



McCleary Agreement Analysis

Overall, this is a historic investment in K-12 education. There are significant policy changes, namely removal of staff mix and programmatic recognition that schools with concentrations of historically underserved students need additional assistance, that move our state's public education system closer to structural equity. Given the initial trajectory of session this year, there was some fear we would see only a nominal increase in funding toward compensation and K-3 class size reduction, or "checking the McCleary box," as some put it. With several billion dollars of new state funding in K-12 education, modified local levy collection, and new guardrails around where that money can be spent --- we should expect (*assuming compliance and enforcement of these laws*) to see significant behavioral changes at the district and school level with regard to budgets, programs, and targeted resources.

Funding Amount:

The state made substantial investments in K-12 education that will begin in 2018-19 and be fully implemented in the 2019-20 school year during the next biennium. The budget includes \$5.1 billion in enhancements over the next four years above current law (smaller K-3 classes and I-1351 are considered part of current law).

Despite the substantial increase in education funding, less than ten percent of the increased funding will go towards closing the opportunity gap through additional support for special education, ELL, and academically struggling students. Providing more resources for students who need more support is critical to closing the (oftentimes widening) opportunity and achievement gaps we have in Washington.

The legislature has charged OSPI with developing recommendations on prioritizing the staffing enhancements included in 1351 that are research or evidenced based and will aid the state in meeting their education goals. Using research to inform investments of limited resources is critical to closing the opportunity gap in a resource constrained environment.

Funding Formula:

While the elimination of staff mix ratio as part of the funding formula will hopefully bring about more equity in our funding system, there were very few other changes to the formula that we believe will result in the improved student outcomes we hope to see. The changes made to the prototypical and categorical funding formulae were fairly minor and do not target resources to student needs.

In the prototypical formula, no new staffing categories were created, nor were the allocations for student support staff (e.g. nurses) increased. However, there were some small increases for middle school counselors and elementary school parent engagement

coordinators— both previously funded in the 2015-2017 budget (thus the change will not result in increased funding from the previous year).

In the categorical funding formulae, overall funding was increased across the four different programs (LAP, TBIP, Special Education, and Highly Capable), but the formula structures remain the same. Specifically, categorical funding will continue to vary by district because of the link to teacher salary and the variation in salary by region. The increases to categorical funding are also less than what we recommended to sufficiently support students.

While there is additional consideration given to schools with high concentrations of low-income students, these funds are restricted to the Learning Assistance Program and cannot be used to address school-wide needs resulting from concentrations of high-need students, such as hiring a social worker or additional counselors. No new categorical funding structure was created for students experiencing homelessness, students in the foster care system, or migrant students. The increase of the cap on funding for special education students will hopefully better cover the costs of serving students with special education needs, and the study of the safety net program is a promising step in addressing the actual needs of students, but the sufficiency of the increased cap and the safety net funding is definitely questionable. However, we should still take note of the notable recognition for schools with high concentrations of historically underserved students. The recognition opens a door for us to pursue deeper and broader assistance for schools that serve these students.

Student Supports:

As with the funding formulae, there were very few changes to the ways in which student support programs will be administered. This means that students that are unsupported by our current system may remain so, despite increased funding for some programs.

By and large, the program delivery of the Learning Assistance Program (LAP) will remain the same. Students will still be eligible based on academic need, regardless of income status and there is still no requirement that all LAP eligible students receive services. This means that while LAP funding has increased and schools with concentrations of low-income students will receive additional funds, we may still have students that do not receive the services and supports they need, both academic and non-academic, depending on: which school they attend, how the district distributes LAP funding, and whether the district accesses other resources to target supports for low-income students.

Maintaining the cap in LAP on Readiness to Learn services and partnership with community based organizations will limit the types of supports students have access to and the ability for districts to leverage community resources to better support students.

In the Highly Capable program, the new requirement for the prioritization of equitable identification of low-income students as highly capable has the potential to increase identification of and services for historically underrepresented student

populations. However, questions remain about how this language will be implemented and enforced.

The changes to Career and Technical Education (CTE) are perhaps the silver lining in the student supports conversation. The increases in CTE funding and protection of CTE funds for CTE purposes will hopefully result in more students having access to CTE programming. The increased implementation and standardization of course equivalencies between CTE and academic coursework also has the potential to increase equal access to CTE pathways. The state has also funded the creation of an improved data collection system to track student absenteeism and promising practices to reduce chronic absenteeism, which is promising.

Salary Structure:

The majority of the new investments, 72%, will be directed toward K-12 staff salary to increase beginning teacher salary and pay for the full cost of hiring in K-12. Districts will now be better positioned to attract and retain teachers with the state paying the full cost of hiring educators (assuming what the state pays is market rate), but more needs to be done to address other challenges to retaining teachers including more support to schools with hard-to-staff positions to improve teacher retention.

Providing for three days of professional development can help reduce the disparate access teachers have to professional learning opportunities, but we need to better understand the benefit professional development is providing teachers. For example, many teachers access professional development through different ways and the quality or relevance of the service varies widely. More resources for the Beginning Educator Support Team (BEST) will help to mentor beginning teachers and support them when they are most likely to exit the teaching profession. Hopefully this will lead to our state and districts focusing greater attention on how we can better retain existing educators.

The guardrails around the use of local levies were revised to try and prevent districts from using local levy dollars to supplement teacher salary in an effort to stop the current inequitable levy system from reforming in the coming years, but continued oversight will be needed to ensure that the current system is not reconstituted.

Accountability and Transparency:

The final McCleary agreement did not include much in the way of accountability. While other states have focused on some comprehensive overhauls of their accountability systems following the passage of ESSA, Washington's Legislature focused on a more minimal compliance approach.

First, the state will institute new accounting and reporting requirements from districts around use of local levies, salary expenditures, and supplemental contracts (e.g. TRI pay). Second, the state will expand the State Auditor's authority to check compliance with the newly enacted restrictions on the use of local enrichment levies.

We entered the legislative session asking for expanded audit requirements, district-level consolidated plans with community engagement, and uniform accounting practices. Unfortunately, much of this was left out of the final agreement. That said, OSPI and SBE are working on the state's ESSA Consolidated Plan for September submission, and we are hopeful the provisions not enacted through state law will be put in the final draft of the ESSA plan.

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