

MCCLEARY EXPLAINED

BACKGROUND

In 2012, the Washington State Supreme Court ruled that the Washington Legislature is not meeting its constitutional obligation to amply fund K-12 education. The Court gave the Washington Legislature until the end of the 2017 legislative session to come up with a complete plan to fully fund the program of basic education and the financial resources to fund the plan.

In the last four years, the Legislature has made progress towards fully funding basic education, but they still have a substantial amount of work to do before the state achieves full funding.

SUBSTANTIAL INVESTMENTS HAVE BEEN MADE, BUT MORE PROGRESS IS NEEDED

The Washington Supreme Court has ruled that according to the plan outlined by the Legislature, additional funding needs to be directed to full-day kindergarten, K-3 class size reduction, materials supplies and operating costs (MSOC), transportation, and staff compensation.

The educational policy enhancements made by the Legislature in the last four years have resulted in an increase for the 2016-2017 school year of \$1.2 billion



compared to 2012, when the court ruled on McCleary. These investments were to establish full-day kindergarten, reduce K-3 class size, increase funding for student transportation, and increase funding for MSOC. The table below highlights the following about the state's outlined plan to fund education:

- How much money each year is needed to fund the state's plan for basic education
- How much money has been invested annually in education in the program areas since 2013
- How much additional annual investment is needed to fully fund basic education

Program Area	Cost to fully fund, annually	Additional annual investment since 2013	Additional annual investment needed to fully fund	Percent funded
Full-day Kindergarten	\$175	\$175	\$0	100%
K-3 Class Size Reduction	\$575	\$329	\$246	57%
MSOC	\$660	\$660	\$0	100%
Transportation	\$97	\$97	\$0	100%
K-12 Staff Compensation	\$1,450*	\$0	\$1,450	0%
Total	\$2,957	\$1,261	\$1,696	43%

* From the K-12 staff salary report presented to the Education Funding Task Force Nov. 2016. Represents how much districts are currently supplementing K-12 staff salary, not how much the state must pay or is planning on contributing to K-12 staff salaries.

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THE CHALLENGES AHEAD

As the Legislature enters the 2017 legislative session, there are a number of challenges to be addressed to fulfill the state's McCleary obligations.

Hiring More Teachers for K-3 Class Size Reduction

- The state must invest more money to hire the teachers needed to reduce K-3 class size.
- Districts across Washington are having trouble finding enough certificated teachers to staff schools, creating challenges to both implementation and improved outcomes for students.

Limited Classroom Space

- Districts are only able to receive additional funds for full-day kindergarten or K-3 class size reduction if they are able to implement the enhancements. If districts don't have the space to have full-day kindergarten or smaller K-3 class sizes, they are not able to keep the additional funding.
- Many districts aren't able to pass local bonds to build additional schools and classrooms, in part, because 60% support is needed to pass school bonds. If a school doesn't pass a local school bond, then they aren't able to expand existing schools or build new school buildings.
- Historically, the cost to build schools is a shared cost between the state and districts, but the Washington Supreme Court has said the state must fund the full cost of the educational enhancements, including the cost to build new schools, which is a one-time estimated cost of \$2 billion. The Legislature has said that it does not believe school facilities are part of their responsibility under the constitution.

K-12 Staff Salary Cost

- The state is not currently paying enough money to attract and retain teachers, principals, or any K-12 staff. Districts that are able to raise local levies supplement staff salary with local dollars. The Court

ruled that the state must pay the full cost to districts of attracting and retaining the staff needed for schools to provide a basic education to their students.

- It is unclear what the actual cost of attracting and retaining competent K-12 staff is given the differing salaries across districts, differing accounting systems, and local contracts and duties. The Education Funding Task Force is working to determine the cost and recommendations on how to pay school staff.

Driving Resources to Improve Student Outcomes

- Even with large investments in the K-12 system, the current funding structure does not take into account student needs. Some students will require more resources to access the same educational opportunities as their peers, but the prototypical funding model does not drive additional resources to students with greater needs.
- Changes to the funding formula and targeted program funding, such as the Learning Assistance Program, can help ensure the investments the state makes to fully fund education improve student outcomes by better targeting resources.

WHAT TO EXPECT

There is disagreement between the Supreme Court and the Legislature regarding the extent of the Legislature's responsibility in funding basic education. There are also differing perspectives within the Legislature on what policy decisions to make, how much to fund those changes, and how to pay for the investments needed to fund education. The different approaches among legislators will become clearer as the state House and Senate release their respective budgets and articulate their path forward for funding McCleary. The Supreme Court will not weigh in on the progress made by the Legislature until after the 2017 legislative session has concluded.

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