

McCleary Fiscal Transformation

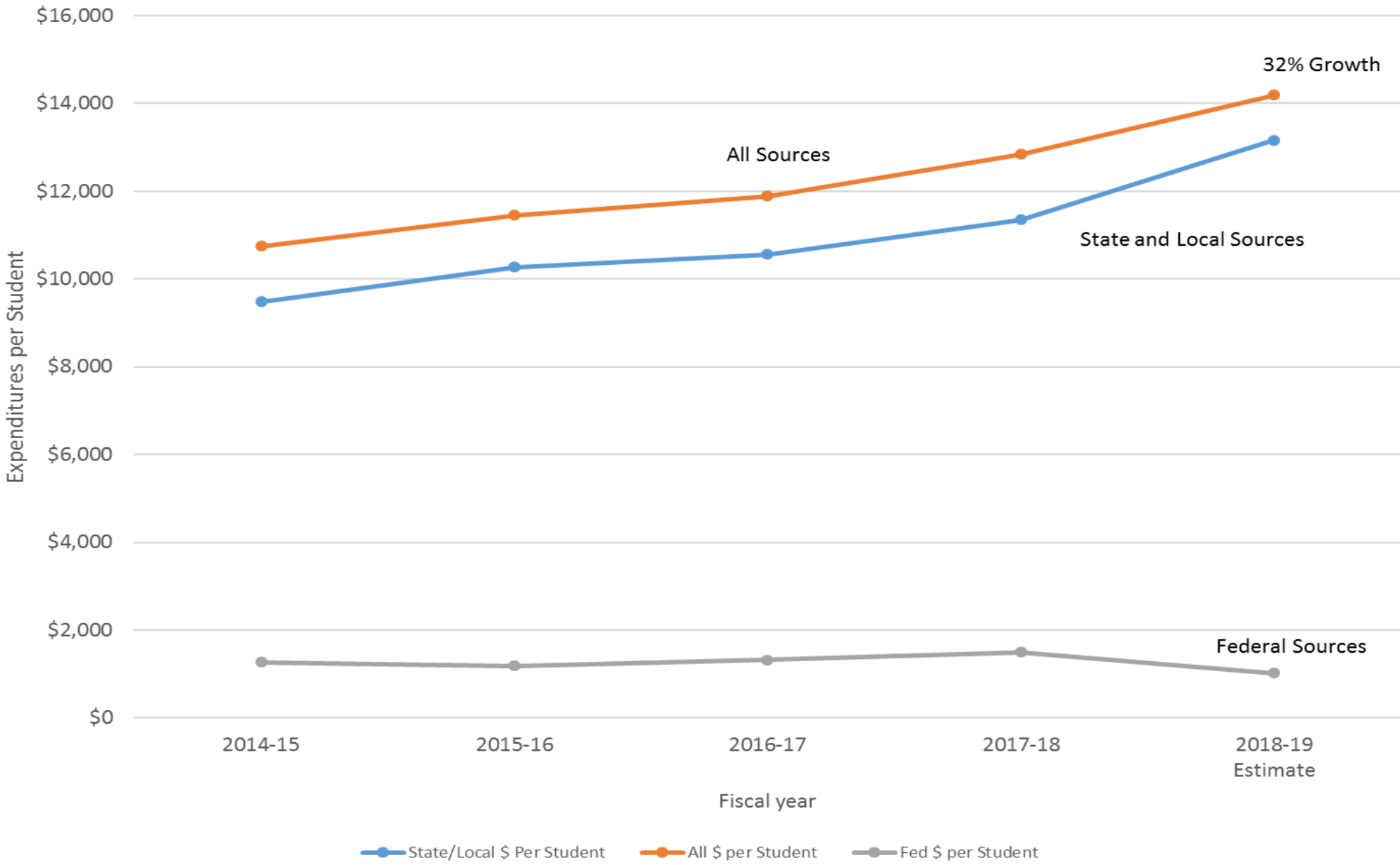
Chris Reykdal

Superintendent of Public Instruction

Washington State



Expenditures per Student Washington State



Washington Compared to the U.S. Average

State Name

Fiscal effort: Education expenditures on education as a percent of capacity (GSP or income).

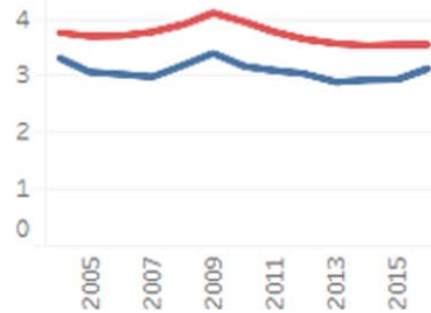
Adequacy: Spending by poverty, adjusted for district/area characteristics.

Progressivity: Ratio of revenue in higher-poverty districts to zero poverty districts (values above 1 indicate progressive funding).

Data from the School Finance Indicators Database <http://schoolfinancedata.org>

FISCAL EFFORT

% of Gross State Product

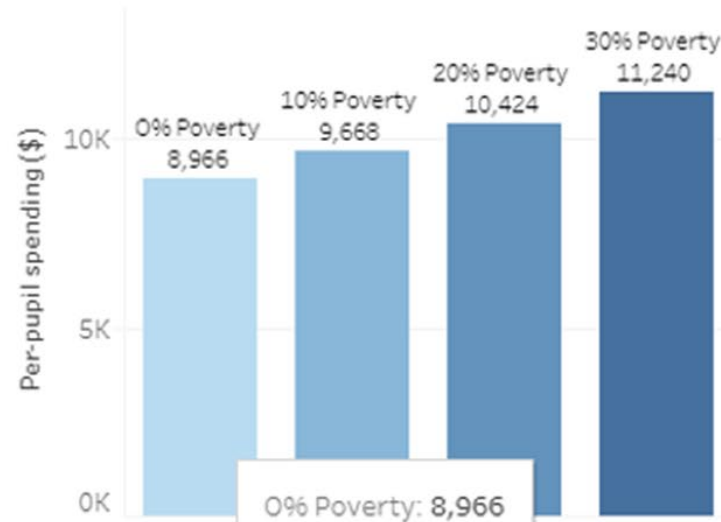


% of Personal Income



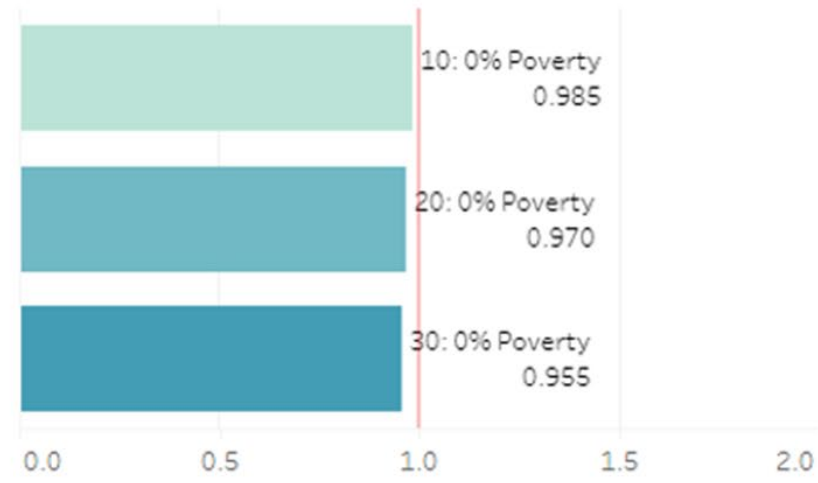
ADEQUACY (EQUATED SPENDING)

Year

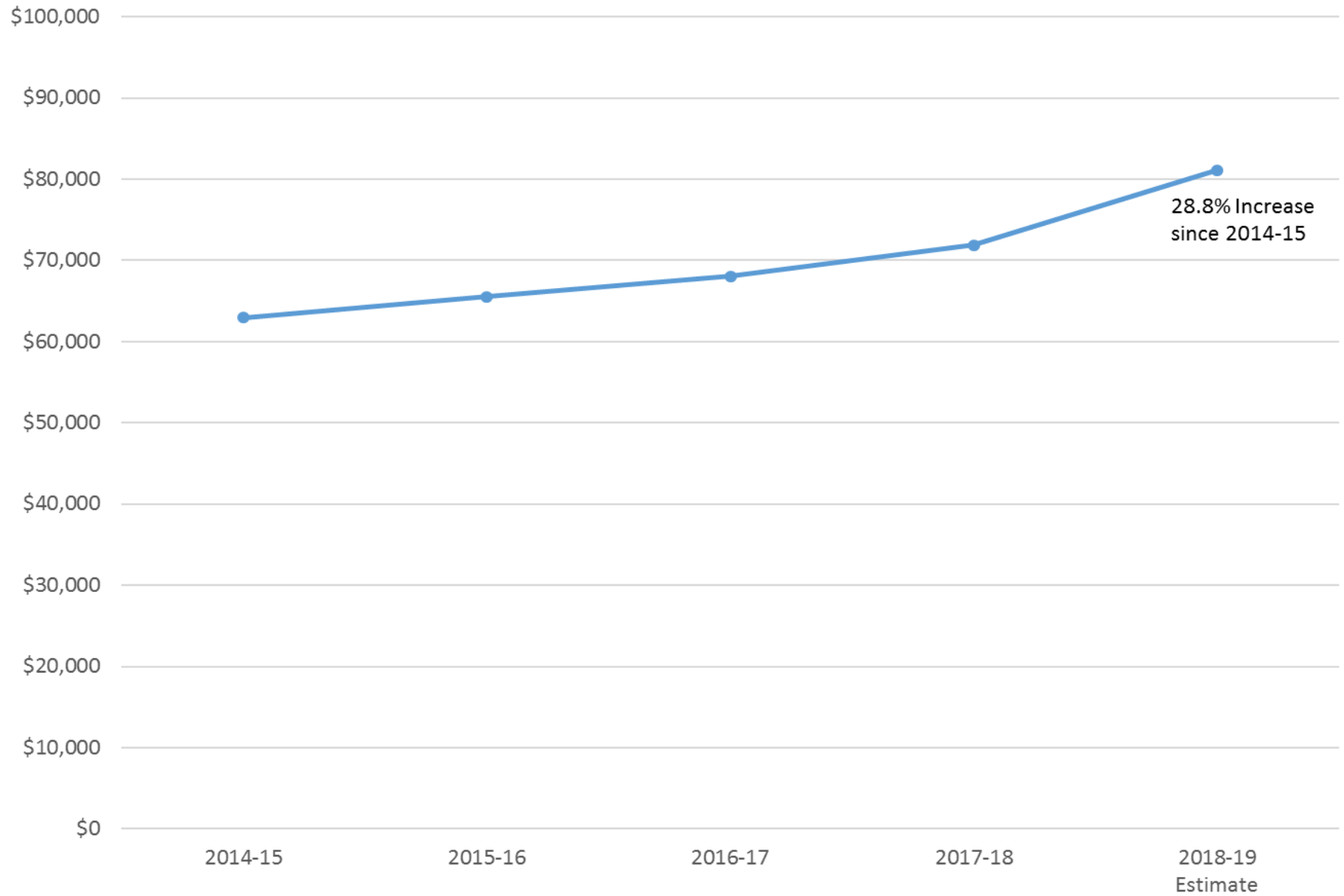


PROGRESSIVITY

Year



Certificated Salary Changes

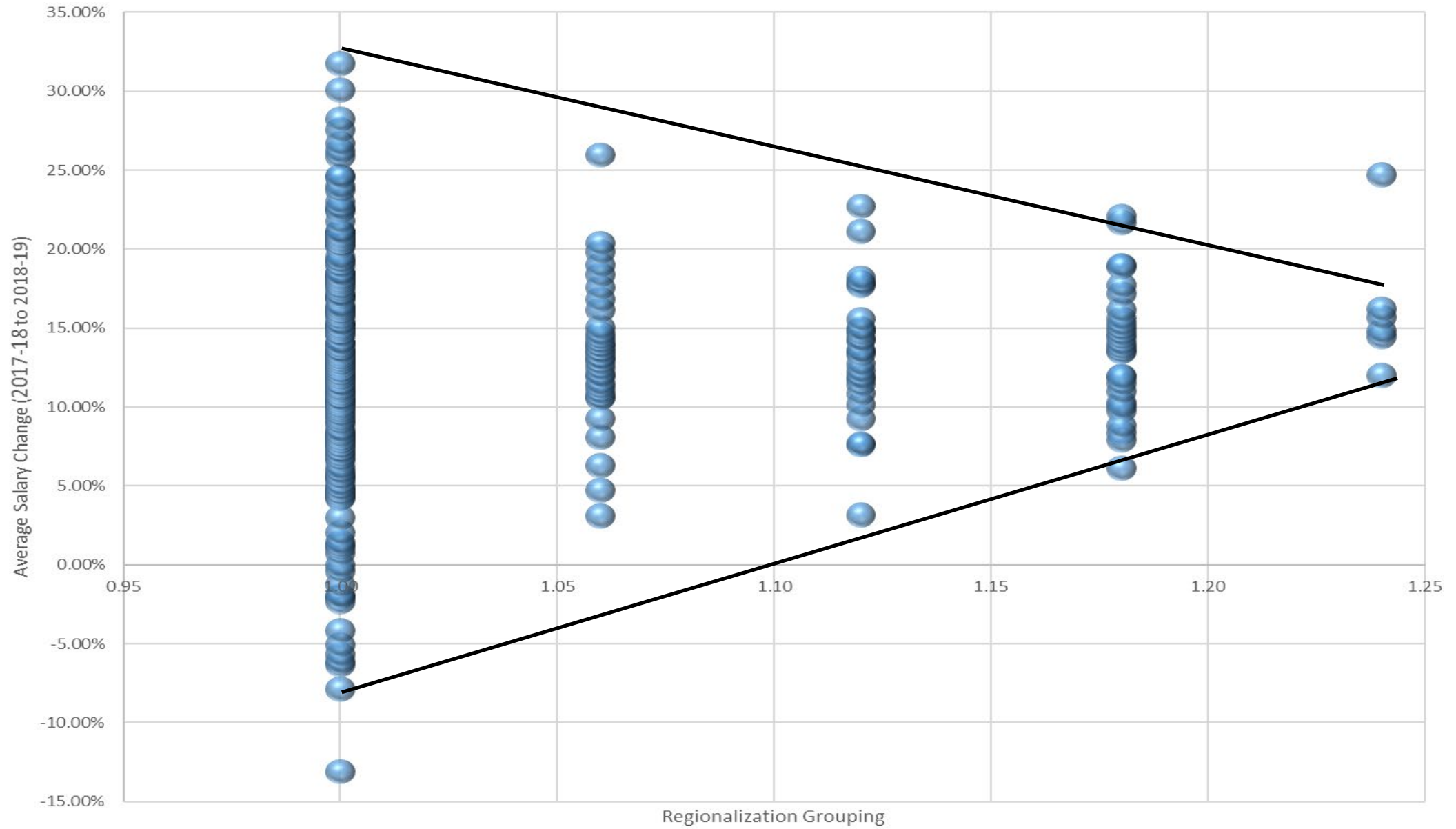


Regionalization	Before ESSB 6362			After ESSB 6362			Percent Year over Year Increase		
	Base Salary 2017-18			Base Salary 2018-19					
	Certificated	Classified	Administrative	Certificated	Classified	Administrative	Certificated	Classified	Administrative
Statewide Average	\$ 56,085	\$ 47,153	\$ 120,909	\$ 73,620	\$ 50,091	\$ 126,579	31%	6%	5%
1.24	\$ 58,538	\$ 52,285	\$ 140,601	\$ 81,634	\$ 54,976	\$ 146,318	39%	5%	4%
1.18	\$ 55,653	\$ 52,374	\$ 131,631	\$ 76,125	\$ 56,088	\$ 137,904	37%	7%	5%
1.12	\$ 56,183	\$ 48,944	\$ 123,737	\$ 76,620	\$ 52,289	\$ 128,375	36%	7%	4%
1.06	\$ 56,466	\$ 46,317	\$ 119,895	\$ 73,433	\$ 48,935	\$ 124,676	30%	6%	4%
1.00	\$ 55,720	\$ 41,078	\$ 107,067	\$ 67,911	\$ 43,379	\$ 113,061	22%	6%	6%

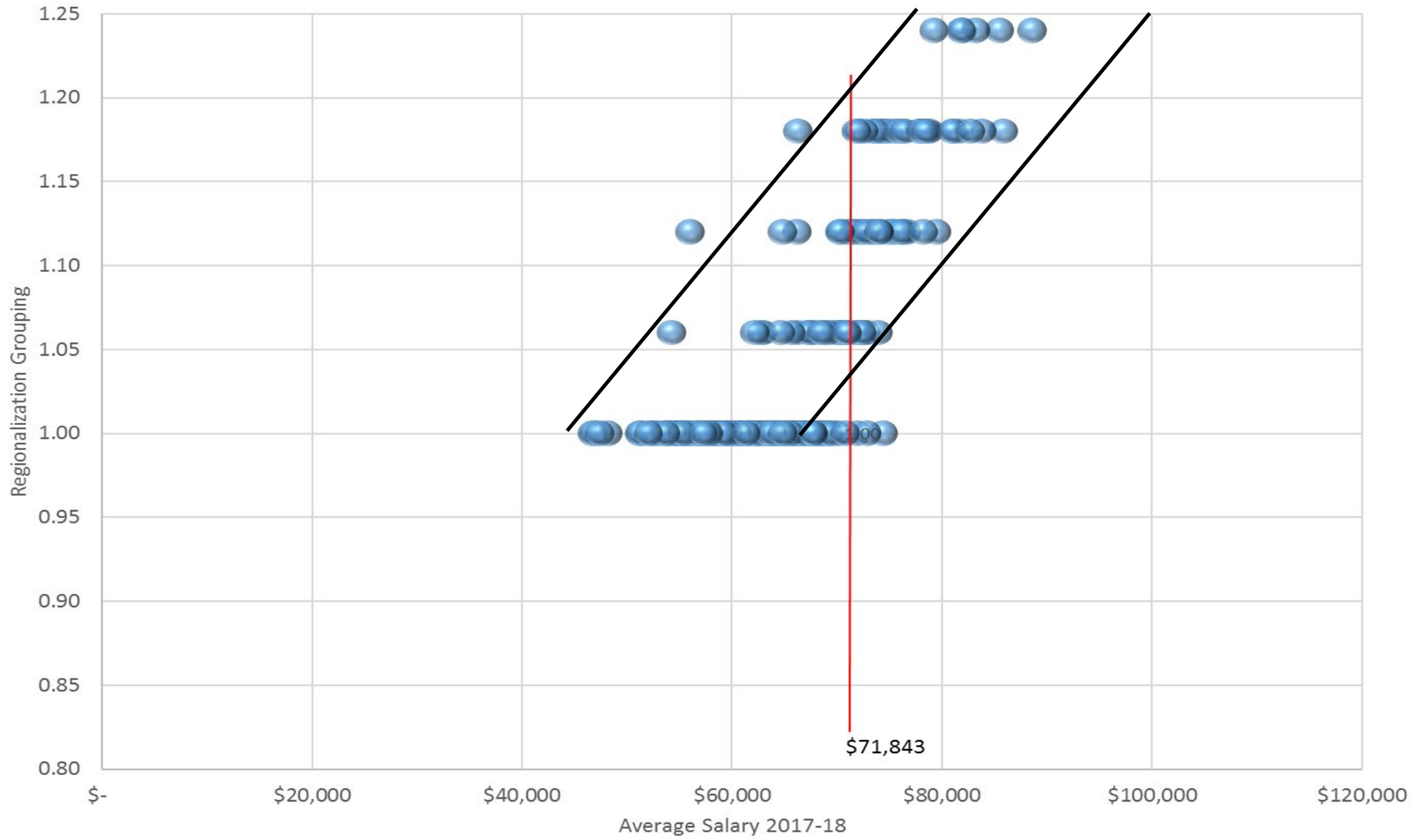
Regionalization	Before ESSB 6362			After ESSB 6362			Percent Year over Year Increase / (Decrease)		
	Supplemental Pay 2017-18			Supplemental Pay 2018-19					
	Certificated	Classified	Administrative	Certificated	Classified	Administrative	Certificated	Classified	Administrative
Statewide Average	\$ 15,758	\$ 768	\$ 3,835	\$ 7,468	\$ 554	\$ 2,793	-53%	-28%	-27%
1.24	\$ 26,516	\$ 802	\$ 3,135	\$ 16,555	\$ 854	\$ 3,138	-58%	6%	0%
1.18	\$ 20,930	\$ 1,719	\$ 4,337	\$ 10,410	\$ 1,020	\$ 2,969	-50%	-41%	-32%
1.12	\$ 16,469	\$ 635	\$ 3,445	\$ 6,992	\$ 579	\$ 2,821	-58%	-9%	-18%
1.06	\$ 13,940	\$ 866	\$ 4,860	\$ 6,055	\$ 653	\$ 4,707	-57%	-25%	-3%
1.00	\$ 9,151	\$ 1,064	\$ 5,252	\$ 3,814	\$ 305	\$ 2,219	-58%	-71%	-58%

Regionalization	Before ESSB 6362			After ESSB 6362			Percent Year over Year Increase		
	Total Salary 2017-18			Total Salary 2018-19					
	Certificated	Classified	Administrative	Certificated	Classified	Administrative	Certificated	Classified	Administrative
Statewide Average	\$ 71,843	\$ 47,921	\$ 124,744	\$ 81,088	\$ 50,645	\$ 129,372	13%	6%	4%
1.24	\$ 85,054	\$ 53,087	\$ 143,736	\$ 98,189	\$ 55,830	\$ 149,456	15%	5%	4%
1.18	\$ 76,582	\$ 54,093	\$ 135,968	\$ 86,535	\$ 57,108	\$ 140,873	13%	6%	4%
1.12	\$ 72,652	\$ 49,580	\$ 127,181	\$ 83,612	\$ 52,868	\$ 131,196	15%	7%	3%
1.06	\$ 70,406	\$ 47,183	\$ 124,755	\$ 79,488	\$ 49,588	\$ 129,383	13%	5%	4%
1.00	\$ 64,870	\$ 42,142	\$ 112,319	\$ 71,726	\$ 43,684	\$ 115,281	11%	4%	3%

Distribution of Total Cert Salary Changes (all sources) 2017-18 to 2018-19



Salary Spreads (all sources) Before 2242/6362



Salary Spreads (all sources) After 2242/6362

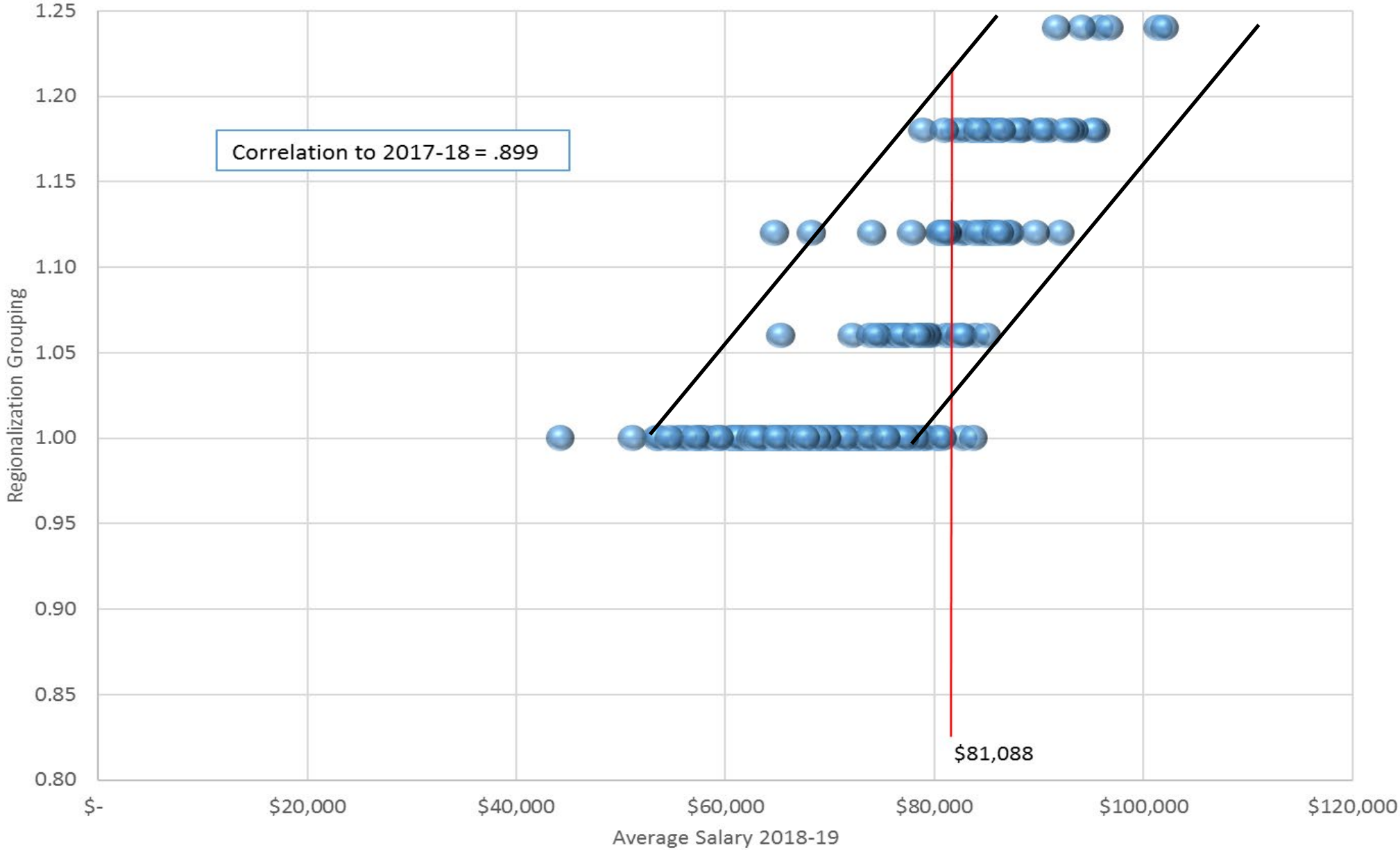
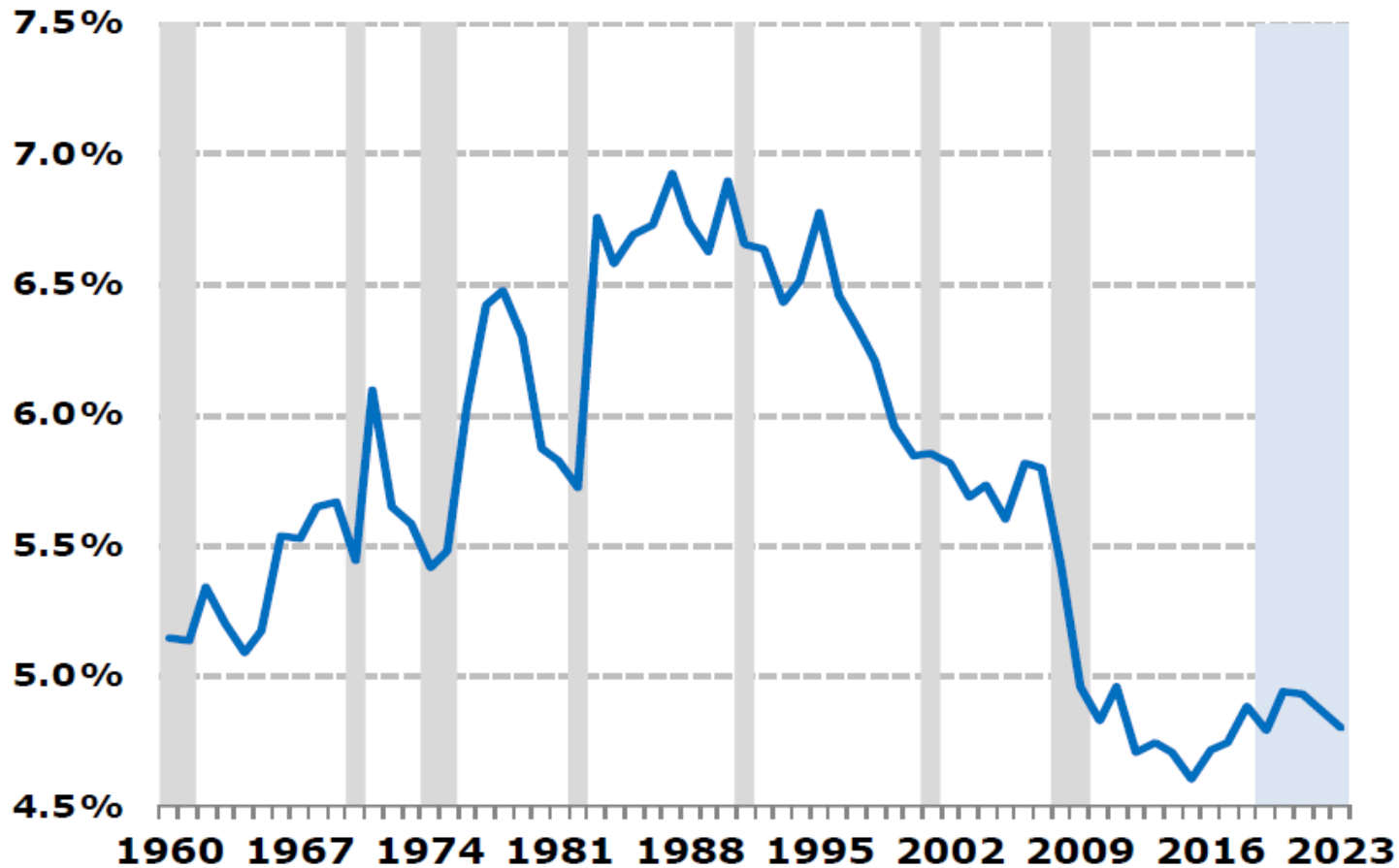


Figure 3.1: GF-S Revenue as a Percentage of State Personal Income (Fiscal Years)

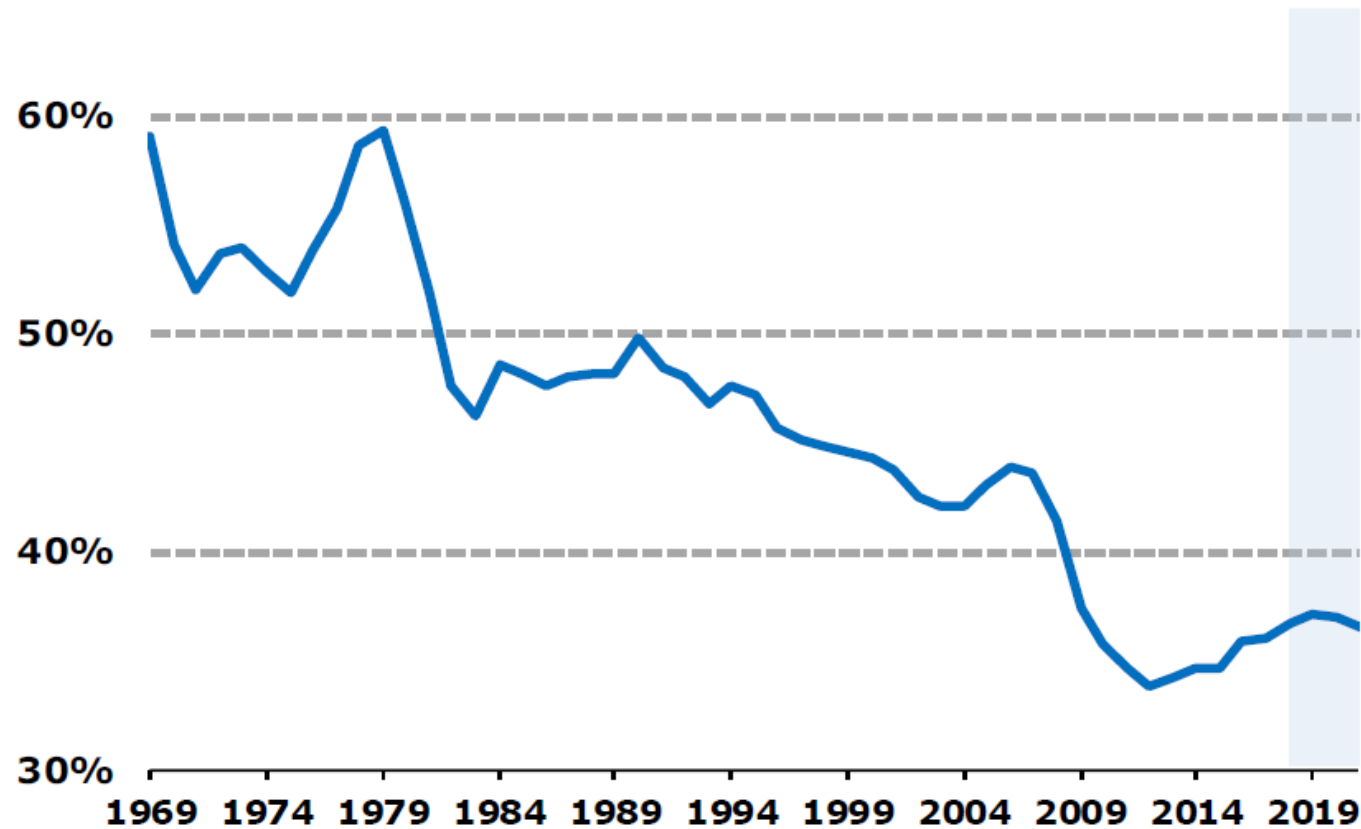
GF-S revenue relative to state personal income has been on a declining trend since 1995



Source: ERFC, data through fiscal year 2018. Gray shaded area indicates recession; blue shaded area indicates forecast.

Figure 3.4: Taxable Sales* as Percentage of State Personal Income

The ratio of taxable sales to state personal income is on a declining trend



*Past tax base adjusted to represent current base. Shaded area indicates forecast

Source: ERFC; Data through FY 2018, forecast through FY 2023

Washington K–12 Public Schools Performance

- Record statewide four-year graduation rate 81+%
 - African American, Native American, Hispanic, low-income, and students with disabilities graduation rates are increasing faster than state average
- Record high credits at graduation
- #6 in the nation in 8th grade NAEP math scores
- #7 in the nation in 8th grade NAEP ELA scores
- Statewide SAT participation and average score has increased four straight years
- Kindergarten Readiness in all six domains has increased from 37% to 46% over the past four years



Our Shared Future

- To close achievement gaps we will have to focus resources
 - Targeted dollars by poverty, EL, special needs, and race
 - Grow support services faster than instructional services (Staffing Enrichment Workgroup)
 - Counselors
 - Nurses
 - Mental health
 - Administrators/attendance/discipline/data
 - Will need to enhance the prototypical model at first
- Overall investment in K–12 must continue to exceed private economy (we are still an underfunded state, but growing rapidly)
- Compensation now at market (Legislature needs to maintain)
- Pathways – We will be judged by equal opportunity to postsecondary options
- Dual Credit expansion – We are part of the debt bubble solution
- Dual Language expansion – Globalization compels us to be multilingual/multicultural



Major Conclusions

- K–12 net revenues have increased by more than \$3 billion/year
 - Record investment level
 - Record funding/student
 - Record high compensation
- We are approaching the national average for K–12 spending as a percent of GSP
- Salary variance for certificated staff is most pronounced for the 1.0 districts
- Regionalization replaced much of the local levy funded TRI – high correlation
- Sustaining this with our current tax code will be very challenging
- Student achievement continues to rise and gaps are closing
- To grow investments further and increase student achievement, we will need to focus on enhancing basic education, most specifically in support services
- To contribute most to the economy, we need to further improve graduation rates and help reduce student loan debt burden





Thank you!