1974-75 _____ X \$68 X 90%.....\$ _____
2. Account 3080 for 1974-75.....\$ _____

F. Estimated revenue for CLASSIFIED SALARY EQUALIZATION ALLOTMENT (Account 3132)

1. Monthly Allotment \$ _____ X 12 Months =\$ _____

1974-75 REVENUE WORKSHEET

(Continued)

G. Estimated revenue for EMPLOYEE HEALTH BENEFITS (Account 3140)

- 1. Employee Health Benefits for 1974-75 at 100%.....\$ _____
- 2. Account 3140 for 1974-75.....\$ _____

H. Estimated revenue for TRAVEL TRAILER & CAMPER EXCISE TAX (Account 3150)

- 1. Travel Trailer & Camper Excise Tax
for 1974-75 at 100%.....\$ _____
- 2. Account 3150 for 1974-75.....\$ _____

I. Estimated revenue for SCHOOL FOOD SERVICES REIMBURSEMENT (Account 3160)

- 1. Estimated Number of 1974-75 FTE
Lunchroom Employees (2,080 hours) _____ X \$430 = \$ _____
- 2. Estimated Number of 1974-75
Type A Lunches Served _____ X .0189 =\$ _____
- 3. Account 3160 for 1974-75.....\$ _____

J. Estimated revenue per S.S.B. 3253, Sec. 33 (Account 3253)

- 1. Total Base Enrollment (Line 6, F-203) _____ X \$33.....\$ _____

Districts must fall into one of the following categories to qualify for funds under S.S.B. 3253, Sec. 33:

- a. Must levy an excess levy for maintenance and operation purposes for 1975 collection.
:OR:
- b. Must have conducted the maximum number of elections (2) pursuant to law for maintenance and operation excess levies for 1975 collection.
:OR:
- c. Must have a net per pupil cost excluding transportation less than the state average in 1973-74.

State of Washington
SUPERINTENDENT OF PUBLIC INSTRUCTION
O.W.S.P.I.A.

PLACEMENT OF CERTIFICATED PERSONNEL ON REVISED PAY DIFFERENTIAL TABLE 1/

YEARS OF EXPERIENCE	IF CERTIFICATE IS: (CLASS I)		IF CERTIFICATE IS: (CLASS II)		IF CERTIFICATE IS: (CLASS III)		AND DEGREE LEVEL IS:			
	Preparation Level (1)	Holds No Degree (Unless Voc. Cert.) ^{2/}	Bachelor (or Voc. Cert.) ^{2/} + 45 ^{3/}	Bachelor + 90 ^{3/} Masters or Earned Doct.	Bachelor (for Voc. Cert.) ^{2/}	Bachelor + 45 ^{3/}	Bachelor + 90 ^{3/}	Masters ^{4/}	Earned Doctorate ^{5/}	
0	.08		.00	.08	.16	.05	.15	.25	.30	.35
1	.03		.05	.13	.21	.10	.20	.30	.35	.40
2	.02		.10	.18	.26	.15	.25	.35	.40	.45
3	.07		.15	.23	.31	.20	.30	.40	.45	.50
4	.12		.20	.28	.36	.25	.35	.45	.50	.55
5	.17		.25	.33	.41	.30	.40	.50	.55	.60
6			.30	.38	.46	.35	.45	.55	.60	.65
7			.35	.43	.51	.40	.50	.60	.65	.70
8			.40	.48	.56	.50	.60	.70	.75	.80
9			.45	.53	.61	.55	.65	.75	.80	.85
10			.58	.66	.74	.60	.70	.80	.85	.90
11				.7		.65	.75	.85	.90	.95
12							.80	.90	.95	1.00
13										

1/ Only certificated personnel holding valid certificates and employed 864 annual hours or more are to be used in the calculation of the pay differential weighting factor.
 2/ Vocational certification qualifies at bachelors degree level
 3/ + 45 and + 90 quarter hours college or university credit earned after award of bachelors degree. A semester hour equals 1-1/2 quarter hours.