Following the implementation of changes to state education funding, WASA convened a work group with the goal of providing assistance to small school districts negatively impacted by the legislative changes.

An analysis of the data shows that 32% of school districts, including large, medium and small ones, are incurring funding losses as a result of the changes and another 7% of districts are seeing only negligible funding increases under the new structure. This proposed solution is meant to serve as a short-term bridge to a future legislative funding fix.

**The solution?**

1. Hold the 93 districts losing money “harmless” and add state IPD dollars to account for inflation, helping 115 districts total.

2. Expand the state’s “experience factor” criteria by 15%, helping 52 districts that have a higher proportion of long-serving, experienced teaching staff.

This proposed solution would help those districts most negatively impacted by the state school funding changes—132 out of 295 Washington school districts.
How would it work?

The short-term solution proposes an increase in state funding that is two-fold:

**“HOLD HARMLESS” + IPD**

Revise the “hold harmless” provision of Senate Bill 6362, section 401 to accurately reflect the losses to basic operating revenue, which would include all districts incurring losses, not just a handful of large districts, which is the case today.

- Under the proposal, losses would be calculated without including funds designated to specific purposes such as special education, grants, transportation and specific state-funded programs.
- In order to promote equity and consistency, the workgroup is proposing that the “hold harmless” provision for districts above and below 300 full time equivalent students be calculated separately. For districts with more than 300 full time equivalent students, the “hold harmless” criteria would be calculated on a per student basis; for districts with under 300 full time equivalent students, it would be calculated on a net revenue basis.

The workgroup also proposes increasing basic education operating revenue based on the Annual Implicit Price Deflator (IPD), which accounts for inflation.

This funding increase solution would apply to a total of 115 school districts in the state of Washington. Of those 115 districts, 93 of the districts would be “held harmless” and brought back to a break-even point. The remaining 22 districts would receive IPD funding only, because under the new funding structure, these districts were only marginally above the break-even point when comparing the 2019-2020 school year to the 2017-2018 school year.

**“EXPERIENCE FACTOR”**

Expand the state’s “experience factor” eligibility criteria to include school districts that exceed the statewide average for teacher years of experience by 15%. This part of the proposal addresses the challenge that 52 school districts are facing as they transition to the current model, which only provides state funding at $65,216 per teacher, regardless of their education or years of experience. This results in only a portion of the salaries of more experienced teachers, with higher earnings, being funded by the state.

The bottom line?

This solution would cost the state approximately **$123 million**. This cost is negligible, compared to the $1.1 billion lost in local levy funding under the funding changes.