

2018 Post-session FAQs

Compensation

1. What is the official percentage which limits pay increases for the 2018-19 school year? *Answer: The Consumer Price Index (CPI) applies to LEA, levy limits, and **average total salary limit in 2018-19**. These are based on calendar year values as follows for SY 2018-19 (CY 2017) it is 3.1%; for SY 2019-20 (CY 2018) it is 3.1%; and for SY 2020-21 (CY 2019) it is 2.1%.*

Source:

For CY 2017, because there are actuals:

BLS CPI Historical Table – Seattle-Tacoma-Bellevue, WA

<https://www.bls.gov/regions/west/subjects.htm#tab-1>

Any version published Feb 2018 or later

Annual average column, 2017 Row

The Implicit Price Deflator (IPD) applies to salary allocations, minimum and maximum base salaries, and National Board Bonuses. Those factors are as follows for SY 2018-19 it is 1.9%; for SY 2019-20 it is 1.9%; and for 2020-21 it is 2.0%.

Sources:

ERFC February Economic Forecast, Fiscal Year Tables

<https://erfc.wa.gov/sites/default/files/public/documents/publications/feb18pub.pdf>

Table 2.1 US Implicit Price Deflator

FY 2019 on table 2.1 applies to SY 2018-19

2. Do the fifth year teachers have to be paid 10% more than a first year teacher? *Answer: Teachers with five years of experience must receive at least 10% more than a teacher with zero years of experience based on the statutory minimum salary for your district that is computed by applying the regionalization factor to the inflation-adjusted minimum salary.*
3. Does the \$40,000 minimum salary take effect in 2018-19 or do we have until 2019–20 to comply? *Answer: The minimum salary for 2018–19 is \$40,760 times the regionalization factor set for your district.*
4. If our starting salary is above the minimum, do the fifth year teachers have to be paid 10% above our starting salary, or the minimum required salary of \$40,000? *Answer: See response to Question 2.*
5. Does regionalization have to be passed through in the same way as COLAs? *Answer: The only requirement to pass through the regionalization factor applies to meeting the minimum required salaries for teachers with zero and five years of experience. The factor also applies to the maximum salary.*

6. Does the 4% experience mix factor get applied to all staff types or just certificated instructional staff? *Answer: The 4% experience mix factor applies to certificated instructional staff allocations only.*

7. Is the 4% experience mix factor for the 2019–20 school year only? *Answer: No, the 4% experience mix factor continues in law beyond the 2019–20 school year.*

8. Do the qualifying districts for the 4% regionalization factor get determined on an annual basis? *Answer: No. The 4% experience mix factor was calculated in March 2018 based on 2016–17 S-275 data and incorporated into the regionalization factor of eligible districts. The factors will be updated every four years.*

9. Can you explain how districts qualify for an increase in regionalization factors due to the smoothing policy in the supplemental budget? *Answer: Section 203 of E2SSB 6362 reads as follows: “School districts located west of the crest of the Cascade mountains which share a boundary with any school district with a regionalization factor more than one tercile higher, are regionalized by six additional percentage points.”*

Example: District A borders district B. District A regionalization factor is 1.00; and district B regionalization factor is 1.12. District A would qualify for an adjustment of the regionalization factor to 1.06.

10. If my district has three neighboring districts, and two of those have regionalization factors that are 6% higher, do we qualify for the smoothing factor? *Answer: No, see response to question 9 for more detail.*

11. Are the results of the regionalization factor smoothing policy available online? *Answer: Yes. Regionalization factors by school district can be found on the Legislative Evaluation and Accountability Program (LEAP) Committee webpage at www.leap.leg.wa.gov.*

12. What are the limiting factors on administrative salaries moving forward? *Answer: A revision to current law provides that the portion of local revenue of spent on administrator salaries that are attributable to enrichment cannot exceed 25% of total district expenditures on administrator salaries.*

13. Will there be OSPI guidance on a salary allocation model or are we on our own? *Answer: We have posted several examples on the Salary Grid Workgroup page, including six models developed by the workgroup and one developed by the agency. The grids at: <http://www.k12.wa.us/Workgroups/SalaryGrid.aspx>. The use of any of these grids is entirely voluntary. Districts are free to develop grids that meet their local needs.*

14. Will OSPI provide the statewide average salary allocations for each type of staff? *Answer: Yes.*

<u>Estimated Statewide Weighted Average Salary Allocation</u>			
School Year:	2018-19	2019-20	2020-21
Certificated Instructional Staff	\$71,711	\$73,283	\$74,568
Certificated Administrative Staff	\$106,473	\$108,498	\$110,397
Classified Staff	\$51,437	\$52,415	\$53,333

Prototypical School Formula

15. If we provide a K-3 class size of 17 in the 2018–19 school year, will we receive funding based on a class size of 17? *Answer: Yes. Since class size compliance is delayed until the 2019–20 school year, districts will receive a K-3 teacher allocation based on a class size of 17.00 regardless of how they staff for the 2018–19 school year.*
16. What are the correct running start rates for the 2018–19 school year? *Answer: The correct regular running start rate is \$8,135; and the correct vocational running start rate is \$9,032.*
17. Will “Library” be split from “Library and Other Supplies” in the MSOC allocation for the 2018–19 school year? *Answer: Yes, the allocation will be split into two categories. The total funding will not increase, however, so this has no impact on the per-pupil MSOC funding values.*
18. Does OSPI use the March enrollment for poverty measurements or is it the October enrollment? *Answer: High-poverty measurements are based students enrolled on October 1.*
19. Is eligibility for high-poverty funding based on school-level poverty or district-level poverty? *Answer: LAP high poverty funding eligibility is measured at the school building level. Regular LAP funding is still based on district-wide poverty data. In neither case do pre-kindergarten students count in the student population for poverty measurements.*
20. When will the final three-year average and the final prior year poverty data for LAP funding be posted? *Answer: This information is currently available on the following web page: <http://k12.wa.us/SAFS/default.asp>. It is titled ‘Final LAP CEDARS Poverty Percentages for the 2018-19 School Year’.*
21. Will the CTE indirect rate be 5% or the restricted federal rate for 2018-19? *Answer: The federal unrestricted rate established for each school district on an annual basis applies here. Restricted rates are used in federal programs with supplement not supplant rules. The unrestricted rate is calculated for use on programs without supplement-not-supplant limitations, such as state programs. The 2018–19 indirect rates for all district can be found at: S:\Apportionment\Sch Finance\IndirectRates-rg\1617 for 1819.*

Levies

22. What will with the enrollment basis be for the \$2,500 per pupil limitation? *Answer: The F-780 will be based on the August 2018 annual average full-time equivalent enrollment for the 2017-18 school year as submitted by school districts..*
23. Is the back-out of non-high enrollment only applicable for districts who serve non-high enrollment and are using the \$2,500 per pupil tax limit? *Answer: Yes, non-high enrollment is backed out of the enrollment for all high school districts that serve non-high school districts. This affects the levy capacity only for districts that are using the \$2,500 per pupil tax limit. Districts that are subject to the \$1.50 limit are not impacted because their levy limits are not based on enrollment.*
24. Are unfunded costs in the areas of food service, special education, and transportation allowable uses of enrichment levy funds? *Answer: Costs that are not funded by the state are allowable uses of enrichment levy funds.*
25. Does the \$2,500 per pupil levy limit also get increased by CPI for 2020 and beyond? *Answer: Yes.*
26. What assessed valuation will be the basis for the \$1.50 per \$1,000 limitation? *Answer: The F-780 will be based on projected 2018 assessed valuations. These values are the same as were used in the OSPI levy and local effort assistance projection tool. This will align the calendar year of assessed valuations to be the same as taxes levied for other taxing districts in the state such as cities and water districts.*
27. How do we ensure that changes between 2018 preliminary assessed valuations and final assessed valuations don't change the limitation of total max levy authority from \$1.50 per \$1,000 to \$2,500 per pupil or vice versa? *Answer: The final 2018 assessed valuations will be available to DOR in early 2019. OSPI will provide enrollment data and max levy authority based on the \$2,500 per pupil limitation to county assessors for comparison basis. It will be the county assessors that will make the final determination of which is the lesser of \$1.50 per \$1,000; \$2,500 per pupil; or the actual voter approved levy.*
28. Can I certify with my county more than what the \$1.50 per \$1,000 on the F-780 shows in anticipation for fluctuations between preliminary and final assessed valuations? *Answer: Since the final amount generated by the \$1.50 per \$1,000 will not be known until after the required November 30 certification date, districts may certify with their county an amount in excess of their F-780 if they wish to ensure maximum collections when final assessed valuations come in. Ultimately levy collections will be limited to the lesser of your actual voter approved levy, \$1.50 per \$1,000 of final 2018 assessed valuation, or \$2,500 per pupil. If your district's basis for levy limitation is \$2,500 per pupil, then there is no need to certify an amount in excess of the F-780 since there are no unknown variables in that scenario.*
29. Do I have to get pre-ballot approval from OSPI prior to submitting my levy to ballot? *Answer: Yes. Pre-ballot approval is required for all levies submitted to ballot in calendar year 2019 and beyond. The template for this approval is available on the OSPI EHB 2242 web page: <http://www.k12.wa.us/safs/INS/2242/2242.asp>.*

Miscellaneous

30. Does the law restrict early release or late start days? *Answer: No.*
31. Will school districts still be required to submit an S-275 personnel report? *Yes. Data collected in the S-275 is used for reasons other than calculating staff mix factors such as measuring the 46:1,000 certificated instructional staff ratio compliance, and collecting the National Board Certificate status of eligible employees. It will also be necessary for any further updates to determine eligibility for the 4% experience factor.*
32. Is there a four-year budget requirement? *Answer: Yes. Starting with the budgets for the 2018–19 school districts will have to provide a four-year budget summary. More guidance on this requirement will be available on the EHB 2242 Accounting Changes Website.*
33. Are all of the accounting changes required by EHB 2242 moved up to the 2018–19 school year, or just the sub-fund accounting? *Answer: For response, please refer to the joint letter issued by the Washington State Auditor's Office and the OSPI on this matter. The letter can be found on OSPI's website at the following link: <http://k12.wa.us/safs/EHB2242Changes.asp>.*
34. Are the NCES codes finalized as presented on the OSPI website, or can they still change? *Answer: The accounting manual must be adopted by rule. As a result, the codes could change in response to comments. However, the process of developing the codes involved input from numerous stakeholders over an almost two-year period, so we anticipate any changes that could arise to be minimal.*

35. Are we to assume that the unfunded special education costs are enrichment, and would be an allowable use of enrichment levy funds? *Answer: Costs that are not funded by the state are allowable uses of enrichment levy funds.*
36. Can staffing above the prototypical school model be charged to the sub-fund and be paid for with enrichment levy dollars? If so, how is that quantified? *Answer: Costs that are not funded by the state are allowable uses of enrichment levy funds.*
37. Can OSPI produce four-year pivot tables on a regular basis to assist with the four-year budget requirement? *Answer: OSPI will maintain and routinely update the multi-year projection tool.*

OSPI will not offer additional guidance on the legal framework or legislative intent about 2018–19 collective bargaining limitations found in RCW 28A.400.006 (applies to CAS salaries), and RCW 41.59.800 (applies to CIS and CLS salaries). A message regarding this matter from Superintendent Reykdal can be found on the following webpage: <http://k12.wa.us/SAFS/18budprp.asp>.

Consult your local legal counsel for these FAQs:

38. If a district staffs certificated administrators beyond the state allocation, is that 100% chargeable to enrichment levy dollars? How does this relate to the 25% maximum an administrator can be charged to enrichment?
39. Are classified administrators and certificated administrators pooled together when figuring the 25% limiting factor?
40. Is it correct that increases for TRI can be provided beyond CPI for the 2018-19 school year?
41. If our current contract was in place since 2015–16 and runs through 2018–19, can we continue with our current base/TRI agreements if they meet the \$40,000 minimum and \$90,000 maximum required under the new law?
42. If a district staffs certificated administrators beyond the state allocation, is that 100% chargeable to enrichment levy dollars? How does this relate to the 25% maximum an administrator can be charged to enrichment?
43. Does the \$40,000 minimum salary override the cap on the CPI increase?