

2018 Local Funding Work Group Priorities Required Updates to New Education Funding Policy



The *Local Funding Work Group* was established in 2014 and represents the voices of nearly 8,000 school district leaders from our state's 295 school districts. We bring a front-line understanding to the issues facing the Legislature as progress is made in revising Washington's K-12 education financing system.

Our associations continue to offer ourselves as resources to the Legislature in navigating implementation of new education policies and funding adopted in 2017 as per EHB 2242 (*McCleary Plan*) and SSB 5883 (2017-19 Operating Budget). We recognize and appreciate the efforts of legislators to craft an updated education funding system to amply provide a program of basic education for every K-12 student in the state, in compliance with the state's constitutional "paramount duty" (Article IX, Section 1).

Although new structures and funding established in 2017 provided significant investments and opportunities to support basic education, there remain major challenges that we stand ready to help address, beginning in the 2018 Legislative Session.

In response to the November 15, 2017 Supreme Court Order, we urge the 2018 Legislature at a minimum to address and update the following components in EHB 2242:

- **Levies and Local Effort Assistance (LEA).** The implementation of levy reductions and change in LEA formula in EHB 2242 is out of sequence with the timing of state funding increases. For example, salary enhancements are not scheduled to be fully implemented until school year 2019-20, yet local levy authority is dramatically reduced in calendar year 2019. This will result in damaging cuts to student programs and services. We urge:
 - Delayed implementation of new levy and LEA policy and maintenance of levy and LEA policy adopted in ESB 5023 (2017) until a more workable and equitable levy reduction plan is developed that includes necessary improvements to the overall state obligation to fund actual district costs.
- **Special Education.** Though additional funding was provided in 2017 by increasing the special education cap to cover more students (from 12.7 percent to 13.5 percent), this approach does not address the per-student shortfall and overall, special education remains underfunded. We urge:
 - An increase in per-student special education funding (via the excess cost multiplier).
- **Salary Allocations and State Schedule.** Both the Salary Allocation Model (SAM) and staff mix were created and implemented to address the Supreme Court's ruling in the *Seattle School District* school funding case (1978). We urge:
 - Implementation of a simplified mandatory state salary schedule and allocation model that includes a staff mix factor, to ensure consistency, uniformity and equity across the state.

These are the combined priority recommendations of the following organizations: Washington State School Directors' Association (WSSDA), Washington Association of School Administrators (WASA), Washington Association of School Business Officials (WASBO), Washington School Personnel Association (WSPA), Alliance of Educational Associations (AEA) and Association of Washington School Principals (AWSP).

Additional context for these recommendations:

Levies and Local Effort Assistance (LEA). School districts have full understanding that state levy and LEA policy in 2017 (ESB 5023) intended to phase-down local levy authority to a lower level than in recent years as state funding was increased to cover basic education costs. EHB 2242 prematurely institutes significant changes to levy and LEA policy, and ultimately, funding. The dramatic shift in local levy and LEA policy in EHB 2242, along with the timing of its implementation, will have dire implications on the programs and education support services communities rely on their districts to provide.

We urge reductions be delayed until new state funding is fully integrated into school district operating costs, and actual costs for basic education compensation (including special education) are funded. Without a delay to implementation of the new policy, districts will be forced to reduce and cut programs that their students, families, and communities rely on. This will exacerbate an already inequitable funding and support system.

Special Education. The Supreme Court, in both *Seattle School District* (1978/1983) and *McCleary* (2012), clarified that special education is a component of basic education which the state is required to fully fund. While EHB 2242 increased the special education cap from 12.7 percent to 13.5 percent to cover more students, there remains a significant gap in per-student funding given the obligation to fund all students.

The special education funding formula, based on averages, by definition, overfunds some districts and underfunds others. If adequate increases in special education funding are not provided to support per-student costs many districts will remain underfunded and will continue to be forced to resort to the use of levies to backfill the state's funding gap.

Salary Allocations and State Schedule. A state salary allocation schedule and mix factor are essential tools that provide stability to districts in funding and predicting staff costs. Maintaining and requiring a state salary allocation schedule, albeit a more compressed model, along with a staff mix factor, will allow districts to hire the best, most qualified teachers, rather than the "cheapest," which is essential to hiring and retaining high quality educators. Without this necessary structure, districts with more experienced staff will be forced to raise additional revenue to retain those educators or be forced to discriminate against more senior, and more expensive, staff in hiring decisions.

While the three main issues addressed above are the top shared priorities among our associations for 2018, there are additional items that warrant action, including:

- Clarify and fund hold harmless provisions.
- Revise regionalization factors and methodology.
- Maintain Seattle/Tacoma/Bremerton CPI as the inflationary factor for salaries and COLA
- Reduction in the threshold to access safety net funding.
- Increase allocation for CLS (classified) and CAS (administrative) staff for districts that are above the statewide average.
- Allow for carryover of new LAP and CTE funds between FY17 and FY18.
- Delay or modify K-3 class-size compliance.