OFFICE OF FINANCIAL MANAGEMENT

S T A T E O F W A S H I N G T O N

A REVIEW OF K-12 REGIONAL COST ISSUES

DECEMBER 2000

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Executive Summary

This study responds to a statutory provision asking the Office of Financial Management to review K-12 regional cost of living differences as well as methods to determine those differences. The study also discusses options for addressing cost of living difference and simulates two alternatives. The simulations include "order-of magnitude" fiscal impacts. The study does not offer a preferred option or consider all of the fiscal and policy implications of a cost of living allowance for K-12 personnel. The issues surrounding a cost of living allowance are complex and require additional data and further study.

Timely and accurate ***total cost of living data*** at the regional and local level are difficult to develop and are not generally available to support a method to determine regional cost of living allowances for K-12 personnel.

Because relatively timely, accurate, and detailed ***housing cost*** data are available from commercial sources, including lending institutions and the real estate industry, housing data offer the best prospect for determining regional of cost of living allowances.

Since housing costs account for most of the differences in the cost of living among areas and regions in Washington, if a high-quality source of housing cost data, with sufficient geographic coverage, can be found, it can serve as a practical substitute for a total cost-of-living index by region.

Data available from the Economic Research Institute (ERI) on housing costs in 100 Washington cities and 39 counties are adequate for research and simulation purposes, but not to support an actual system of cost allowances.

In the longer run, methods and data sources used by Runzheimer International to administer cost of living allowances for the U.S. Military may be adaptable to school districts in Washington.

About two-thirds of teacher households in Washington are homeowner households. Using homeowner cost data from ERI for 100 Washington cities and 39 counties, estimated differences in annual homeowner costs by school district range from $8,698 in the Roosevelt School District in Klickitat County to $42,809 in the Mercer Island School District in King County. (It should be noted that many teachers reside outside their district, where costs may be different.)

The unweighted estimated average of homeowner costs for all 296 school districts is $13,957 for 1998-1999.

Estimated annual homeowner costs in the Coupeville School District (in Island County), at $16,092, represent the median teacher household homeowner cost for the 1998-99 school year.

Illustrations

Under a homeowner allowance based on the school district with the lowest homeowner costs, the average annual allowance for each of nearly 56,000 FTEs in 1998-99 would be $8,178 or $455 million in the aggregate on an annual basis. (Allowances could also be based on a percentage of the difference between homeowner costs in a district and that of the lowest cost district, rather than on the entire difference).

Using an allowance based on the school district representing the median teacher household cost, the average annual allowance for the nearly 28,000 teachers (half of all teachers) receiving the allowance would be $3,902, or $108 million in the aggregate on an annual basis for the 1998-99 school year. (Allowances could also be based on a percentage of the difference between homeowner costs in a district and that of the median household, rather than on the entire difference).

Based on costs incurred by Colorado to contract with Runzheimer International for school district cost of living data, and experience with the costs of implementing large surveys, it appears that the data and administrative costs of implementing a system of housing cost allowances for K-12 employees would be less then one percent of total costs.

Additional Issues

Implementation and policy questions that must be addressed before any system of housing cost allowances is adopted include:

What is the basis of a system of housing cost allowances? Would it be based on "equity?" Or would it be based on the need to reduce attrition and turnover? Or on both?

If based on attrition and turnover, is there evidence that attrition and turnover are highest in the school districts with the highest living or housing costs? (Available job turnover data for school districts from the state Employment Security Department do not evidence a strong correlation between turnover and high housing costs).

What is the most appropriate geographic unit upon which to differentiate pay based on the cost of housing?

How will the workforce and employers respond to border effects of differentiated pay based on geographic boundaries? Should an allowance be based on place of work or place of residence?

Should a housing allowance be a fixed dollar allowance for all eligible personnel in a district or region, or should the allowance be a percentage of the salary level?

Would the housing allowance apply to all staff or only to certificated instructional staff?

Should a cost of living adjustment be based on comparative expenses across school districts or regions, or on a comparison of private sector wages across regions, based on the assumption that the "market" price for workers reflects costs and benefits of living in different areas?

Can quality of life issues, which affect location decisions of teachers, be factored into monetary compensation issues?

If K-12 personnel receive housing cost allowances, should the same system be extended to other state employees?

Other possible options for addressing differences in housing costs, in addition to cost of housing allowances, include:

Signing bonuses for new teachers in qualifying districts to help pay the down payment on a house.

Low-interest loans or mortgage subsidies for teachers in qualified school districts.

Increasing local levy authority in qualifying school districts to allow those school districts to ask taxpayers for more money to fund pay raises to mitigate cost of living differences.

Allow qualifying school districts to use capital bond proceeds to buy down mortgages.

Section 1: Introduction

State funding formulas for salaries of school district staff do not currently recognize regional differences in the cost of living.

In the case of certificated instructional staff (predominantly teachers), the state calculates the number of teaching positions for which each school district is eligible to receive state funding, based predominantly on student enrollment in each district. The state then provides funding for the eligible positions based on the "staff mixes" of each district. "Staff mix" is a funding factor, which recognizes the varying experience and education levels of a district's teaching workforce. Teachers will higher levels of education, and those with more years of experience are paid higher salaries than their counterparts with less education and experience.

Thus, state funding formulas for teacher salaries recognize the differences in experience and education of teachers in each district, but do not recognize other factors, which influence staffing opportunities and choices of both school districts and individual teachers.

Similarly, state funding formulas for administrative and classified staff salaries recognize and maintain state funding for each district's legislatively authorized base salaries. Salary increases are provided to raise the base salaries by the same legislatively authorized percentage in all districts. As with certificated instructional staff, funding formulas for base salaries and salary increases for administrative and classified staff do not take into account differences in the cost of living between school districts.

State funding formulas for staff, caps on local school district levy funds, and restrictions on the use of levy funding for teacher compensation have the effect of equalizing staff salaries in school districts across the state.

However, as the disparity in the cost of living between school districts across the state has grown in recent years, the purchasing power of equalized staff salaries has become more disparate. This has resulted in an increased interest in potential options for mitigating the purchasing power discrepancies through some form of localized or regional cost of living adjustment.

The Legislature, in the 2000 Supplemental Budget (Engrossed House Bill 2487, Section 117 (11)), directed the Office of Financial Management (OFM) to review K-12 regional cost differences. The Legislature directed OFM to review existing methods of determining regional cost differences, including differences in the cost of renting, leasing, or purchasing housing; to report findings on cost differences on a regional basis; and to make recommendations on options for mitigating these differences. This report is submitted to the education and fiscal committees of the Legislature in response to this direction.

Section 2: Available Measures of the Cost of Living

A number of data sources are available to measure the cost of living. The indicators vary in terms availability, timeliness, geographic coverage, accuracy, and other factors.

COST OF LIVING DATA SOURCES

The Consumer Price Index

The Consumer Price Index (CPI), produced by the US Bureau of Labor Statistics (BLS) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI provides a way to determine what the market basket of goods and services costs over time in one area.

The CPI market basket is developed from detailed expenditure information provided by families and individuals on what they actually bought. The CPI represents all goods and services purchased for consumption by the reference population.

BLS has classified all expenditure items into more than 200 categories, arranged into eight major groups. For each of the more than 200 item categories, BLS has chosen samples of several hundred specific items within selected business establishments frequented by consumers, using scientific statistical procedures, to represent the thousands of varieties available in the marketplace.

However, only one area in Washington has its own local CPI, the Seattle-Tacoma-Bremerton metropolitan area.

ACCRA Cost of Living Index

The American Chamber of Commerce Research Association (ACCRA) Cost of Living Index is designed to provide a measure of relative differences in the standard of living among urban areas in the cost of consumer goods and services appropriate for professional and managerial households in the top income quintile.

The average for all participating places, both metropolitan and non-metropolitan, equals 100, and each participant's index is read as a percentage of the average for all places. Operationally, this standard of living is set by the weighting structure. Home ownership costs, for example, are more heavily weighted than they would be if the Index were structured to reflect a clerical worker standard of living or average costs for all urban consumers. Because the number of items priced is limited, it is not valid to treat percentage differences between areas as exact measures.

Nine metropolitan areas in Washington and Portland participate in the ACCRA Cost of Living program. Seattle does not participate.

Runzheimer International

Runzheimer International, founded in 1933, is an international management consulting firm specializing in data collection and analysis of transportation, travel and living costs. The information Runzheimer researches and analyzes can be applied to employee relocation, site selection, moving, vehicle purchase and management, and travel. Data available from Runzheimer includes a full range of cost-of-living information.

The Department of Defense (DOD) contracted with Runzheimer International to collect and analyze rental, utility, and rental-insurance costs for up to 400 Military Housing Areas (MHA) located throughout the United States. The DOD uses the findings to determine housing allowances, distributing approximately $5 billion in payments annually. In the first year of the contract, Runzheimer collected a total of 18,809 data points for rental prices, from 1,706 living communities within the 400 MHA locations nationally. At least 15 MHAs are in Washington.

Runzheimer appears to have the capability of generating cost of living data at a highly detailed geographic level. However most of the localized cost of living data provided by Runzheimer are "synthetic" – i.e., based on statistical procedures rather than on direct price or cost data reflecting actual purchases.

The state of Colorado contracted with Runzheimer for cost of living data covering 176 school districts. Dissatisfaction with the level of local detail apparently resulted in Colorado developing its own sources of data to supplement or replace Runzheimer data.

It should, however, be noted that given the variety of commercial resources for homeowner and housing related data (e.g., lending institutions, real estate industry), Runzheimer is probably capable of developing housing cost data with sufficient accuracy and level of detail.

It is difficult to obtain a precise cost estimate for developing and implementing such a data system in Washington. However, based on costs in Colorado and experience with the costs of implementing large surveys, it appears that the data and administrative costs of implementing a system of housing cost allowances for K-12 employees would be less then one percent of the total costs.

Economic Research Institute (ERI) Cost of Living Database

ERI collects survey data for jobs and cost of living by area and evaluates each survey and source for validity, reliability and weighting. Median and mean salaries for positions with similar duties, responsibilities, and functions are analyzed using "multiple linear regression analysis", and consensus results are presented for any given position, earnings or spending level, and/or area. A different regression model is used for each of the six separate cost-of-living categories to predict the amount and movement of costs

ERI obtains actual housing sales data from commercially available sources. Gasoline, consumables, medical care premium costs, and effective income tax rates are also collected from numerous sources and audited with special area research projects. ERI conducts no surveys in the development of data. All information is collected from outside sources. The ERI database covers all 39 Washington counties and nearly 100 Washington cities.

OTHER DATA SOURCES WHICH INCLUDE SOME COST OF LIVING DATA

U.S. Census Bureau Decennial Census

The U.S. Constitution requires the federal government to conduct a census of the national population every ten years. Every housing unit in the United States is asked a limited number of basic demographic and housing questions such as race, age, marital status, housing value or rent (referred to as 100-percent questions). A sample of these housing units are asked more detailed questions such as income and housing costs in addition to the basic housing information (referred to as sample questions).

The census of housing, taken every 10 years since 1940, provides detailed information on housing characteristics. Information can be found for areas as small as census tracts, towns, etc., as well as for larger areas such as cities, metropolitan areas, and states. Housing characteristics such as number of units, plumbing facilities, tenure, value, rent, fuels, heating equipment, etc., are shown. Approximately one out of every six housing units in the nation is included in the census sample.

The U.S. decennial census provides a large amount of survey-based data covering housing characteristics down to census tracts. However, the census does not provide information on a timely basis. Cost of living characteristics, in particular the costs of shelter, of cities and urban areas can change dramatically over a decade.

Decennial census data would be inadequate for updating cost of living calculations at intervals of less than ten years.

Washington State Population Survey

The Washington State Population Survey (WSPS) is designed to provide a profile of Washington residents between decennial censuses. The survey is performed by the Social and Economic Survey Research Center (SESRC) at Washington State University (WSU). It collects data on topics such as employment, work experience, income, education, in-migration, health, health insurance, commute pattern, computer ownership, and Internet usage, in addition to basic demographics. The first survey was conducted in the spring of 1998. A second survey was conducted in the spring of 2000. Results for 1998 are available for Washington State and, for some items, for eight regions within Washington. The sample design supports the regional data. No data are available for smaller/other areas.

The regions used in the WSPS are too large to capture significant variation in housing costs. The current level of detail on housing costs is not adequate for calculating overall differences in the cost of living.

U.S. Bureau of Economic Analysis Implicit Price Deflator for Personal Consumption (IPD)

The price index, produced by the U.S. Bureau of Labor Statistics (BEA) is a measure of the average change over time in the prices paid by all consumers for all consumer goods and services. The IPD uses current period quantities as the weights rather than some fixed bundle like the one used for the CPI. Current personal consumption is measured in today's prices and then compared to current personal consumption at prices from a base year.

The IPD for personal consumption is frequently used in the same manner as a cost of living index. In Washington the IPD for Personal Consumption is used in the calculation of the Initiative 601 spending limit growth factors. The IPD is not suited for the calculation of regional cost-of-living allowances within Washington since the IPD is not estimated for any area smaller than the entire United States.

Table 1 summarizes the advantages and disadvantages of each cost of living data source.

TABLE 1: Advantages and Disadvantages of Each Cost-of-Living Data Source

Cost-of-Living Source	Advantages	Disadvantages
US Consumer Price Index	▸ Rigorous survey-based data ▸ Available bimonthly	▸ Cannot be used to readily compare levels in the cost of living between areas. ▸ Available only for Seattle-Tacoma-Bremerton area.
ACCRA Cost of Living Index	▸ Survey-based data ▸ Can be used to compare cost of living across areas ▸ Available quarterly ▸ Nine Washington cities and Portland participate	▸ Survey not scientifically based ▸ Survey conducted by volunteers and may not be rigorous ▸ Seattle area cities do not participate ▸ Since program is voluntary, areas that participate now may drop out in the future
Runzheimer International	▸ Data potentially available for all areas of the state ▸ Database can be customized to geographically defined areas ▸ Available annually ▸ Some survey-based data, but mainly from sources other than Runzheimer research	▸ Most data not survey-based ▸ Highest cost source of data ▸ Synthetic approach. ▸ Local detail is questionable. ▸ Local housing cost data are likely to be more accurate than other cost of living data.
Economic Research Institute	▸ Data available for all counties and almost 100 cities ▸ Available quarterly ▸ Some survey-based data, but from sources other than ERI ▸ Housing data reflects actual costs, from commercially available sources.	▸ Most data not survey-based ▸ Methodology not well documented

Summary

General economic and demographic data sources, such as U.S Bureau of the Census (USBC) data, the Washington State Population Survey (WSPS), and the Bureau of Economic Analysis (BEA) personal consumption data, are either not available in sufficient detail (WSPS, BEA) or are not updated on a regular basis (USBC). As a result, these data sources are not presently suitable to accurately document cost of living differences among school districts in the state on an annual basis.

Data sources dealing specifically with the cost of living vary in geographic coverage and in quality. The Consumer Price Index (CPI) is available only for the Seattle-Tacoma-Bremerton area. The American Chamber of Commerce Research Association (ACCRA) Index is not scientifically based and does not cover all income groups.

Runzheimer International is a potential source of local cost of living data for Washington; but current data available from Runzheimer do not provide sufficient geographic coverage or detail; obtaining such data on an annual basis from Runzheimer would involve a special contract with Runzheimer for customized data. Although data required to support a system of regional cost allowances for K-12 personnel are not presently available from Runzheimer, this organization appears to have the capacity to provide accurate and timely data, especially for differences in housing costs.

The Economic Research Institute (ERI) currently provides cost of living data for all Washington counties and 100 cities across the state. The ERI data are available on a quarterly basis. Although most of the ERI data are derived synthetically, data on housing costs are obtained by ERI from commercial sources and reflect actual costs. In terms of currently available data, ERI housing cost data provide the best data source for documenting differences in the cost of living for teachers and other K-12 public school personnel.

Section 3: Differences in Housing Costs as a Proxy for Overall Differences in the Cost of Living

Based on the analysis in Section 2, it appears that housing cost data are the more timely, accurate, detailed, and readily available than other cost of living data. Section 3 of the study examines whether it is valid to use geographic differences in housing costs to represent overall differences in the cost of living by geographic area.

HOUSING COSTS AND OVERALL COSTS

Consumer Price Index

From 1984 to 1999, housing inflation "directly" accounted for about 64 percent of total CPI increase in the major western metropolitan areas. But because the price increases of many other goods and services were closely related to housing inflation, housing inflation could explain almost all the difference in total CPI increases among the metropolitan areas. The same observation is valid for the effect of shelter inflation on total CPI change.

The fact that housing can explain a substantial share of the difference in total living cost inflation among metropolitan regions should be even more valid/evident for areas within a state like Washington. This is because households in Washington State have more homogenous socioeconomic characteristics; and the effects of exogenous or macroeconomic shocks on the prices of consumption goods tend to be more similar for areas within a state than for regions across the states.

TABLE 2: Housing, Shelter, and Total Cost of Living

	CPI Data		
Metropolitan Areas	1984-99 Total CPI % Increase	Contribution to Total CPI Increase Percentage Points from Housing	Shelter
Los Angeles	60.3	38.3	35.4
San Francisco	65.9	46.7	45.2
Seattle	67.8	42.4	41.2
San Diego	64.9	42.7	39.5
Portland	67.9	42.3	43.5
Honolulu	67.4	41.4	37.8
Anchorage	43.7	26.5	21.8
Denver	59.7	36.8	35.6
	Avg. = 62.2	Avg. = 39.6	
Regression of total CPI inflation on housing/shelter price changes:		R^2=0.94	R^2=0.93

Economic Research Institute Data

The Economic Research Institute's (ERI) "Relocation Assessor" database allows users to extract cost of living estimates for a pre-specified household type. The ERI database covers all 39 Washington counties and nearly 100 Washington cities.

Using the ERI database, representative households were selected in order to examine the extent to which difference in housing costs can explain the variation in overall cost of living among cities within the state.

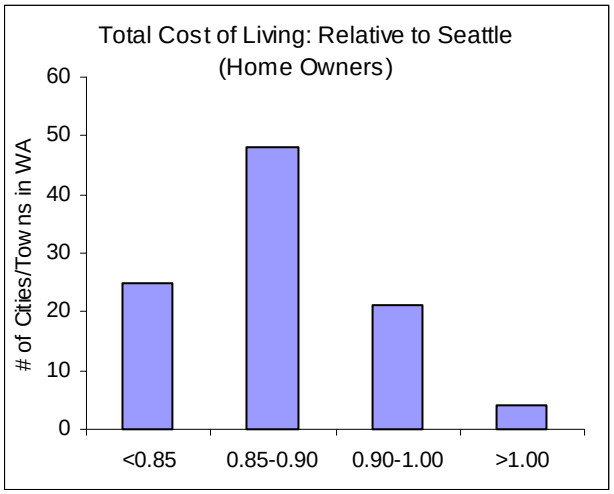
The selected "representative" households for this analysis were:

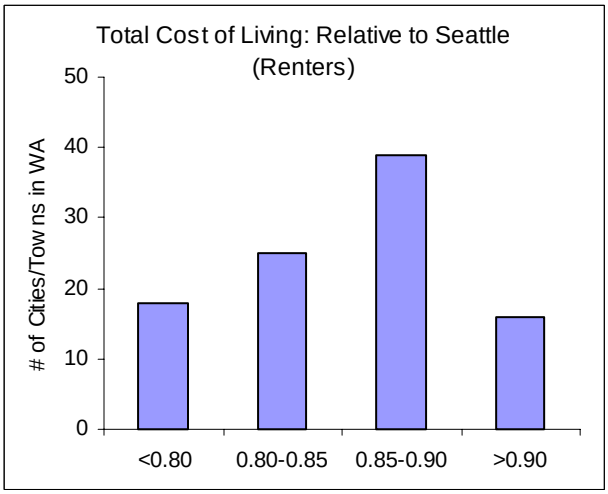
Owners: Household earnings/income: $70,000
Autos: 2; value: $25,000; annual mileage: 30,000
House size: 1,500 sq. ft.
Household size: 3

Renters: Household earnings/income: $38,000
Autos: 2; value: $25,000; annual mileage: 20,000
House size: 900 sq. ft.
Household size: 2

The cost of living ranges widely among areas within the state. For the representative homeowner household, the highest annual total cost of living was $86,132 in Mercer Island, which is about 64 percent higher than the lowest cost level of $52,396 in Republic. In 73 of the 98 cities and towns examined, homeowner households face living costs that are more than 10 percent below the level in Seattle. Total cost of living for the representative renter household in the state ranges from $27,043 in Republic to $38,469 in Mercer Island. Seattle ranks second among the cities, behind Mercer Island. See Charts 1a and 1b.

Charts 1a and 1b: Total Cost of Living Relative to Seattle: Homeowners and Renters



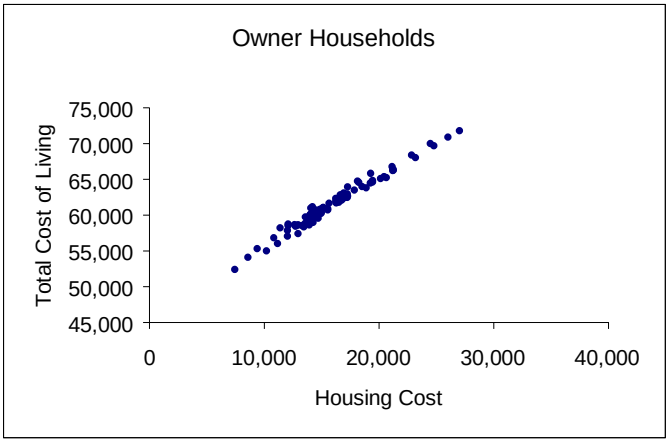


For home-owner households, housing cost (including utilities and property taxes) on average account for 26 percent of total cost of living, but the share can be as high as 50 percent in Mercer Island, and as low as 14 percent in Republic.

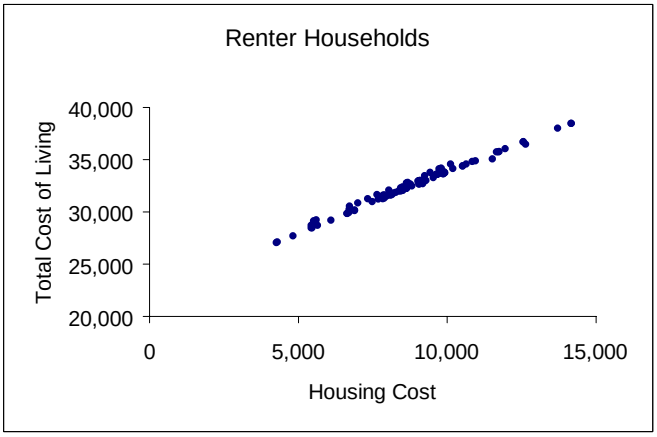
Rental cost as a share of total living cost average 27 percent among the 99 communities in the state. Seattle and Mercer Island have the highest rental burden of about 37 percent of total living cost; the lowest share is 16 percent in Republic.

Similar to the observation made on the time-series CPI data, difference in housing costs can explain virtually all the variation in overall cost of living among cities within the state.
The following two charts show a nearly perfect relationship between housing cost and total cost of living.

Chart 2a and 2b: Correlation Between Housing Costs and Total Cost of Living



Regression R^2=0.98



Regression R^2=0.99

Colorado Legislative Council Data

Every two years, the Colorado Legislative Council estimates local costs of living for all 176 school districts within the state. The Council hires consultants to survey local prices and compile housing cost information. Other input data include taxation information from the IRS records and an estimate of household miscellaneous spending based on the BLS Consumer Expenditure Survey.

Housing cost on average accounts for only 34 percent of total cost of living in the state. However, variation in housing costs can explain nearly all the difference in total costs of living among the school districts. (Regression R^2 = 0.99)

Summary

Several data sets which include both housing and total cost of living data for U.S. cities, Washington cities, and school districts in Colorado were examined to determine whether or not differences in housing costs can account for a large part of overall difference in the cost of living.

Accurate housing cost data with wide geographic coverage is more readily available than total cost of living data. If it can be demonstrated that differences in housing costs explain a large part of the differences in total cost of living among areas in the state, then it may be possible to use housing data to document geographic differences in the cost of living for teachers and other K-12 public school personnel.

In all the data sets reviewed, housing cost (including taxes and utility costs) explained nearly all the variation in total cost of living among U.S. cities, Washington cities, and school districts in Colorado. These findings suggest that if high-quality housing cost data with sufficient geographic coverage can be found for Washington, it can serve as a practical substitute for a total cost-of-living index.

Section 4: Simulating a Cost of Living Adjustment by District

Based on differences in housing costs across the state, the ERI cost of housing data for all 100 Washington cities and all 39 Washington counties have been used to simulate a system of housing allowances for Certificated Instructional Staff (CIS). This analysis provided only for illustrative purposes and is not meant to support or oppose the idea of providing housing allowances or any particular version of an allowance system. Some alternative approaches and possible variations for an allowance system have also been reviewed.

Cost of Housing Index

The estimates in this chapter are based on the cost of housing for the representative homeowner household described in Section 3. Based on the State Population Survey, 65 percent of the teachers in the State of Washington were homeowners in 1998. The size of the home for this exercise as described in Section 3 is 1,500 square feet

For the purposes of these estimates, teachers are assigned a cost of housing based on the district where they are employed. At this time, there is no data readily available on where teachers reside. An index based on residence could produce significantly different results than reported in this simulation.

A **Data Appendix** provides an estimate of the cost of housing for a representative homeowner household for all school districts based on the proximity of each school district to one or more of the 100 cities and 39 counties for which housing cost data were available from ERI. The housing cost estimate for each school district is that of a " representative homeowner household" as described in Section 3 of the study. The Data Appendix also provides differences in total cost of living among school districts.

Differences in estimated annual homeowner costs by school district range from $8,698 in the Roosevelt School District to $42,809 in the Mercer Island School District. The unweighted average of all 296 school districts is $13,957. Estimated annual housing costs in the Coupeville School District, at $16,092, represents the median teacher household homeowner cost. All data are for the 1998-99 school year.

Alternative Approaches

Two alternatives housing cost approaches are presented. The first is based on a housing cost allowance, which would ensure that all Certificated Instructional Staff (CIS) receive an allowance based on the difference between estimated housing costs in their district and the housing cost of the median teacher household in the state. Under this approach, one half of all teacher households would receive an allowance.

For contrast, another approach is simulated which assumes that all CIS receive an allowance based on the lowest housing cost school district. Under this approach, every teacher, except those in the lowest cost district would receive an allowance.

Under the alternative simulated based on housing costs in the lowest cost district, all teachers in a school district receive the difference between their housing costs and the costs in the school district with the lowest housing cost.

For example Olympia's housing cost of $19,448 is $10,750 greater than that of the lowest cost school district, Roosevelt, where housing costs are estimated at $8,698 for a representative household. Thus each teacher in the Olympia school district would receive $10,750. An option to distribute the additional COLA pay to the teachers in the Olympia school district based on experience and education levels would also be possible.

A variation of the housing cost approach is to base the cost allowance on the housing costs of the median teacher household based on ERI data. The school district with the median housing cost for a teacher household is Coupeville at $16,092. Each teacher in Olympia, with a housing cost of $19,448, would then receive $3,356 annually under this approach. A teacher in any school district with housing costs less than the median costs would receive no COLA under this design.

Implementation Results

The housing cost approach provided the results in Table 3. These figures are for the1998-1999 school year, the most recent year for which complete FTE data were available.

Table 3: Estimated Expenditures and Allowances for the 1998-99 School Year for a Simulated Housing Cost Allowance Based on (a) the Lowest Cost School District and (b) the District Containing the Median Teacher Household Housing Cost

Additional Annual School District Expenditures Based on:		Average Allowance per FTE Based On:	
Lowest Cost School District	Median Teacher Household Homeowner Cost	Lowest Cost School District	Median Teacher Household Homeowner Cost
$455 million	$108 million	$8,178	$3,902

Using an allowance based on the lowest cost district, the average annual allowance for each of nearly 56,000 FTEs is $8,178, or $455 million in the aggregate. Using an allowance based on the district containing the Median Teacher Household Housing Cost, the average annual allowance for the nearly 28,000 teachers receiving an allowance under this approach would be $3,902, or $108 million in the aggregate.

As apparent from the data in Appendix A, there are large variations around these "average" allowance figures depending on the school district. The highest cost school district is Mercer Island. Using housing expenses for the lowest district to determine the COLA would mean about a $34,000 annual increase for each Mercer Island teacher. Relating Mercer Island's housing expenses to the median would result in an increase of about $27,000 for each teacher household.

For a comparison the total salary expenditures for the state are included.

	Total Salary Expenditures (1998-99)
Certificated Instructional Staff	$2,168M
Certificated Administration Staff	$255M
Classified Staff	$883M
TOTAL	**$3,315M**

Summary

Differences in estimated annual homeowner costs by school district range from $8,698 in the Roosevelt School District to $42,809 in the Mercer Island School District. The unweighted average of all 296 school districts is $13,957. Estimated annual housing costs in the Coupeville School District, at $16,092, represent the median teacher household homeowner cost. All data are for the 1998-99 school year.

Using housing cost data from ERI for 100 Washington cities and 39 counties, a housing cost estimate for a "representative teacher household" was assigned to each of 296Washington school districts. The representative household had these characteristics:

Owner: Household earnings/income: $70,000
Autos: 2; value: $25,000; annual mileage: 30,000
House size: 1,500 sq. ft.
Household size: 3

Two alternative housing cost approaches were simulated. The first is based on a housing cost allowance, which would ensure that all Certificated Instructional Staff (CIS) receive an allowance based on the difference between estimated housing costs in their district and the housing cost of the median teacher household in the state. Under this approach, one half of all teachers would receive an allowance. For contrast, another approach is simulated which assumes that all staff receives an allowance based on the lowest housing cost school district. Under this approach, every teacher, except those in the lowest cost district would receive an allowance.

Using an allowance based on the lowest cost district, the average annual allowance for each of nearly 56,000 FTEs is $8,178, or $455 million in the aggregate. Using an allowance based on the Median Teacher Household's cost the average annual allowance for the nearly 28,000 teachers receiving an allowance under this approach would be $3,902, or $108 million in the aggregate.

Section 5: Housing Allowance Implementation Issues and Other Options

Many other issues and policy questions have been raised as a result of the examination of a housing allowance for school employees in Washington. Many of these issues and questions require further research beyond the scope of this study.

What is the most appropriate geographic unit upon which to differentiate pay based on the cost of housing?

Housing costs vary widely across very small geographic distances, even as small as a few city blocks. Housing costs vary widely within city, school district, and county, and regional boundaries.

Generally, the larger the geographic unit chosen, the less efficient the investment in housing allowances will be in mitigating actual cost differences. That is, if a large unit is chosen, (a multi-county region, for example), housing allowances would be provided to staff working in some areas of the region which do not, in fact, have higher housing costs. So an investment in the housing allowance will be spread among not only those staff facing higher housing costs, but also among those who do not.

Attempts to base housing allowances on small geographic units (by neighborhood or city, for example) will be complicated by a lack of reliable cost data for each unit.

How will the workforce and employers respond to border effects of differentiated pay based on geographic boundaries? A related question is whether an allowance should be based on place of work or place of residence.

Inevitably, a geographic basis for differentiating pay based on housing cost will cause some staff in one area to receive more compensation than staff facing the same housing costs in another area. Particularly if the geographic units are small (city or school district) and provide significantly different allowances in areas within reasonable commuting distance of each other, the potential arises for some school districts to provide a more lucrative compensation package than neighboring districts that compete for the same workforce. Generally, the potential for unintended adverse impacts from border effects will be worse if small geographic units are chosen.

- For example, in Thurston County, the Olympia School District has the 16th highest average housing costs in the state $19,448. The neighboring North Thurston and Tumwater school districts are ranked 39th ($16,733) and 88th ($14,580) respectively. One can easily commute across the entire tri-district area in less than 30 minutes. So, teachers teaching in Olympia might be compensated better than their next-door neighbors who teach in Tumwater. This might give the Olympia School District a distinct advantage in recruiting teachers from the Thurston County area.

Should a housing allowance be a fixed dollar allowance for all eligible personnel in a district or region, or should the allowance be a percentage of the salary level?

A fixed dollar allowance would narrow a disparity in purchasing power more for lower paid staff than for higher paid staff.

Would the housing allowance apply to all staff or only to certificated instructional staff?

There are several equity issues to consider when attempting to determine which staff should be eligible for a housing allowance. In many cases, these issues depend on the definition of the problem one is attempting to solve with the allowance. For example, if the goal is to attract and retain teachers in areas of the state with high housing costs, then the allowance might need to apply only to certificated instructional staff. However, if the goal is to maintain equity in purchasing power among school staff across regions, the housing allowance might be applied to all school staff, including classified employees and administrators. If the goal is to maintain equity in purchasing power among state-funded employees who do similar work, however, there may be an argument for applying the housing allowance beyond public school employees to administrative assistants, bus drivers, custodial staff, etc. in higher education institutions, other state agencies and/or vendors.

Should a cost of living adjustment be based on comparative expenses across school districts or regions, or on a comparison of average wages in the private sector, based on the assumption that differences in private sector wage levels reflect cost of living differences?

Differences in private sector wages among regions in the state may be the best and most objective indicator of differences in the overall costs and benefits of living in different areas in the state. If a system of geographically based salaries is adopted, an argument can be made for adjusting K-12 personnel salaries based on differences in regional wage levels, rather than on differences in cost of living.

Should a cost of living adjustment be based on total household costs or just housing costs?

Accurate estimates of total household expenses on the local level are more difficult to obtain than that of housing expenses. Since housing expenses account for most of the differences in cost of living among regions, it appears that housing costs provide a better basis for an allowance system than total expenses.

Compensation vs. Quality of Life

Differentiating pay based on cost of living differences would attempt to mitigate quantitative economic purchasing power disparities between educators across the state. There are also a variety of quality of life choices all individuals make when choosing where to live and what employment opportunities to accept. Some employees may choose to require higher levels of compensation to accept work in a location with inclement weather, for example, while others may accept lower levels of compensation at a job location which allows them to live closer to family.

Teacher Attrition Data and Analysis

Ideally, a discussion of a housing allocation or other cost of living differential in Washington would include documentation of the extent to which disparities in purchasing power account for higher turnover or more difficulty in recruiting educators in the higher cost areas of the state. Unfortunately, there is insufficient data and analysis available to link housing cost differences with above average teacher attrition in high cost areas. Significant research is needed to gain an understanding of educator attrition trends both statewide and by geographic area, and to document the degree to which different factors impact these trends. There is anecdotal evidence of teacher recruitment and retention challenges in areas of the state with both high and low housing costs.

Using available job turnover data from the state Employment Security Department a strong correlation between high housing costs and teacher turnover could not be documented. It is difficult to draw a firm conclusion from these data because they include all K-12 personnel and cover only two years of experience.

A database could be developed to identify for disparities between districts, especially economic differences. The data base could be used to correlate the disparities with district's retention and turnover experience over a longer period of time

OTHER OPTIONS

This study has focused primarily on the possible use of a housing cost allowance to mitigate cost of living differences among areas and regions of the state. Other possible options for addressing this issue include:

1. Signing bonuses for new teachers in qualifying districts to help pay the down payment on a house.

2. Low-interest loans or mortgage subsidies mortgages for teachers in qualified school districts.

3. Increasing local levy authority in qualifying school districts to allow those school districts to ask taxpayers for more money to fund pay raises to mitigate cost of living differences.

4. Allow qualifying school districts to use capital bond proceeds to buy down mortgages.

5. Change Time Responsibility Incentive (TRI) days to authorize signing bonuses or housing allowances under " incentive."

Sorted by **Housing** Expenses

COST ALLOWANCES FOR K-12 PERSONNEL BASED ON DIFFERENCES IN TOTAL HOUSEHOLD COSTS AND HOUSING COSTS										
Using the Lowest Cost District ("Bottom") and the District Including the Median Cost Household as the Standard										
			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Roosevelt	$54,300	$8,698	$2,450	$0	$1,425	$0	$0	$0	$0	$0
Benge	$55,018	$9,335	$3,846	$0	$2,102	$0	$1,167	$0	$637	$0
Othello	$55,293	$9,379	$345,939	$0	$2,139	$0	$110,178	$0	$681	$0
Lamont	$55,305	$9,594	$10,012	$0	$2,365	$0	$3,795	$0	$896	$0
Starbuck	$55,484	$9,751	$5,172	$0	$1,881	$0	$2,896	$0	$1,053	$0
Endicott	$55,742	$9,999	$29,573	$0	$2,464	$0	$15,615	$0	$1,301	$0
Onion Creek	$55,807	$10,042	$12,148	$0	$2,567	$0	$6,361	$0	$1,344	$0
Sprague	$55,942	$10,173	$29,711	$0	$2,537	$0	$17,276	$0	$1,475	$0
Bickleton	$55,944	$10,177	$31,136	$0	$2,437	$0	$18,904	$0	$1,480	$0
Brewster	$54,976	$10,186	$116,078	$0	$1,792	$0	$96,389	$0	$1,488	$0
Northport	$55,992	$10,226	$39,208	$0	$2,366	$0	$25,323	$0	$1,528	$0
Tekoa	$56,061	$10,289	$45,826	$0	$2,777	$0	$26,253	$0	$1,591	$0
Lacrosse	$56,115	$10,338	$41,760	$0	$2,694	$0	$25,423	$0	$1,640	$0
Klickitat	$56,166	$10,376	$45,261	$0	$2,971	$0	$25,569	$0	$1,679	$0
Prescott	$56,030	$10,453	$60,145	$0	$2,770	$0	$38,124	$0	$1,756	$0
North River	$56,299	$10,489	$27,184	$0	$2,718	$0	$17,910	$0	$1,791	$0
Lind	$56,338	$10,537	$50,349	$0	$2,835	$0	$32,665	$0	$1,840	$0
Kahlotus	$54,103	$10,568	$14,868	$0	$1,185	$0	$23,467	$0	$1,870	$0
Orient	$52,396	$10,616	$0	$0	$0	$0	$10,166	$0	$1,918	$0
Washtucna	$56,453	$10,631	$36,542	$0	$2,707	$0	$26,100	$0	$1,933	$0
Wilson Creek	$56,473	$10,649	$40,298	$0	$3,100	$0	$25,365	$0	$1,951	$0
Vader	$56,574	$10,723	$28,313	$0	$3,775	$0	$15,188	$0	$2,025	$0
Ritzville	$56,550	$10,743	$85,137	$0	$3,048	$0	$57,126	$0	$2,045	$0
Harrington	$56,618	$10,779	$41,060	$0	$2,885	$0	$29,623	$0	$2,082	$0
Aberdeen	$56,822	$10,828	$736,177	$0	$3,208	$0	$488,794	$0	$2,130	$0
Garfield	$56,686	$10,841	$47,559	$0	$3,215	$0	$31,704	$0	$2,143	$0
Rosalia	$56,698	$10,861	$73,211	$0	$3,372	$0	$46,974	$0	$2,164	$0
Wishram	$56,749	$10,889	$35,086	$0	$3,204	$0	$24,000	$0	$2,191	$0
Mabton	$56,682	$10,905	$156,948	$0	$2,937	$0	$117,945	$0	$2,207	$0
Granger	$56,658	$10,912	$194,138	$0	$2,912	$0	$147,576	$0	$2,214	$0
Pomeroy	$56,754	$10,927	$99,114	$0	$3,433	$0	$64,373	$0	$2,230	$0
Curlew	$52,396	$10,937	$0	$0	$0	$0	$45,353	$0	$2,239	$0
Mansfield	$56,884	$11,013	$37,820	$0	$3,254	$0	$26,908	$0	$2,315	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
St John	$56,884	$11,019	$54,908	$0	$3,393	$0	$37,565	$0	$2,321	$0
Oakesdale	$56,955	$11,078	$49,493	$0	$3,481	$0	$33,834	$0	$2,380	$0
Boistfort	$56,967	$11,081	$31,164	$0	$3,280	$0	$22,643	$0	$2,383	$0
Oakville	$56,942	$11,081	$82,475	$0	$3,525	$0	$55,777	$0	$2,384	$0
Bridgeport	$56,905	$11,085	$130,677	$0	$3,022	$0	$103,254	$0	$2,388	$0
Odessa	$56,953	$11,090	$82,122	$0	$3,659	$0	$53,696	$0	$2,393	$0
Taholah	$56,972	$11,107	$71,452	$0	$3,093	$0	$55,645	$0	$2,409	$0
Selkirk	$56,979	$11,122	$102,349	$0	$3,494	$0	$71,024	$0	$2,425	$0
Dayton	$56,976	$11,147	$144,533	$0	$3,482	$0	$101,670	$0	$2,450	$0
Walla Walla	$56,030	$11,156	$1,002,600	$0	$2,715	$0	$907,749	$0	$2,458	$0
Coulee-Hartline	$57,072	$11,190	$58,286	$0	$3,147	$0	$46,162	$0	$2,493	$0
Raymond	$57,037	$11,203	$149,237	$0	$3,471	$0	$107,711	$0	$2,505	$0
Southside	$59,694	$11,211	$78,316	$0	$5,353	$0	$36,761	$0	$2,513	$0
Wellpinit	$57,078	$11,218	$91,882	$0	$3,403	$0	$68,039	$0	$2,520	$0
Union Gap	$58,674	$11,224	$149,354	$0	$4,316	$0	$87,419	$0	$2,526	$0
Pe Ell	$57,115	$11,239	$75,564	$0	$3,149	$0	$60,987	$0	$2,541	$0
South Bend	$57,096	$11,243	$126,329	$0	$3,567	$0	$90,148	$0	$2,545	$0
Almira	$57,177	$11,275	$46,691	$0	$3,408	$0	$35,309	$0	$2,577	$0
Waitsburg	$56,030	$11,327	$73,920	$0	$2,573	$0	$75,531	$0	$2,629	$0
Cusick	$57,251	$11,351	$86,501	$0	$3,998	$0	$57,408	$0	$2,654	$0
Chehalis	$58,193	$11,392	$810,430	$0	$4,520	$0	$483,112	$0	$2,694	$0
Steptoe	$57,357	$11,416	$12,887	$0	$3,984	$0	$8,795	$0	$2,719	$0
Goldendale	$57,273	$11,459	$264,243	$0	$3,896	$0	$187,299	$0	$2,761	$0
Centerville	$57,432	$11,484	$17,871	$0	$3,971	$0	$12,537	$0	$2,786	$0
Warden	$57,330	$11,486	$188,524	$0	$3,493	$0	$150,521	$0	$2,789	$0
Paterson	$53,654	$11,500	$3,215	$0	$904	$0	$9,965	$0	$2,802	$0
Hoquiam	$57,234	$11,516	$454,096	$0	$3,612	$0	$354,224	$0	$2,818	$0
Republic	$52,396	$11,526	$0	$0	$0	$0	$78,248	$0	$2,828	$0
Wilbur	$57,458	$11,538	$82,024	$0	$3,864	$0	$60,281	$0	$2,840	$0
Toppenish	$57,122	$11,561	$690,141	$0	$3,246	$0	$608,767	$0	$2,863	$0
Columbia (Ste)	$57,510	$11,577	$63,642	$0	$3,857	$0	$47,503	$0	$2,879	$0
Willapa Valley	$57,507	$11,597	$111,876	$0	$3,967	$0	$81,767	$0	$2,900	$0
Mary Walker	$57,508	$11,605	$124,586	$0	$3,528	$0	$102,658	$0	$2,907	$0
Wapato	$57,258	$11,640	$616,630	$0	$3,456	$0	$525,035	$0	$2,942	$0
Davenport	$57,560	$11,642	$116,386	$0	$4,055	$0	$84,489	$0	$2,944	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Palouse	$57,637	$11,693	$80,527	$0	$3,807	$0	$63,354	$0	$2,995	$0
Grand Coulee Dam	$57,579	$11,701	$229,335	$0	$4,220	$0	$163,173	$0	$3,003	$0
Waterville	$57,641	$11,705	$108,733	$0	$3,740	$0	$87,408	$0	$3,007	$0
McCleary	$57,662	$11,713	$57,703	$0	$3,636	$0	$47,851	$0	$3,015	$0
Kittitas	$57,645	$11,728	$145,591	$0	$4,051	$0	$108,927	$0	$3,031	$0
Tonasket	$57,611	$11,758	$256,582	$0	$3,805	$0	$206,366	$0	$3,060	$0
Queets-Clearwater	$57,745	$11,759	$10,633	$0	$3,544	$0	$9,183	$0	$3,061	$0
Oroville	$57,652	$11,760	$182,375	$0	$3,791	$0	$147,336	$0	$3,063	$0
Nespelem	$57,745	$11,783	$64,993	$0	$3,915	$0	$51,222	$0	$3,086	$0
Grandview	$57,483	$11,813	$555,414	$0	$3,597	$0	$480,957	$0	$3,115	$0
Soap Lake	$57,740	$11,816	$119,355	$0	$3,397	$0	$109,553	$0	$3,118	$0
Creston	$57,807	$11,831	$44,764	$0	$3,665	$0	$38,266	$0	$3,133	$0
Mary M. Knight	$57,817	$11,848	$71,301	$0	$4,164	$0	$53,953	$0	$3,151	$0
Thorp	$57,863	$11,889	$64,332	$0	$4,014	$0	$51,140	$0	$3,191	$0
Chewelah	$57,771	$11,899	$277,347	$0	$4,098	$0	$216,636	$0	$3,201	$0
Evaline	$57,917	$11,910	$7,831	$0	$3,916	$0	$6,424	$0	$3,212	$0
Quinault	$57,883	$11,913	$77,613	$0	$3,718	$0	$67,131	$0	$3,216	$0
Satsop	$57,960	$11,950	$13,322	$0	$4,441	$0	$9,758	$0	$3,253	$0
Okanogan	$57,858	$11,969	$256,342	$0	$4,052	$0	$206,921	$0	$3,271	$0
Wishkah Valley	$57,960	$11,976	$72,872	$0	$4,147	$0	$57,599	$0	$3,278	$0
Inchelium	$58,003	$12,023	$91,695	$0	$4,366	$0	$69,825	$0	$3,325	$0
Newport	$57,024	$12,026	$268,137	$0	$3,474	$0	$256,857	$0	$3,328	$0
Montesano	$57,861	$12,035	$325,139	$0	$4,238	$0	$256,047	$0	$3,337	$0
Wahluke	$57,917	$12,059	$299,405	$0	$3,578	$0	$281,212	$0	$3,361	$0
Elma	$57,871	$12,072	$470,327	$0	$4,157	$0	$381,697	$0	$3,374	$0
Centralia	$58,739	$12,095	$875,833	$0	$4,969	$0	$598,843	$0	$3,397	$0
Colton	$58,104	$12,097	$61,289	$0	$4,377	$0	$47,605	$0	$3,400	$0
Blaine	$58,538	$12,099	$464,593	$0	$4,528	$0	$349,006	$0	$3,401	$0
Touchet	$56,030	$12,174	$51,736	$0	$2,598	$0	$69,216	$0	$3,476	$0
Kettle Falls	$58,156	$12,214	$227,888	$0	$4,507	$0	$177,793	$0	$3,516	$0
Onalaska	$58,182	$12,226	$222,296	$0	$4,466	$0	$175,606	$0	$3,528	$0
Lyle	$58,225	$12,226	$113,461	$0	$4,483	$0	$89,301	$0	$3,528	$0
Sunnyside	$57,723	$12,230	$1,062,386	$0	$3,896	$0	$963,179	$0	$3,532	$0
Valley	$58,275	$12,239	$34,426	$0	$4,203	$0	$29,006	$0	$3,542	$0
North Franklin	$54,103	$12,244	$142,195	$0	$1,203	$0	$419,231	$0	$3,546	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Royal	$58,145	$12,246	$278,777	$0	$3,872	$0	$255,453	$0	$3,548	$0
Mount Adams	$58,183	$12,275	$298,736	$0	$4,149	$0	$257,597	$0	$3,578	$0
Carbonado	$58,310	$12,276	$45,206	$0	$3,831	$0	$42,229	$0	$3,579	$0
Morton	$58,274	$12,281	$118,366	$0	$4,012	$0	$105,704	$0	$3,583	$0
White Pass	$58,252	$12,297	$234,455	$0	$4,407	$0	$191,489	$0	$3,599	$0
Reardan	$58,293	$12,308	$167,906	$0	$4,468	$0	$135,678	$0	$3,611	$0
Glenwood	$58,391	$12,346	$43,225	$0	$3,962	$0	$39,799	$0	$3,648	$0
Prosser	$58,113	$12,356	$646,574	$0	$4,160	$0	$568,587	$0	$3,658	$0
Winlock	$58,372	$12,393	$208,035	$0	$4,474	$0	$171,825	$0	$3,695	$0
Entiat	$58,420	$12,401	$120,951	$0	$4,463	$0	$100,367	$0	$3,704	$0
Highland	$58,354	$12,420	$293,329	$0	$4,222	$0	$258,620	$0	$3,723	$0
Trout Lake	$58,477	$12,426	$56,151	$0	$4,567	$0	$45,838	$0	$3,728	$0
Pateros	$58,461	$12,426	$95,791	$0	$4,470	$0	$79,897	$0	$3,728	$0
Zillah	$58,395	$12,456	$275,909	$0	$4,169	$0	$248,741	$0	$3,758	$0
Cle Elum-Roslyn	$58,468	$12,496	$241,212	$0	$4,480	$0	$204,507	$0	$3,798	$0
Clarkston	$58,265	$12,499	$743,647	$0	$4,469	$0	$632,572	$0	$3,801	$0
Quincy	$58,347	$12,520	$506,904	$0	$4,117	$0	$470,572	$0	$3,822	$0
Kiona-Benton City	$58,439	$12,525	$368,618	$0	$4,288	$0	$328,977	$0	$3,827	$0
Ocosta	$58,529	$12,537	$214,053	$0	$4,456	$0	$184,432	$0	$3,839	$0
Cosmopolis	$58,635	$12,568	$57,722	$0	$4,581	$0	$48,765	$0	$3,870	$0
Mossyrock	$58,598	$12,584	$182,913	$0	$4,730	$0	$150,252	$0	$3,886	$0
Napavine	$58,632	$12,611	$176,507	$0	$4,670	$0	$147,935	$0	$3,914	$0
Liberty	$58,658	$12,634	$192,273	$0	$4,747	$0	$159,438	$0	$3,937	$0
Summit Valley	$58,760	$12,662	$20,092	$0	$4,865	$0	$16,373	$0	$3,964	$0
Skykomish	$58,771	$12,686	$54,911	$0	$4,736	$0	$46,241	$0	$3,988	$0
West Valley (Spo)	$58,449	$12,737	$887,575	$0	$4,599	$0	$779,542	$0	$4,039	$0
Naselle-Grays R.	$58,810	$12,759	$163,252	$0	$4,849	$0	$136,724	$0	$4,061	$0
Quillayute Valley	$58,690	$12,760	$459,171	$0	$4,752	$0	$392,457	$0	$4,062	$0
Concrete	$58,817	$12,796	$223,510	$0	$4,470	$0	$204,916	$0	$4,098	$0
Cape Flattery	$58,831	$12,826	$255,961	$0	$4,471	$0	$236,324	$0	$4,128	$0
College Place	$58,847	$12,827	$246,758	$0	$4,890	$0	$208,354	$0	$4,129	$0
Dixie	$58,971	$12,847	$14,802	$0	$4,934	$0	$12,447	$0	$4,149	$0
Rainier	$58,897	$12,876	$263,350	$0	$4,862	$0	$226,294	$0	$4,178	$0
Naches Valley	$58,891	$12,924	$415,204	$0	$4,693	$0	$373,854	$0	$4,226	$0
Central Valley	$58,622	$12,925	$3,097,848	$0	$4,881	$0	$2,682,805	$0	$4,227	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Toledo	$58,986	$12,947	$236,864	$0	$4,898	$0	$205,490	$0	$4,249	$0
Colfax	$57,397	$12,947	$172,071	$0	$3,867	$0	$189,097	$0	$4,249	$0
Bethel	$58,596	$12,989	$3,560,210	$0	$4,501	$0	$3,394,115	$0	$4,291	$0
Stevenson-Carson	$59,023	$13,006	$339,418	$0	$4,837	$0	$302,287	$0	$4,308	$0
North Beach	$59,136	$13,063	$193,557	$0	$4,616	$0	$183,048	$0	$4,366	$0
Darrington	$59,173	$13,099	$211,456	$0	$4,898	$0	$189,999	$0	$4,401	$0
Columbia (Wal)	$59,283	$13,214	$271,749	$0	$5,121	$0	$239,645	$0	$4,516	$0
Quilcene	$59,409	$13,268	$104,761	$0	$4,994	$0	$95,860	$0	$4,570	$0
Keller	$59,468	$13,288	$14,938	$0	$4,979	$0	$13,770	$0	$4,590	$0
Stehekin	$60,454	$13,288	$6,718	$0	$6,718	$0	$4,590	$0	$4,590	$0
Rochester	$59,214	$13,294	$658,592	$0	$5,169	$0	$585,561	$0	$4,596	$0
Finley	$59,359	$13,304	$353,685	$0	$5,163	$0	$315,519	$0	$4,606	$0
Colville	$58,503	$13,326	$599,654	$0	$4,770	$0	$581,826	$0	$4,628	$0
Freeman	$59,512	$13,404	$251,840	$0	$5,437	$0	$218,022	$0	$4,707	$0
Wahkiakum	$59,590	$13,442	$165,954	$0	$4,954	$0	$158,922	$0	$4,744	$0
Omak	$58,352	$13,445	$597,224	$0	$4,667	$0	$607,477	$0	$4,747	$0
Toutle Lake	$59,579	$13,447	$207,298	$0	$5,518	$0	$178,420	$0	$4,749	$0
Asotin-Anatone	$59,593	$13,468	$222,426	$0	$5,554	$0	$191,035	$0	$4,770	$0
Cashmere	$59,558	$13,522	$466,737	$0	$5,240	$0	$429,641	$0	$4,824	$0
Kalama	$59,651	$13,532	$236,027	$0	$5,187	$0	$219,973	$0	$4,835	$0
Ephrata	$58,846	$13,563	$602,110	$0	$4,825	$0	$607,144	$0	$4,865	$0
Tenino	$59,618	$13,565	$442,651	$0	$5,591	$0	$385,336	$0	$4,867	$0
East Valley (Yak)	$59,563	$13,593	$674,273	$0	$5,211	$0	$633,512	$0	$4,896	$0
Castle Rock	$59,741	$13,594	$389,637	$0	$5,488	$0	$347,636	$0	$4,896	$0
Cheney	$59,465	$13,645	$1,141,048	$0	$5,507	$0	$1,025,079	$0	$4,948	$0
Orting	$59,701	$13,654	$473,915	$0	$5,367	$0	$437,672	$0	$4,957	$0
Selah	$59,604	$13,746	$1,060,929	$0	$5,432	$0	$985,979	$0	$5,049	$0
White Salmon	$59,902	$13,792	$404,485	$0	$5,737	$0	$359,150	$0	$5,094	$0
Sedro-Woolley	$59,558	$13,805	$1,271,036	$0	$5,143	$0	$1,262,166	$0	$5,107	$0
Wenatchee	$59,406	$13,841	$2,081,027	$0	$5,115	$0	$2,092,355	$0	$5,143	$0
Loon Lake	$60,127	$13,884	$47,522	$0	$5,462	$0	$45,120	$0	$5,186	$0
Ferndale	$59,129	$13,900	$1,395,224	$0	$4,968	$0	$1,461,015	$0	$5,202	$0
Hood Canal	$60,127	$13,908	$125,088	$0	$5,997	$0	$108,696	$0	$5,211	$0
Medical Lake	$58,607	$13,931	$669,550	$0	$4,783	$0	$732,508	$0	$5,233	$0
Mount Vernon	$59,984	$13,995	$1,644,605	$0	$5,618	$0	$1,550,812	$0	$5,297	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
South Kitsap	$59,692	$13,999	$3,429,370	$0	$5,469	$0	$3,324,351	$0	$5,301	$0
Nine Mile Falls	$60,118	$14,012	$473,273	$0	$5,714	$0	$440,202	$0	$5,315	$0
Nooksack Valley	$60,087	$14,020	$586,212	$0	$5,507	$0	$566,566	$0	$5,323	$0
Vancouver	$60,118	$14,032	$6,718,615	$0	$5,874	$0	$6,101,254	$0	$5,334	$0
Longview	$60,998	$14,059	$2,827,239	$0	$6,782	$0	$2,234,943	$0	$5,361	$0
Adna	$60,331	$14,102	$193,155	$0	$6,231	$0	$167,531	$0	$5,404	$0
Crescent	$60,403	$14,147	$109,139	$0	$6,142	$0	$96,815	$0	$5,449	$0
Pioneer	$60,352	$14,157	$305,952	$0	$5,640	$0	$296,178	$0	$5,460	$0
La Center	$60,323	$14,165	$406,924	$0	$5,624	$0	$395,528	$0	$5,467	$0
Moses Lake	$59,632	$14,175	$1,751,036	$0	$5,350	$0	$1,792,699	$0	$5,477	$0
Burlington-Edison	$59,452	$14,183	$1,024,363	$0	$5,317	$0	$1,056,850	$0	$5,485	$0
Yelm	$60,026	$14,192	$1,344,304	$0	$5,707	$0	$1,294,201	$0	$5,494	$0
Kelso	$61,166	$14,202	$1,931,466	$0	$6,667	$0	$1,594,592	$0	$5,504	$0
Pullman	$59,053	$14,208	$663,654	$0	$5,125	$0	$713,543	$0	$5,510	$0
Ocean Beach	$58,984	$14,251	$357,459	$0	$4,711	$0	$421,378	$0	$5,553	$0
Skamania	$60,552	$14,255	$40,122	$0	$6,577	$0	$33,898	$0	$5,557	$0
Woodland	$60,327	$14,256	$553,793	$0	$5,889	$0	$522,679	$0	$5,558	$0
West Valley (Yak)	$60,100	$14,265	$1,395,407	$0	$5,872	$0	$1,322,812	$0	$5,567	$0
Green Mountain	$60,567	$14,271	$45,271	$0	$5,657	$0	$44,594	$0	$5,573	$0
Spokane	$60,035	$14,287	$10,895,069	$0	$5,861	$0	$10,390,292	$0	$5,589	$0
Battle Ground	$60,341	$14,291	$3,307,136	$0	$6,091	$0	$3,037,020	$0	$5,593	$0
Ridgefield	$60,371	$14,294	$528,191	$0	$5,973	$0	$494,852	$0	$5,596	$0
Lake Chelan	$60,454	$14,310	$543,469	$0	$6,303	$0	$483,875	$0	$5,612	$0
Kennewick	$60,249	$14,317	$4,670,876	$0	$6,100	$0	$4,302,451	$0	$5,619	$0
Index	$60,632	$14,325	$23,109	$0	$5,004	$0	$25,986	$0	$5,627	$0
Easton	$60,652	$14,355	$69,386	$0	$6,016	$0	$65,247	$0	$5,657	$0
Franklin Pierce	$60,365	$14,357	$2,288,941	$0	$5,737	$0	$2,257,868	$0	$5,659	$0
Riverside	$60,448	$14,358	$740,272	$0	$6,322	$0	$662,777	$0	$5,660	$0
Great Northern	$60,729	$14,407	$17,811	$0	$5,937	$0	$17,129	$0	$5,710	$0
Port Angeles	$60,331	$14,413	$1,699,383	$0	$6,133	$0	$1,583,683	$0	$5,715	$0
Deer Park	$59,581	$14,438	$560,028	$0	$5,424	$0	$592,696	$0	$5,740	$0
Shelton	$60,696	$14,473	$1,420,380	$0	$6,063	$0	$1,353,022	$0	$5,775	$0
Eastmont	$59,986	$14,486	$1,502,673	$0	$5,877	$0	$1,479,943	$0	$5,788	$0
Brinnon	$60,831	$14,502	$23,129	$0	$5,507	$0	$24,380	$0	$5,805	$0
Cascade	$60,703	$14,544	$547,797	$0	$6,026	$0	$531,456	$0	$5,847	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Tumwater	$60,246	$14,580	$2,116,757	$0	$5,953	$0	$2,091,673	$0	$5,882	$0
Methow Valley	$59,739	$14,602	$256,850	$0	$5,777	$0	$262,499	$0	$5,904	$0
Mount Baker	$60,767	$14,662	$735,285	$0	$6,175	$0	$710,139	$0	$5,964	$0
East Valley (Spo)	$59,555	$14,713	$1,557,125	$0	$5,369	$0	$1,744,704	$0	$6,015	$0
Pasco	$60,674	$14,738	$2,801,958	$0	$5,904	$0	$2,866,665	$0	$6,040	$0
Manson	$61,089	$14,792	$260,870	$0	$6,414	$0	$247,869	$0	$6,095	$0
Evergreen (Ste)	$61,190	$14,815	$14,878	$0	$7,212	$0	$12,620	$0	$6,117	$0
White River	$60,797	$14,860	$1,335,000	$0	$6,098	$0	$1,349,061	$0	$6,162	$0
Yakima	$60,789	$14,865	$4,939,587	$0	$6,513	$0	$4,677,461	$0	$6,167	$0
Steilacoom Hist.	$60,785	$14,957	$638,270	$0	$6,223	$0	$641,977	$0	$6,259	$0
Richland	$60,205	$14,960	$2,819,816	$0	$5,808	$0	$3,040,227	$0	$6,262	$0
Central Kitsap	$60,365	$14,974	$4,592,302	$0	$5,981	$0	$4,819,365	$0	$6,276	$0
Port Townsend	$61,283	$15,059	$669,860	$0	$6,753	$0	$630,941	$0	$6,361	$0
Mill A	$61,513	$15,109	$36,227	$0	$6,224	$0	$37,322	$0	$6,412	$0
Camas	$61,040	$15,119	$1,158,909	$0	$6,296	$0	$1,181,992	$0	$6,421	$0
Lynden	$61,265	$15,124	$858,773	$0	$6,461	$0	$854,070	$0	$6,426	$0
Mount Pleasant	$61,549	$15,136	$19,844	$0	$6,050	$0	$21,118	$0	$6,438	$0
Washougal	$61,093	$15,167	$902,750	$0	$6,275	$0	$930,736	$0	$6,469	$0
Granite Falls	$61,392	$15,186	$619,735	$0	$6,218	$0	$646,703	$0	$6,489	$0
Mead	$60,770	$15,191	$2,857,360	$0	$6,573	$0	$2,822,626	$0	$6,494	$0
North Mason	$61,362	$15,214	$953,368	$0	$6,810	$0	$912,269	$0	$6,516	$0
Conway	$61,669	$15,281	$177,112	$1,951	$7,229	$80	$161,308	$0	$6,584	$0
Orondo	$61,959	$15,519	$106,289	$3,879	$7,427	$271	$97,626	$0	$6,821	$0
North Kitsap	$60,908	$15,535	$2,366,341	$0	$6,380	$0	$2,536,018	$0	$6,837	$0
Eatonville	$60,726	$15,555	$654,707	$0	$5,966	$0	$752,519	$0	$6,857	$0
Sultan	$61,824	$15,579	$713,376	$17,714	$6,332	$157	$775,194	$0	$6,881	$0
Damman	$62,088	$15,612	$16,012	$758	$8,006	$379	$13,828	$0	$6,914	$0
Fife	$62,821	$15,631	$1,148,129	$119,256	$7,757	$806	$1,026,123	$0	$6,933	$0
Lopez Island	$61,640	$15,659	$162,329	$1,360	$7,880	$66	$143,402	$0	$6,961	$0
Meridian	$62,008	$15,695	$593,582	$24,130	$7,030	$286	$590,805	$0	$6,997	$0
Evergreen (Clark)	$59,941	$15,827	$6,560,322	$0	$5,711	$0	$8,188,622	$0	$7,129	$0
Sequim	$62,031	$15,835	$1,192,194	$50,771	$7,610	$324	$1,118,147	$0	$7,138	$0
Chimacum	$62,238	$15,876	$568,626	$33,888	$7,259	$433	$562,325	$0	$7,178	$0
Hockinson	$62,285	$15,902	$538,204	$34,100	$7,925	$502	$489,241	$0	$7,204	$0
Clover Park	$61,096	$16,069	$4,953,678	$0	$6,347	$0	$5,752,979	$0	$7,371	$0

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Coupeville	$62,506	$16,092	$482,479	$38,879	$7,551	$608	$472,483	$0	$7,394	$0
Anacortes	$62,311	$16,244	$1,242,080	$81,262	$7,545	$494	$1,242,307	$25,054	$7,546	$152
Oak Harbor	$61,908	$16,250	$2,443,119	$78,495	$7,444	$239	$2,478,728	$51,918	$7,552	$158
Federal Way	$61,689	$16,262	$8,067,869	$103,468	$6,614	$85	$9,226,991	$207,594	$7,564	$170
Auburn	$61,742	$16,312	$4,801,173	$84,403	$6,775	$119	$5,395,917	$156,036	$7,614	$220
Arlington	$62,083	$16,317	$1,770,137	$83,068	$7,020	$329	$1,921,325	$56,784	$7,619	$225
Orchard Prairie	$62,888	$16,328	$38,473	$4,180	$7,695	$836	$38,150	$1,180	$7,630	$236
Marysville	$62,122	$16,417	$4,477,918	$224,581	$7,691	$386	$4,494,454	$189,335	$7,719	$325
Peninsula	$61,809	$16,508	$3,643,697	$85,677	$7,250	$170	$3,925,184	$209,161	$7,810	$416
La Conner	$63,030	$16,534	$382,468	$45,345	$7,695	$912	$389,499	$21,990	$7,837	$442
Enumclaw	$62,660	$16,611	$2,121,376	$195,475	$7,550	$696	$2,223,615	$145,991	$7,914	$520
Sumner	$62,821	$16,634	$3,100,930	$322,092	$7,570	$786	$3,251,068	$222,104	$7,936	$542
Puyallup	$62,102	$16,683	$8,231,682	$399,255	$7,372	$358	$8,916,809	$660,150	$7,985	$591
Star	$63,344	$16,725	$12,513	$1,746	$6,256	$873	$16,054	$1,266	$8,027	$633
North Thurston	$62,836	$16,733	$6,177,846	$648,324	$8,101	$850	$6,127,733	$488,970	$8,035	$641
Bremerton	$62,311	$16,734	$2,722,267	$178,103	$7,387	$483	$2,961,500	$236,656	$8,036	$642
Renton	$62,114	$16,781	$4,869,584	$241,013	$7,123	$353	$5,525,815	$471,134	$8,083	$689
Grapeview	$63,403	$16,800	$109,975	$15,769	$8,771	$1,258	$101,590	$8,883	$8,103	$708
Tukwila	$62,218	$16,812	$978,700	$56,748	$6,771	$393	$1,172,790	$104,091	$8,114	$720
San Juan Island	$63,106	$16,944	$427,787	$52,942	$8,473	$1,049	$416,322	$43,023	$8,246	$852
Highline	$62,465	$17,113	$7,765,661	$601,402	$7,199	$557	$9,078,208	$1,101,631	$8,415	$1,021
Griffin	$63,785	$17,175	$278,448	$46,538	$8,648	$1,445	$272,967	$34,884	$8,477	$1,083
Monroe	$62,933	$17,236	$2,205,201	$246,572	$7,965	$891	$2,363,944	$316,784	$8,538	$1,144
Ellensburg	$62,443	$17,240	$1,181,488	$89,497	$7,604	$576	$1,327,300	$178,405	$8,542	$1,148
Kent	$62,639	$17,284	$10,823,455	$980,488	$7,425	$673	$12,515,791	$1,737,788	$8,586	$1,192
Stanwood-Camano	$63,460	$17,329	$2,165,133	$318,354	$7,792	$1,146	$2,398,369	$343,800	$8,631	$1,237
Lake Stevens	$62,122	$17,393	$2,116,087	$106,128	$6,648	$333	$2,767,761	$414,123	$8,695	$1,301
Lakewood	$62,083	$17,563	$765,370	$35,917	$6,753	$317	$1,004,819	$166,757	$8,865	$1,471
Tahoma	$63,506	$17,851	$2,533,755	$379,943	$7,953	$1,193	$2,916,063	$560,443	$9,153	$1,759
University Place	$64,733	$18,137	$2,717,442	$597,037	$9,368	$2,058	$2,738,176	$593,274	$9,439	$2,045
South Whidbey	$64,774	$18,219	$1,270,419	$281,776	$9,388	$2,082	$1,288,481	$287,904	$9,522	$2,128
Orcas Island	$64,547	$18,234	$354,717	$74,504	$9,189	$1,930	$368,110	$82,691	$9,536	$2,142
Snohomish	$64,002	$18,528	$3,915,440	$704,487	$8,504	$1,530	$4,525,863	$1,121,620	$9,830	$2,436
Palisades	$65,497	$18,641	$35,749	$9,171	$10,156	$2,605	$35,000	$8,973	$9,943	$2,549
Riverview	$65,688	$19,098	$1,565,417	$414,966	$9,545	$2,530	$1,705,722	$493,052	$10,400	$3,006

Sorted by **Housing** Expenses

			Using total **Household** Expenses for Homeowner				Using **Housing** expenses only			
	Total HouseholdExpenses	**Housing Expenses**	Additional cost per school district		Additional Pay for each CIS FTE at district		Additional cost per school district		Additional Pay for each CIS Staff FTE at district	
District			Bottom	Median	Bottom	Median	Bottom	Median	Bottom	Median
Snoqualmie Valley	$64,473	$19,235	$2,109,537	$434,793	$8,793	$1,812	$2,528,084	$754,107	$10,537	$3,143
Tacoma	$65,801	$19,281	$19,055,813	$5,145,541	$9,735	$2,629	$20,715,543	$6,242,458	$10,583	$3,189
Olympia	$64,844	$19,448	$5,048,413	$1,137,595	$9,665	$2,178	$5,615,487	$1,753,127	$10,750	$3,356
Vashon Island	$66,695	$19,869	$1,026,267	$314,414	$10,760	$3,297	$1,065,461	$360,256	$11,171	$3,777
Shoreline	$65,797	$19,937	$5,798,027	$1,564,605	$9,905	$2,673	$6,578,974	$2,250,712	$11,239	$3,845
Northshore	$65,120	$20,147	$11,327,171	$2,706,231	$10,083	$2,409	$12,862,059	$4,555,571	$11,449	$4,055
Mukilteo	$65,374	$20,447	$7,024,563	$1,762,463	$9,319	$2,338	$8,856,553	$3,282,917	$11,749	$4,355
Bellingham	$65,256	$20,632	$5,537,787	$1,358,923	$9,843	$2,415	$6,714,527	$2,554,422	$11,934	$4,540
Edmonds	$66,210	$21,186	$12,147,437	$3,489,165	$10,219	$2,935	$14,844,925	$6,055,499	$12,488	$5,094
Dieringer	$68,532	$21,431	$684,445	$252,152	$12,142	$4,473	$717,784	$300,971	$12,733	$5,339
Lake Washington	$68,352	$22,853	$15,501,288	$5,626,280	$12,010	$4,359	$18,270,057	$8,726,581	$14,155	$6,761
Everett	$68,037	$23,183	$11,808,093	$4,169,685	$12,085	$4,267	$14,153,326	$6,928,677	$14,485	$7,091
Seattle	$70,000	$24,472	$36,833,384	$15,052,738	$12,953	$5,294	$44,854,702	$23,829,335	$15,774	$8,380
Bainbridge	$69,675	$24,788	$2,655,714	$1,063,204	$13,098	$5,244	$3,262,402	$1,763,204	$16,090	$8,696
Issaquah	$71,769	$27,020	$10,111,716	$4,541,047	$14,000	$6,287	$13,233,637	$7,893,101	$18,322	$10,928
Bellevue	$76,139	$31,614	$15,570,636	$8,145,227	$16,889	$8,835	$21,127,417	$14,310,508	$22,916	$15,522
Shaw Island	$82,625	$33,843	$46,504	$27,602	$23,252	$13,801	$50,290	$35,502	$25,145	$17,751
Mercer Island	$86,132	$42,809	$5,713,469	$3,544,201	$24,854	$15,417	$7,841,673	$6,141,880	$34,111	$26,717
Grand Total		$13,957.41	$415,825,173	$68,451,280	$7,478	$2,462	$454,710,988	$108,482,277	$8,178	$3,902
					Weighted Average				Weighted Average	
			CIS Pay ==>	$2,168,950,120			Weighted average for the median additional			
			Total Pay ==>	$3,314,738,227			pay refers to only those recieving additional pay			