Legislative & Political Issues: K–12 in a Post–McCleary World
Legislative & Political Issues

How Did We Get Here?
- *McCleary v. State of Washington*
- Education Finance Reform (HB 2261; HB 2776)
- 2017: *McCleary* “Solution” Adopted (HB 2242)
- 2018: *McCleary* “Solution” Revisited (SB 6362)

Moving Beyond *McCleary*
- 2019–21 Budgets
- 2019 Session/WASA Legislative Platform

Next Steps
- 2020 WASA Legislative Platform
- Superintendent Advocacy

McCleary v. State
**McCleary v. State**

- **2005:** The Network for Excellence in Washington Schools (NEWS) is formed
  - Eleven original members (six school districts and five statewide advocacy groups)
  - Membership now comprised of 440 community groups, civil rights organizations, school districts and education associations committed to full and ample funding of K–12 education

- **2007:** NEWS files *McCleary v. State* lawsuit asking the courts to order the State of Washington to live up to its constitutional paramount duty
Constitutional Mandate

Paramount Duty Clause

“It is the paramount duty of the state to make ample provision for the education of all children residing within its borders…”

Article IX, Section 1
Washington State Constitution

Focus of the *McCleary* case:
- Unconstitutional underfunding of basic education
- Unconstitutional overreliance on local school district levies
Basic Education Finance Reform

- **ESHB 2261**—adopted 2009

- Redefined and expanded Basic Education:
  - Increased instructional hours
  - Pupil transportation
  - All-day kindergarten
  - Highly Capable program
  - LAP and TBIP
  - Special Education

- Required to be fully implemented and funded by Sept. 1, 2018
Legislative Intervention

Basic Education Finance Reform

- **SHB 2776**—adopted 2010
- Implemented Prototypical School Funding Formula
- Provided implementation schedule for required Basic Education elements:
  - Pupil transportation (2014–15)
  - MSOC (2015–16)
  - All-day kindergarten (2017–18)
  - K–3 class size reduction (2017–18)
Previous funding model provided high level formula staff units, solely at the district level:

- Certificated Instructional Staff: 46/1000 student FTE
- Certificated Administrative Staff: 4/1000 student FTE
- Classified Staff Units: 1/58.75 student FTE
New funding model breaks funding structure into three major functional areas of a school district:

- Schools
- Districtwide Support
- Administration
Prototypical School

- Prototypical School is a fixed theoretical school size used for modeling purposes
- Replaced the previous paradigm of a staff ratio per 1,000 students
- The model is fully scalable
  - As enrollment increases or decreases from prototypical size, the staff units change proportionately
- Distribution formulas are for “allocation purposes only”
<table>
<thead>
<tr>
<th>School Level Staffing*</th>
<th>Elementary (K–6)</th>
<th>Middle (7–8)</th>
<th>High (9–12)</th>
<th>Staff Type</th>
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</thead>
<tbody>
<tr>
<td>Base Enrollment</td>
<td>400</td>
<td>432</td>
<td>600</td>
<td>Student</td>
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<tr>
<td>Principals</td>
<td>1.253</td>
<td>1.353</td>
<td>1.880</td>
<td>CAS</td>
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<tr>
<td>Teacher Librarians</td>
<td>0.663</td>
<td>0.519</td>
<td>0.523</td>
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<tr>
<td>Guidance Counselors</td>
<td>0.493</td>
<td>1.116</td>
<td>1.909</td>
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<tr>
<td>Health &amp; Social Services:</td>
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<tr>
<td>School Nurses</td>
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<td>0.060</td>
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<tr>
<td>Social Workers</td>
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<td>0.015</td>
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<td>Psychologists</td>
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<td>0.002</td>
<td>0.007</td>
<td>CIS</td>
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<tr>
<td>Teaching Assistance</td>
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<td>0.700</td>
<td>0.652</td>
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<td>Office Support</td>
<td>2.012</td>
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<td>CLS</td>
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<td>Custodians</td>
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<td>Student &amp; Staff Safety</td>
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<tr>
<td>Parent Involvement Coordinators</td>
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<td>0.0</td>
<td>0.0</td>
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</table>

*School Level Other Staffing, as adopted in 2010

Source: OSPI, 9/10
### How many student FTE are needed to generate one staff FTE?

<table>
<thead>
<tr>
<th>School Level Staffing</th>
<th>Elementary (K-6)</th>
<th>Middle (7-8)</th>
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</thead>
<tbody>
<tr>
<td>Base Enrollment</td>
<td>400</td>
<td>432</td>
<td>600</td>
<td>Student</td>
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<tr>
<td>Principals</td>
<td>319</td>
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<tr>
<td>Teacher Librarians</td>
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<td>Guidance Counselors</td>
<td>811</td>
<td>355</td>
<td>236</td>
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<td><strong>Health &amp; Social Services:</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>School Nurses</td>
<td>5,263</td>
<td>7,200</td>
<td>6,250</td>
<td>CIS</td>
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<tr>
<td>Social Workers</td>
<td>9,524</td>
<td>72,000</td>
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<td>Psychologists</td>
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<td>Office Support</td>
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<tr>
<td>Student &amp; Staff Safety</td>
<td>5063</td>
<td>4,696</td>
<td>4,255</td>
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<tr>
<td>Parent Involvement Coordinators</td>
<td>4,848</td>
<td>0.0</td>
<td>0.0</td>
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*Source: OSPI, 6/19*
A 2010 report from OSPI noted that full implementation of the new Prototypical School Funding Model will require “annual funding improvements” based upon future legislative policy decisions.

Legislative “intent” to provide for “adequate” staffing levels in the Model has yet to be realized.
2010: King County Superior Court Judge John Erlick rules for the plaintiffs, declaring the State’s failure to fully fund public schools is unconstitutional:

- “This court is left with no doubt that under the State’s current financing system, the state is failing in its constitutional duty.”
January 2012: Supreme Court rules:

- The State “has consistently failed” to provide the ample funding required by the Constitution
- “Reliance on levy funding to finance basic education was unconstitutional 30 years ago in Seattle School District, and it is unconstitutional now”

Supreme Court Orders State to:

- “demonstrate steady progress” under ESHB 2261 (described as a “promising reform”); and
- “show real and measurable progress” towards full Article IX, Section 1 compliance by 2018
Supreme Court retained jurisdiction to “monitor implementation of the reforms under ESHB 2261” and “the State’s compliance with its paramount duty”

- Supreme Court Ordered the Legislature to provide annual compliance reports demonstrating progress following its adoption of a biennial or supplemental budget

- Plaintiffs have an opportunity to comment on the adequacy of the State’s progress; and

- After both parties submit briefs, the Court determines whether to request additional information or take other appropriate steps

Legislature submitted first Post-Budget report on September 17, 2012 and each year after
2017 & 2018:
McCleary Implementation
2017 McCleary Education Funding Plan implements major changes in K–12 financing, significantly impacting both State and local funding.

Once-in-a-generation changes in:
- Educator Salary Allocations
- Local Levies and Local Effort Assistance
- Collective Bargaining and Supplemental Contracts
- Accountability and Transparency
- Health Benefits
EHB 2242 Resources

http://bit.ly/2yFShOn

- EHB 2242 text, as signed into law: http://bit.ly/2xQznqw
- WASA Summary: http://bit.ly/2hhrcZJ
  ◦ Comprehensive EHB 2242 Summary (pg 8);
  ◦ EHB 2242 Timeline (pg 27)
- Levy Propositions: http://bit.ly/2i7rN0t
Accelerated funding schedule for educator salaries
“Smoothing” of Regionalization adopted
“Experience Factor” adopted
Accelerated local funding limitations
Accelerated accountability, including “sub–fund”
Increased Special Education Cost Multiplier
Delayed K–3 class size compliance
Revised Highly Capable provisions
Revised LAP allocations
Committed to “reform” Levy and Local Effort Assistance policies—but adopted NO changes
E2SSB 6362 Resources

http://bit.ly/2yFShOn

  - Summary of EHB 2242 provisions and E2SSB 6362 “fixes”

- E2SSB 6362 text, as signed into law: https://bit.ly/2qW6PGv

  - Comprehensive E2SSB 6362 Summary (pg 8)

- WASA FAQ: https://bit.ly/2r1redk
The Supreme Court concluded the State complied with its Orders and provisions of ESHB 2261/SHB 2776 and purged contempt

- November 2017: Court determined State achieved full compliance—minus delayed implementation of new salary allocation model until 2019–20 school year
- June 2018: Court determined State made new minimum State salary allocations fully effective as of 2018–19 school year and appropriated additional funds
Supreme Court Order—June 2018

- The Court:
  - Lifted sanctions; and
  - Relinquished jurisdiction in the case

- Conclusion: *McCleary* is finished

While *McCleary* is “done,” much work remains to be done

Implementation of HB 2242 and SB 6362—with new funding formulas, salary allocations, levy systems, and accountability measures—is far from complete

Court ruled that EHB 2242 may not ultimately amply fund basic education, stating: “the Court is willing to allow the State’s program to operate and let experience be the judge of whether it proves adequate”
What Now?

- Legislators truly believe they’ve “solved the problem” and are ready to move on.
- WASA—and education community—must continue to focus on required corrections to the new finance system.
2019–21 Operating Budget
STATE SPENDING ON K–12 EDUCATION OVER THE PAST 40 YEARS

Near General Fund and Opportunity Pathways operating expenditures

- **2019–21**: $27.1B
- **2017–19**: $22.7B

* Including 2018 supplemental budget

Source: Office of Financial Management, March 2018

OFM 7/21/2019
2019–21 Operating Budget

$52,813,000,000

$1,934,000 Policy Increases

$615,741 K–12 Education Increases

$328,682 SEBB Implementation

$287,059 Total K–12 Education Increases, Minus SEBB
# K–12 Policy Level Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>School Employee’s Benefits Board</td>
<td>$328.7 million</td>
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<tr>
<td>Special Education</td>
<td>$155.6 million</td>
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<tr>
<td>Local Effort Assistance</td>
<td>$61.6 million</td>
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<tr>
<td>Forest Revenue Deduction Elimination</td>
<td>$22.9 million</td>
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<tr>
<td>Paraeducator Training</td>
<td>$12.0 million</td>
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<td>Core Plus Expansion</td>
<td>$3.4 million</td>
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<td>Institutional Education</td>
<td>$2.7 million</td>
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<tr>
<td>Student Safety &amp; Well-Being</td>
<td>$2.5 million</td>
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<td>Guidance Counselors</td>
<td>$1.8 million</td>
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<tr>
<td>Other Issues</td>
<td>$22.9 million</td>
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<tr>
<td><strong>Total K–12 Policy Increase</strong></td>
<td><strong>$615.7 million</strong></td>
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Implements WASA’s Hold Harmless proposal, providing $58.4 million to school districts that receive less general apportionment in 2019–20 and 2020–21 school years than general apportionment in the 2017–18 school year.

Funding is provided from a portion of the “extraordinary revenue growth” that is scheduled to be transferred from the General Fund to the Budget Stabilization Account.
HB 2108—K–3 Class Size Compliance

- NOT ADOPTED

- Would have delayed the requirement that school districts meet kindergarten through third grade class-size ratios of 17 students to one classroom teacher until the 2020–21 school year

- Operating Budget includes assumed reversions due to lack of compliance, totaling $124 million over four years (with most of the reversions in the first two years)
2019–21 Capital Budget

- Total Capital Budget: $4.9 billion
- Total General Obligation Bonds: $3.2 billion
- Unused Bond Capacity: $70 million
  - (2020 Supplemental)
- K–12 Investment: $1.112 billion
### K-12 Capital Budget

(Dollars in Thousands)

<table>
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<tr>
<th>Program</th>
<th>Amount</th>
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<tr>
<td>School Construction Assistance Program (SCAP)</td>
<td>$1,042,053</td>
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<tr>
<td>Distressed Schools</td>
<td>$23,000</td>
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<tr>
<td>Small District Modernization Grants</td>
<td>$20,000</td>
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<tr>
<td>STEM Grants</td>
<td>$7,700</td>
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<tr>
<td>School District Health &amp; Safety</td>
<td>$6,000</td>
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<td>OSPI Administration</td>
<td>$3,924</td>
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<td>Skills Centers</td>
<td>$3,646</td>
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<td>Healthy Kids/Healthy Schools</td>
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<td>Agriculture in Schools Grant</td>
<td>$1,750</td>
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<tr>
<td>Career Preparation Equipment Grants</td>
<td>$1,000</td>
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<tr>
<td><strong>TOTAL K-12 EDUCATION</strong></td>
<td><strong>$1,112,323</strong></td>
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WASA 2019 Platform

- Improve School Safety and Security
- Provide Equitable Education Investments
- Support School Facilities
- Expand Available State Resources

WASA 2019 Platform

**Improve School Safety and Security**

- Enhance current staffing allocations in:
  - Health & Social Services (including school nurses and mental health counselors);
  - Counselors; and
  - Student & Staff Security

- Invest in Regional Safety Centers (AESD priority)

Bills of Interest

- Prototypical Funding Model enhancements:
  - HB 1265—guidance counselors
  - SB 5315—nurses, social workers, psychologists, guidance counselors
  - SB 5465/HB 1547—nurses, guidance counselors, family & community engagement coordinators
  - HB 1479/SB 5777—professional development on mental health

- Guidance counselors – $1.8 million
  - Funding for increased guidance counselors in 20 schools receiving targeted supports as part of the WA School Improvement Framework
Prototypical Funding Model

- EHB 2242 (2017) requires OSPI to convene a Technical Work Group to review staffing enrichments

- Recommendations:
  - Possible phase-in plan of staffing enrichments
  - Priority: enrichments that are research-based or evidence-based strategies to reduce opportunity gap, assist struggling students, increase outcomes of all students, or strengthen support for all school and school district staff

- Report due December 1, 2019
Bills of Interest

- **Student & Staff Security:**
  - HB 1035–funded SROs at all schools
  - SB 5052–develop SRO training

- **HB 1216 adopted:**
  - ESD Regional School Safety Center and OSPI state School Safety Center
  - Grant program to fund training for school district SROs (SB 5141)
  - $2.5 million provided in Operating Budget
PROVIDE EQUITABLE EDUCATION INVESTMENTS

Revise HB 2242/SB 6362, including:
- Enhance Special Education funding;
- Update inequitable levy/LEA policies;
- Revisit salary allocation policy and funding for health benefits (SEBB); and
- Reevaluate regionalization methodology

Provide Equitable Education Investments:
Special Education
Bills of Interest

- **Special Education:**
  - HB 1093/SB 5312–multi-tiered multiplier
  - SB 5736–increase multiplier to 0.98
  - SB 5262–required posting of special education service model; required information to parents prior to IEP meeting
  - SB 5532–professional development for family engagement

- **SB 5091 adopted:**
  - Increases special education excess cost multiplier from 0.9609 to 0.995 in 2019–20. Beginning in 2020–21, two-tier multiplier (0.995 or 1.0075) implemented
  - Lowers threshold for high-need individuals for state-funded special education safety net awards to 2.3 times (rather than 2.7 times) the average per-pupil expenditure
Special Education Funding

Excess Cost Multiplier

- Documented underfunding: $309+ million
- OSPI budget request: $87 million
- Governor budget request: $89 million
- House original proposal: $72 million
- Senate original proposal: $86 million
- Final Budget: $77 million
- Additional funding for safety net threshold ($16M); safety net growth ($33M); and professional development ($25M)
Provide Equitable Education Investments: Levies & Local Effort Assistance
Changes levy lid to the lesser of: $2.50/$1,000AV or $2,500 per pupil ($3,000 for Seattle)

Changes Local Effort Assistance threshold to $1,550 per student (plus inflation; $1,593 in Calendar Year 2020). Districts are eligible for LEA if $1.50/$1,000AV would raise less than $1,550.

- Additional LEA provided for Vancouver & Evergreen school districts in 2019–20.
School districts required to provide a supplemental expenditure schedule by revenue source, identifying amounts expended for supplemental enrichment activities.

The State Auditor required to review expenditure of local funds.

If SAO finds a school district is out of compliance, maximum taxes levied in the following year shall be reduced by the expenditure amount identified by SAO.
WASA Levy Request

- Specific, clear limits along with any increase in levy capacity to protect levy dollars

- Requested statutory language that limited supplemental contracts for specific additional time or responsibilities that are uniquely tied to a specific assignment—that is, duties that are beyond what is required of all Certificated Instructional Staff

- Language would have effectively—or specifically—eliminated “universal TRI”
Urged Legislature to adopt statutory language to clearly define the minimum professional duties and expectations for teachers beyond instructional time—and not leave this to collective bargaining.

Definition requested would have recognized that the professional responsibilities, time, and effort required to provide basic education exceeds the required number of instructional hours and includes such things as preparation and planning, collaboration with other teachers, meeting with parents, and evaluation of student learning.
Provide Equitable Education Investments: Salary Allocation & SEBB
Key Components:

- Consolidates school employees into a single, active employee risk pool, bargained with the State

- All school employees who work or are anticipated to work 630 hours in a school year and their dependents are eligible for full benefits

- Employee premiums for full family medical coverage no more than 3 times the premiums for individual coverage for the same plan (3:1 ratio)
School Employees’ Benefits Board
(as funded, 2019)

- Collective Bargaining Agreement accepted and funded (begins January 1, 2020)
- Benefit Allocation Factors maintained: Classified Staff, 1.43; Certificated Staff, 1.02
- Insurance funding rate:
  - $973 per employee per month, Sept 1–Dec 31, 2019
  - $994 per employee per month, Fiscal Year 2020 (Jan–June, 2020)
  - $1,056 per employee per month, Fiscal Year 2021 (July, 2020–August, 2021)
  - Retiree carve-out included in funding rates
Bills of Interest

- **HB 1813**–Pupil transportation service contracts would have been required to provide health and retirement benefit contributions equivalent to those received by school employees

- **SB 6011**–Would have rejected SEBB CBA and moved school employees to PEBB

- **SB 6020**–Would have approved of SEBB CBA, but increased eligibility threshold from 630 hours to 1,040 hours
WASA 2019 Platform

SUPPORT SCHOOL FACILITIES

- Advance constitutional amendment for Simple Majority approval of school district bonds
- Update and enhance School Construction Assistance Program funding formulas
- Assist property poor districts with capital funds
- Invest in safety-related school facilities upgrades

Bills of Interest

- **SJR 8201/HJR 4203**—Would have sent constitutional amendment to the voters to authorize simple majority approval of bond issues

- **SB 5853**—Would have: phased in increases Construction Cost Allowance (CCA) and Student Space Allocation (SSA); and increased the funding assistance percentage floor

- **SB 5572**—Would have implemented Small District Modernization Grant program ($20M appropriated in Capital Budget, without bill)
Next Steps?
DRAFT Requests:

- Update Staff Allocation Formulas
- Define Teacher Duties & Expectations
- Provide Consistent, Equitable, and Ample Education Resources
  - Special Education
  - Salary Allocations & State Schedule
  - School Employees’ Benefits Board
  - Regionalization
- Support School Facilities
School Superintendent Advocacy

— What You Can Do —
OH SO YOU'RE A POLITICIAN WHO HAS NEVER TAUGHT A CLASS?

TELL ME MORE ABOUT HOW SCHOOLS SHOULD BE RUN
Superintendent Advocacy

- NOW is the time to establish an ongoing, relationship with your legislators (and their staff)
- Remember, you are the education “expert” and a valuable resource to legislators
- Be prepared to “tell your story”—build data on budget deficits; staff layoffs; special education underfunding; other needs
- Collaborate with community groups
- Keep colleagues and WASA informed
- 175 days until 2020 Legislature convenes
Advocacy Resources
Education Websites

- WASA: www.wasa-oly.org

Education Associations:
- WSSDA: www.wssda.org
- AWSP: www.awsp.org
- WEA: www.washingtoneaea.org
- PTA: www.wastatepta.org

Education Agencies:
- OSPI: www.k12.wa.us
- SBE: www.sbe.wa.gov
- PESB: www.pesb.wa.gov

Legislative–related:
- Legislature Homepage: www.leg.wa.gov
- Governor’s Homepage: www.governor.wa.gov
- LEAP (Budget info): http://leap.leg.wa.gov/leap/default.asp
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Incoming Superintendents Conf 2019