

K-12 Education Caseload Forecasts Year in Review

FISCAL YEAR 2007: JULY 2006 THROUGH JUNE 2007



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CFC FORECAST YEAR IN REVIEW:

K-12 Education

Fiscal Year 2007

The Year in Review provides a broad overview of the major forecast changes that have occurred over the past three forecast cycles. This report details changes from the November 2006 forecast through the June 2007 forecast.

The CFC produces forecasts of K-12 Education, Bilingual Education, and Special Education caseloads.

The **K-12 Basic Education** forecast is composed of K-12 Basic Education and Running Start enrollments, as well as enrollment generated by the UW Transition Program, summer school, and private and home-schooled students receiving ancillary services from public schools.

- K-12 Basic Education enrollment is forecast in terms of average annual Full Time Equivalents (FTEs) where one student taking a full load of classes generates one FTE. Students taking less than a full day of classes (e.g., half-time kindergarten, high school students) generate less than a full FTE.
- Running Start enrollment includes the FTEs of high school juniors and seniors taking community college classes through the Running Start program. K-12 Basic Education includes Running Start students taking only classes in community colleges as well as those taking both community college and high school classes.

The **Bilingual Education** enrollment is forecast in terms of an eight month (October – May) average headcount (HC). Bilingual enrollment is reported monthly by local school districts.

- Bilingual Education programs vary significantly from district to district. Models include “dual language,” “transitional” native language support through the use of “pull-out” instruction in the native language, and ESL models where the emphasis is on English language acquisition. About 57 percent of instruction is provided by teacher aides, as opposed to certificated staff.
- Bilingual enrollment, as a percentage of K-12 enrollment, has been increasing steadily from 1.6 percent in 1984 to 7.4 percent in 2006. While Spanish remains the predominant language, 141 foreign languages are represented among the Bilingual Program students.

The **Special Education** forecast consists of two programs: the Age 0-2 Infant and Toddler program and (funded) Age 3-21 school-based Special Education. Enrollment is forecast as an eight month (October-May) average funded headcount.

- The Age 0-2 program is a voluntary program for developmentally delayed infants and toddlers. Not all school districts participate in this program. Districts participating in the

program may provide services through the district or, in some cases, through subcontracts to community agencies. All districts will be required to offer the program by September 1, 2009. It is anticipated that almost all districts will meet that requirement by September 1, 2007.

- The Age 3-21 program is offered through the state's individual school districts. Basic state funding is indexed to 12.7 percent of each district's total K-12 enrollment. Districts with exceptional needs can apply to the state for additional "safety net" funding.

K12, Bilingual Education, and Special Education enrollments are reported monthly beginning in September of each school year. Previously reported enrollments are updated with each new monthly enrollment report. Enrollments are not finalized until the January following the school year. For this reason, enrollments reported as of May of a school year are still considered "estimates," although revisions between May and the following January are typically small.

K-12 Basic Education

November 2006 to March 2007 Forecast Changes

- The March 2007 forecasted 2006-07 enrollment was 56 FTEs lower than the November 2006 forecast of 973,824.

March 2007 to June 2007 Forecast Changes

- The June forecast reflects reported enrollments through May 2007. Forecast assumptions on migration and private school crossover were updated from the March 2007 forecast based on the March 2007 ERFC employment forecast.
- The June forecasted 2006-07 enrollment was 198 FTEs lower than the March 2007 forecast of 973,768.

2007-09 Biennium

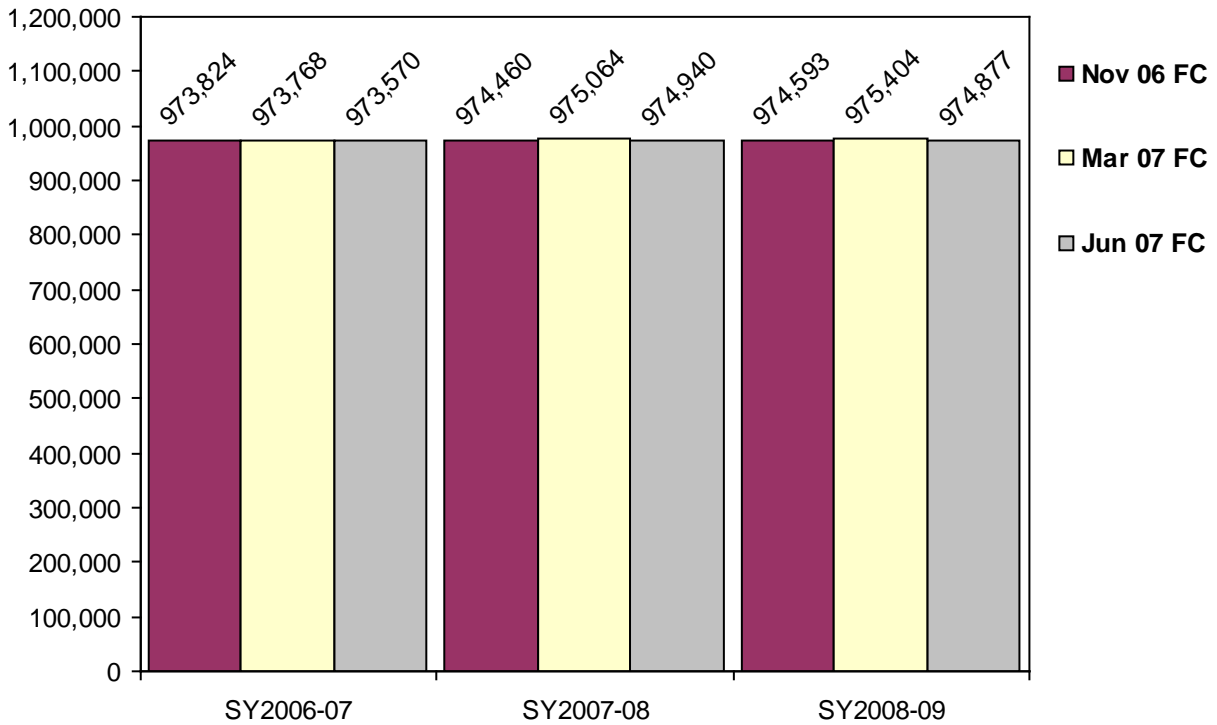
K-12 average annual FTE caseload is forecast to increase by 1,350 FTEs in the 2007-08 school year. Enrollment in the 2008-09 school year is expected to remain essentially unchanged, declining by 56 FTEs from 2007-08. This rate of growth is less than that experienced during the 2005-07 Biennium and reflects an expected lower than average net migration into the state as well as a two year dip in state birth rates in 2001 and 2002. Growth in enrollment is expected to pick up in the 2009-11 Biennium, reflecting an increase in births after 2002.

K-12 Basic Education: Tracking the March 2007 Forecast

	Mar-07 Forecast*	Actual*	Variance	Percent Variance
Sep-06	962,962	962,139	-823	-0.1%
Oct-06	981,893	981,830	-63	0.0%
Nov-06	979,683	979,315	-368	0.0%
Dec-06	976,510	975,719	-791	-0.1%
Jan-07	973,915	973,547	-368	0.0%
Feb-07	972,607	972,719	112	0.0%
Mar-07	970,448	970,243	-205	0.0%
Apr-07	967,518	967,212	-306	0.0%
May-07	965,052	965,000	-51	0.0%

*K12 and Running Start

K-12 Basic Education Enrollment (FTE)



Bilingual Education

November 2006 to March 2007 Forecast Changes

- The March 2007 forecast for the 2006-07 school year was 1,030 students higher than the November forecast, reflecting higher than expected growth in November and December.

March 2007 to June 2007 Forecast Changes

- The June 2007 forecast was essentially unchanged from the March forecast.

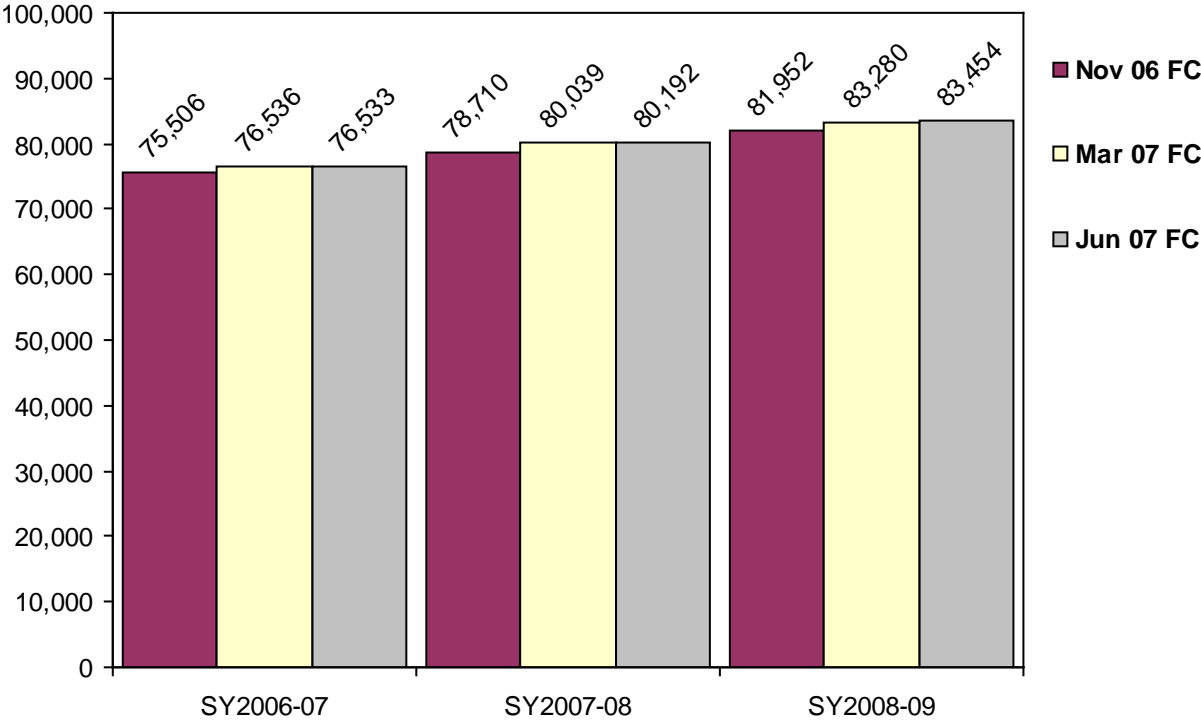
2007-09 Biennium

The 2005-07 Biennium was characterized by abnormally low growth in the Bilingual Education caseload. The caseload grew by less than 1 percent per year during this period compared to growth rates of 6-7 percent in the previous two biennia. The slowdown in caseload growth is believed to be a result of increased border enforcement and changes in program exit criteria. The forecast for the 2007-09 Biennium assumes a return to higher growth rates averaging about 4 percent per year.

Bilingual Education: Tracking the November 2005 Forecast

	Mar-07 Forecast	Actual	Variance	Percent Variance
Sep-06	66,718	66,720	2	0.0%
Oct-06	75,614	75,785	171	0.2%
Nov-06	76,282	76,135	-147	-0.2%
Dec-06	76,241	76,109	-132	-0.2%
Jan-07	76,117	76,051	-66	-0.1%
Feb-07	76,814	76,848	34	0.0%
Mar-07	77,002	76,921	-81	-0.1%
Apr-07	77,002	77,062	60	0.1%
May-07	77,219	77,349	130	0.2%

Bilingual Education Enrollment (HC)



Special Education

November 2006 to March 2007 Forecast Changes

- The March 2007 forecast 2006-07 Special Education enrollment was 674 students below the November forecast. This reflects a slightly lower than expected growth in Special Education enrollment through January.

March 2007 to June 2007 Forecast Changes

- The June 2007 forecast 2006-07 Special Education enrollment is 289 students below the March forecast. This reflects a continued lower than expected growth in Special Education enrollment through May.

2007-09 Biennium

Overall, “Funded” Special Education enrollment is expected to grow slowly over the next biennium. The rate of growth is about the same as forecast for overall K-12 enrollment, reflecting the fact that most districts are at or close to the basic funding index of 12.7 percent of district enrollment.

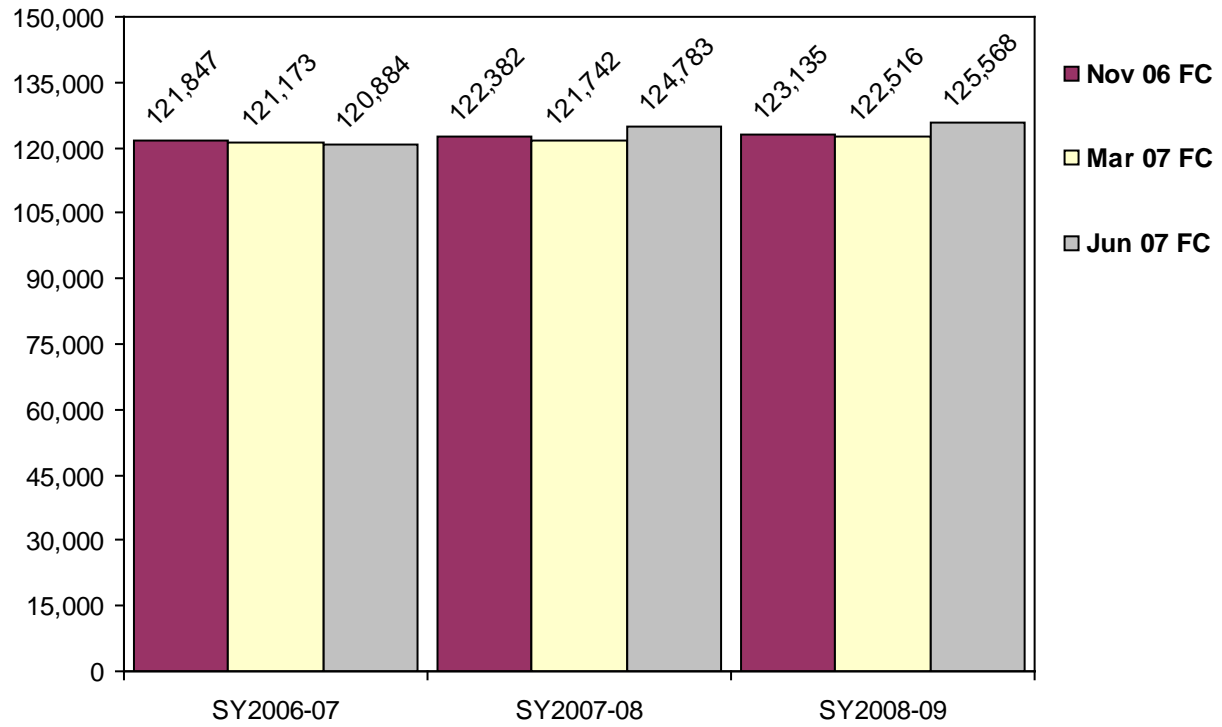
The expected 2007-09 “growth “ in the Special Education caseload is almost entirely the result of legislative changes approved by the 2007 legislature. The legislature established a new Special Education Age 3-5 program, which is expected to draw children from the current Age 3-21 caseload. This, in turn, will allow districts with Age 3-21 caseloads exceeding the 12.7 percent funding target to receive state special education funding for additional students.

Special Education: Tracking the March 2007 Forecast

	Mar-07 Forecast*	Actual*	Variance	Percent Variance
Sep-06	118,150	118,154	4	0.0%
Oct-06	122,874	122,876	2	0.0%
Nov-06	123,976	124,175	199	0.2%
Dec-06	125,873	125,837	-36	0.0%
Jan-07	125,756	125,803	47	0.0%
Feb-07	126,253	126,284	31	0.0%
Mar-07	126,988	127,046	58	0.0%
Apr-07	128,012	128,010	-2	0.0%
May-07	128,593	128,582	-11	0.0%

*Reported Age 0-21

**Special Education Enrollment (HC)
(Age 0-2 and State Funded Age 3-21)**



**K-12 Basic Education:
June 2007 Forecast Compared to March 2007 and November 2006 Forecasts**

Forecast Comparisons										Caseload Change		
		Actual	Nov 06 FC	Mar 07 FC	Jun 07 FC	Change from Nov 06 FC to Mar 07 FC		Change from Mar 07 FC to Jun 07 FC		(Actual/FC)		
							% Change		% Change	Fiscal Year	Annual Change	% Change
K-12 Basic Education¹	SY2001-02	956,567										
	SY2002-03	958,846								02-03	2,278	0.2%
	SY2003-04	962,294								03-04	3,449	0.4%
	SY2004-05	966,246								04-05	3,951	0.4%
	SY2005-06	972,079								05-06	5,833	0.6%
	SY2006-07		973,824	973,768	973,570	-56	0.0%	-198	0.0%	06-07	1,491	0.2%
	SY2007-08		974,460	975,064	974,940	604	0.1%	-124	0.0%	07-08	1,370	0.1%
	SY2008-09		974,593	975,404	974,877	811	0.1%	-527	-0.1%	08-09	-63	0.0%
Bilingual Education	SY2001-02	62,522										
	SY2002-03	66,258								02-03	3,737	6.0%
	SY2003-04	70,908								03-04	4,650	7.0%
	SY2004-05	75,255								04-05	4,347	6.1%
	SY2005-06	76,716								05-06	1,461	1.9%
	SY2006-07		75,506	76,536	76,533	1,030	1.4%	-4	0.0%	06-07	-183	-0.2%
	SY2007-08		78,710	80,039	80,192	1,329	1.7%	153	0.2%	07-08	3,660	4.8%
	SY2008-09		81,952	83,280	83,454	1,327	1.6%	174	0.2%	08-09	3,261	4.1%
Special Education²	SY2001-02	118,519										
	SY2002-03	119,272								02-03	754	0.6%
	SY2003-04	119,887								03-04	615	0.5%
	SY2004-05	120,166								04-05	279	0.2%
	SY2005-06	121,677								05-06	1,511	1.3%
	SY2006-07		121,847	121,173	120,884	-674	-0.6%	-289	-0.2%	06-07	-794	-0.7%
	SY2007-08		122,382	121,742	124,783	-640	-0.5%	3,041	2.5%	07-08	3,900	3.2%
	SY2008-09		123,135	122,516	125,568	-618	-0.5%	3,052	2.5%	08-09	785	0.6%

¹ Includes Running Start, Private and Home-based ancillary programs, UW Transition Program, and Summer School.

² Includes the expected impact of creation of a Special Education Age 3-5 program effective September 2007.