

June 11, 2018

Evergreen Families,

On June 7, the Washington State Supreme Court officially ended proceedings on the 2012 *McCleary v. State of Washington* school funding case. The court ruled the actions taken over the last two legislative sessions have now satisfied the court's directive to fully fund "Basic Education" for Washington's public school system. This may leave you wondering what it exactly means for Evergreen and our students.

The legislature did not significantly change what programs and services are included in the definition of "Basic Education," but rather changed the required amounts/formulas and sources of funding. Many of you may have noticed a significant increase this spring on your property tax statement – mainly attributed to an increase of the state property tax rate for education. This additional revenue allows the state to significantly increase the portion of salaries and materials it pays to each school district while addressing the court mandate to reduce the reliance on locally voted levies.

In fulfilling its responsibility to fund "Basic Education" through this state tax increase, the legislature has also mandated a corresponding reduction in local levy authority since historically, these funds were used to backfill the unfunded portion of "Basic Education." That means what you will also see next year on your property tax statement is a large reduction in Evergreen's local school Levy property tax rate. All school districts, including Evergreen, will be limited to a maximum levy rate of \$1.50 per assessed \$1,000 of property values or a maximum of \$2,500 per student, down from our current rate of \$3.21 per \$1,000.

With significant changes in state funding formulas and variable local levy limits, the final budget impact is different for every school district in the state, as the media has reported-there are school district "winners and losers" on who will gain funding and who will see cuts. Where districts fall on this scale is primarily related to their previous levy rates, the average property values within district boundaries, the experience level of their staff, and how much "regionalization" salary adjustment they receive based upon each district's median home values. To illustrate this, the table below shows two districts similar to Evergreen and how the corresponding new funding will impact budgets.

District/number of students	State Regional Salary Increase	Local Levy Rate Change	Total State Funding Increase*	Local Levy Reduction*	Net Increase*
Lake Washington/29,000	+18%	-\$0.21	\$73.6 M	\$8.7 M	\$64.9 M
Evergreen/26,000	+6%	-\$1.71	\$35.8 M	\$29.3 M	\$6.8 M
Vancouver/23,700	+6%	-\$1.52	\$36.4 M	\$22.4 M	\$14.0 M

* Financial changes comparisons are between the 2017-18 school year and the 2019-20 school years to show before and after budget implementation.

In addressing the ruling, our state superintendent, Chris Reykdal recognized, “While the Legislature ultimately resolved the court case by increasing state resources spent on K-12 education, it did not fundamentally change how to support students and educators or increase student achievement.” With the reduction in our local levy combined with the new funding formula, Evergreen appears to be at a financial disadvantage with other districts our size. and even, in our region. That’s why we will need to seek innovative solutions to continue serving our students’ needs within this new educational funding landscape.

Sincerely,

John Steach, Superintendent