

What You Need to Know about the *McCleary* School Funding Agreement

July 25, 2017

LEVinar re: 2017 Legislative Session



LEAGUE OF
EDUCATION
VOTERS™



Overview

- Overall some significant advances were made but there's still plenty of work to be done.
- Regarding funding, the legislature made strong increased investments in education.
- Although the legislature directed some additional funding to programs for historically underserved students, the needs and opportunity gaps are vast. There are some promising directions with OSPI directed to identify key methods to do so using new data collection.
- Regarding the funding formula, although a key source of inequity, the staff mix formula, was eliminated; some steps that might have modernized the funding formula to target funds and address the complex needs of some of the most at-risk student populations were not adopted.
- Auditing will be key to ensure we don't get back to where we started – e.g. regional enhancements for salary structure.
- The agreement minimally addresses accountability but there are other mechanisms under development to do so.



K-12 Funding

- K-12 Funding
 - Funding enhancements start in 2018-19 and will be fully implemented in 2019-20
 - Total 2017-19 budget is \$21.9B (2015-17 actual spending was \$18.2B)
 - Enhancements include approx. \$2 billion in maintenance and carryforward increases (including K-3 class size reduction enhancements)
 - \$7.3B in additional funding will be put into K-12 over the next four-years
 - \$2.1 billion of this is reallocating funding that was part of carryforward level to fund I-1351 but will be instead be used to increase K-12 staff salaries
 - \$1.8B will be put in during 2017-19 and \$3.3B during 2019-21 based on policy enhancements above maintenance and carryforward levels



Funding Formula

- Funding Formula
 - The prototypical school funding model is maintained, but staff mix factor is eliminated completely
 - Categorical funding formulas are maintained and per-student amounts by district will differ based on the regional salary level paid to a district
 - General and categorical allocations must be reported in per-pupil amounts
 - The staffing values in I-1351 will be revisited to determine funding prioritization and are explicitly defined as not part of basic education
 - If the staffing enhancements are funded, they become part of the prototypical formula



A “little bit” on Revenue

- The school district levy formula is changed to be at a levy rate of \$1.50 or a per student district levy revenue amount of \$2,500, whichever is less.
 - Local Effort Assistance is maintained, but a new formula is adopted and a minimum of \$1,500 per student is set.



Salaries

- Statewide salary allocation model is eliminated
- Minimum teacher salary: \$40,000 | Maximum teacher salary: \$90,000
- There will be a three tiered district-based regional cost of hiring system
- 3 days state funded PD
- Supplemental contracts for teachers and other staff are limited to enrichment activities outside of basic education
- Health benefits move to new School Employees Benefits Board (SEBB)



Student Supports

- Increases in funding for TBIP, CTE, Highly Capable, Special Education, and LAP (academically struggling)
- Newly created High Poverty Concentration for LAP
- Continued funding for ELO and data systems



Accountability

- New accounting and reporting requirements for districts
- Expanded responsibility of the State Auditor's Office



The McCleary Question...

Does it pass constitutional muster?

“...any program the legislature establishes must be fully and sufficiently funded from regular and dependable state, not local, revenue sources...”

- Washington State Supreme Court Order No. 84362-7

- **July 30 – State attorneys submit report to Supreme Court**
- **August – *McCleary* plaintiffs can respond**
- **Summer/Fall 2017 – Supreme Court response**



The Good, The Bad, and the Hmmm...



Celebrate

- increased \$
- Additional targeted funding
- New guardrails



Monitor

- Enrichment levy expenditures
- Staffing practices
- School budgets
- School-level per pupil on categoricals



Continued Advocacy

- Accountability
- Access to supports
- Community engagement
- Additional school-level and educator resources

QUESTIONS?

