

2018 LEGISLATIVE PRIORITY:

K-12 FUNDING IMPLEMENTATION

The passage of HB 2242 in 2017 will inject an additional \$7 billion in state funding into our K-12 system.



In order to determine whether the new investments are distributed equitably and improve student outcomes, we will need more robust means to track school spending and results. We will also need to examine the new structures and mechanisms put into place to ensure they do not recreate inequities in our funding system.

Opportunity: New mechanisms to track spending are created in both HB 2242 and in the new federal ESSA legislation. HB 2242 requires new district accounting and reporting tying expenditures to the funding source (local, state, federal). ESSA requires per pupil spending by fund source, broken down by personnel and non-personnel costs be reported on the state report card for each school and district. Both requirements necessitate a change in our state accounting and reporting systems, which OSPI has embarked upon.

Some structural changes in HB 2242, such as the new levy structure, might recreate inequities from the previous system. Washington has

previously been found to be slightly regressive in its per pupil funding in relation to student poverty.^{1,2} The new two-tiered levy cap system disadvantages districts that have lower property values and are eligible for state assistance by capping them at a lower per pupil maximum of \$1,500—\$1,000 less than districts that do not receive state assistance. 129 of the 188 districts that are subject to the \$1,500 cap are above the state average for free-and-reduced-price lunch enrollment. Districts with higher need populations will be less able to provide enrichments for their students than more affluent districts.

¹ Education Law Center, "Is School Funding Fair: A National Report Card 2017." http://www.edlawcenter.org/assets/files/pdfs/publications/National_Report_Card_2017.pdf

² Urban Institute, "School Funding: Do Poor Kids Get their Fair Share?" <http://apps.urban.org/features/school-funding-do-poor-kids-get-fair-share/>



Solution: Tracking spending and equitable distribution of resources should connect to goals for improving student outcomes.³

To get a better understanding of how funding is following student need and the impact on student outcomes, the new data requirements should include per-pupil spending by student type and district distribution of special program funds to schools. Understanding what districts are spending per student, what services and programs students are receiving with those funds, and what outcomes are resulting for students, can illuminate the actual costs for serving that student population⁴ and how resources need to be distributed to achieve equity in student outcomes.

In order to correct the disparity in the new levy system, the cap for LEA eligible districts should be raised to \$2,500 per student—the same as non-eligible districts. This will help prevent the new funding structure in Washington from maintaining the regressivity of previous years.

³ Education Resource Strategies. "From Financial Transparency to Equity: Part 1." <https://www.erstrategies.org/cms/files/3412-from-financial-transparency-to-equity-part-1-chiefs-for-change-paper.pdf>

⁴ Roza, Marguerite "Funding Student Types: How State Can Mine Their Own Data to Guide Finance Policy on High Needs Students." Edunomics Lab, Georgetown University. <http://edunomicslab.org/wp-content/uploads/2017/12/State-PP-funding-cost-FI-NAL-3.pdf>

Additional Resources:

Building State Capacity and Productivity Center <http://www.bscpcenter.org/FinancialTransparency/>

ESSA Report Card Requirement Part A, Subpart 1, Sec. 1111 (h)(1)(C)(x) <https://www2.ed.gov/documents/essa-act-of-1965.pdf>

HB 2242 <http://lawfilesext.leg.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/House/2242.SL.pdf>

Education Resource Strategies Tools and Publications <https://www.erstrategies.org/tap>