

House of Representatives and Senate Operating Budget Comparisons

April 19, 2011

Budget Area	House Proposal	Senate Proposal
LOCAL FUNDING:		
Levy Equalization	Fully funded by House at \$ 612 million	Fully funded by Senate at \$ 612 million
Local levy authority	Unchanged – temporary 4% lid lift intact	Unchanged – temporary 4% lid lift intact
COMPENSATION:		
Salaries	Freezes all step increases, both lateral and vertical taking \$56 million from Teacher pay	Reduces state funding for all education salaries by 3% at a cost of \$ 261 million to educators
I-732 COLA	Suspended for next two years at a cost to educators of \$299 million for the 2011-13 biennium	Suspended for next four years at a cost to educators of \$290 million for the 2011-13 biennium
National Board Bonus	Retains annual bonuses, but moves payment to once per year in July, and pro-rates first year bonus payment saving the state \$61 million in 2011-13.	Retains annual bonuses, but moves payment to once per year in July, pro-rates first year bonus payment, and limits bonus payments to only three years saving the state \$75 million in 2011-13.
Health Benefits/State Takeover	Continues to fund health benefits at \$768 per month per member. Provides \$250,000 to state Health Care Authority to study imposition of state plan.	Continues to fund health benefits at \$768 per month per member. Includes \$1.9 million for OSPI to develop voluntary -at the start – statewide health benefit plan that leads to a full state takeover of K-12 health benefits. Language to enable the state to provide greater funds for statewide plan enrollees.
Pensions	Repeals (age 66) Uniform COLA provided to Plan 1 retirees and slightly increases Alternate Minimum benefit saving the state \$292.5 million in 2011-13	Repeals (age 66) Uniform COLA provided to Plan 1 retirees and slightly increases Alternate Minimum benefit saving the state \$292.5 million in 2011-13
Retiree subsidy remittance to state Health Care Authority	\$67.42 per month in 2011-12 \$68.94 per month in 2012-13	\$66.01 per month in 2011-12 \$67.91 per month in 2012-13
SCHOOL FUNDING/CLASS SIZE:		
I-728 Class Size reduction funds	Zeroed out for the 2-year period at a cost to schools of \$861 million and no restoration	Zeroed out for the 2-year period at a cost to schools of \$861 million and no restoration

Comparison based on respective budgets as passed by the House of Representatives on April 9, 2011 and the Senate on April 18, 2011. Not all budget items are detailed in this comparison.

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K-4 Class Size Reduction	promised in statutory change. The legislature zeroed out funding for this program in the current 2010-11 school year. However, they also gain savings in the 2011-13 budget of \$215 million due to the bow-wave impact on the two-year budget.	promised in statutory change. The legislature zeroed out funding for this program in the current 2010-11 school year. However, they also gain savings in the 2011-13 budget of \$211 million due to the bow-wave impact on the two-year budget.
K-3 Poverty Schools Class Size Reduction	Provides \$25 million to reduce class sizes in grades K-3 in high poverty schools by one student from an average class size of 25.3 students to 24.23 students	Provides \$64 million to reduce class sizes in grades K-3 in high poverty schools by 2.5 students from an average class size of 25.3 students to 22.76 students
Alternative Learning Experience Funding Adjustment/Reduction	Per pupil funding for students participating in ALE programs, such as online learning and parent partnership programs is pro-rated by a factor of 80.1% reducing funding for these students by \$53 million.	Per pupil funding for students participating in ALE programs, such as online learning and parent partnership programs is pro-rated by a factor of 90% reducing funding for these students by \$26 million.
Revise Bus Depreciation Formula	The House proposal contains no changes to this item.	The current depreciation schedule for school buses is replaced with one single state allocation for bus replacement, paid at the end of the lifecycle of the bus. Postponing these annual payments reduces state funding to districts by \$94 million during the 2011-13 biennium, but will cause a future balloon payment when the current buses on the road reach the end of their lifecycles.
Total K-12 funding losses	The state determined it would require \$15.6 billion in 2011-13 to maintain the current statutory level of K-12 programs. This budget reduces that amount by \$1.6 billion .	The state determined it would require \$15.6 billion in 2011-13 to maintain the current statutory level of K-12 programs. This budget reduces that amount by over \$1.8 billion . The primary difference is lower state funding for educator salaries.

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HIGHER EDUCATION:		
Proviso language	The House budget contains budget language to allow the CCTC's to use turnover savings to pay for increments. The House budget also provides language to enable the two-year college faculty to have the same rights as the four-year faculty to negotiate salary issues for the 2-year budget period.	The Senate does not provide any relief for two-year college faculty to address the salary issues with their colleges raised by the changes in its budget.
Overall Budget Reductions	Reduces overall funding for higher education institutions by \$532 million as an 11% reduction to the two-year colleges and cuts to the four-year institutions in amounts ranging from 17.5 to 21%.	Reduces overall funding for higher education institutions by \$550 million as a 15% reduction to the two-year colleges and cuts to the four-year institutions in amounts ranging from 23 to 27%.
Tuition Increases	The two four-year research institutions may increase tuition by 13% in each year. The remaining four-year institutions may increase tuition by 11.5% and the two-year colleges by 11% each year.	Tuition in each institution is treated differentially. The two research universities and WWU may increase tuition by 16% each year. CWU and TESC may increase tuition by 14% each year and EWU may increase by 11% each year. The two-year CCTC's may increase tuition by 12% each year.
Financial Aid for Students	Increases funding for the State Need Grant by \$108 million to accommodate the assumed tuition increases. However, reduces funding for the State Work Study and other financial aid programs by \$70 million.	Increases funding for the State Need Grant by \$124 million to accommodate the assumed tuition increases. However, reduces funding for the State Work Study and other financial aid programs by \$44 million.

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