

Perception does not equal reality

1

K 12 Education and Funding
Stephen Nielsen
Nov 2014

Context

2

- If one wants to know the real values of an entity, figure out how it spends and does not spend its money
- In spite of the hard work of many, incremental changes to laws, rules and local practice for over one hundred years have developed a system that creates its own inertia rather than a system that creates needed outcomes.
- Washington's Constitution includes "the paramount duty" and "ample and equitable" a commitment created for states rejoining the union during reconstruction
- Washington used the language when it became a state in 1889 and is the only one retaining those words in its constitution

K 12 funding in Washington

3

- **Legislature Allocates**
 - Salaries, and benefits, Class size requirements, SPED, LAP, Admin, Classified, Facilities, Summer school, Trans Bilingual, Highly Capable, F/R lunch and breakfast, Transportation, CTE, Disadvantaged, Migrant, Limited English, MSOC, other
- **Federal Allocations, Title I to IX, other**
- **Local Voter Approved Levies**

Legal Funding Principles

4

- The state funding formula is not static; it is the continuing obligation of the Legislature to review, define and fund basic education.
- Local school levies may be allowed as long as they enrich programs outside of the legislative definition of basic education and are not used to reduce the state's obligation to fund basic education.
- McCleary ruling based on above

A Perception, Ample and Equitable

5

- **Education as a right:**
 - Ample for whom?
 - Equitable for whom?
- **How paid for?**
 - Who pays?
 - Various forms of taxes: like shopping, people pay for what they want and need. Taxpayers pay taxes for what they want and need or *what they think they need and do not pay for what they think they do not need*

How the State Funds Student Need

6

- Every student has a set amount of funds allocated for their yearly education.
- Based on individual student needs, those funds can be higher than the initial apportioned amount to accommodate any special educational needs.
- Based off of 2012-2013 data from OSPI, students are allocated \$5,322 for Basic Education, another \$1,242 for any Special Education needs, LAP/Other is \$605 and \$123 for Highly Capable/Other.

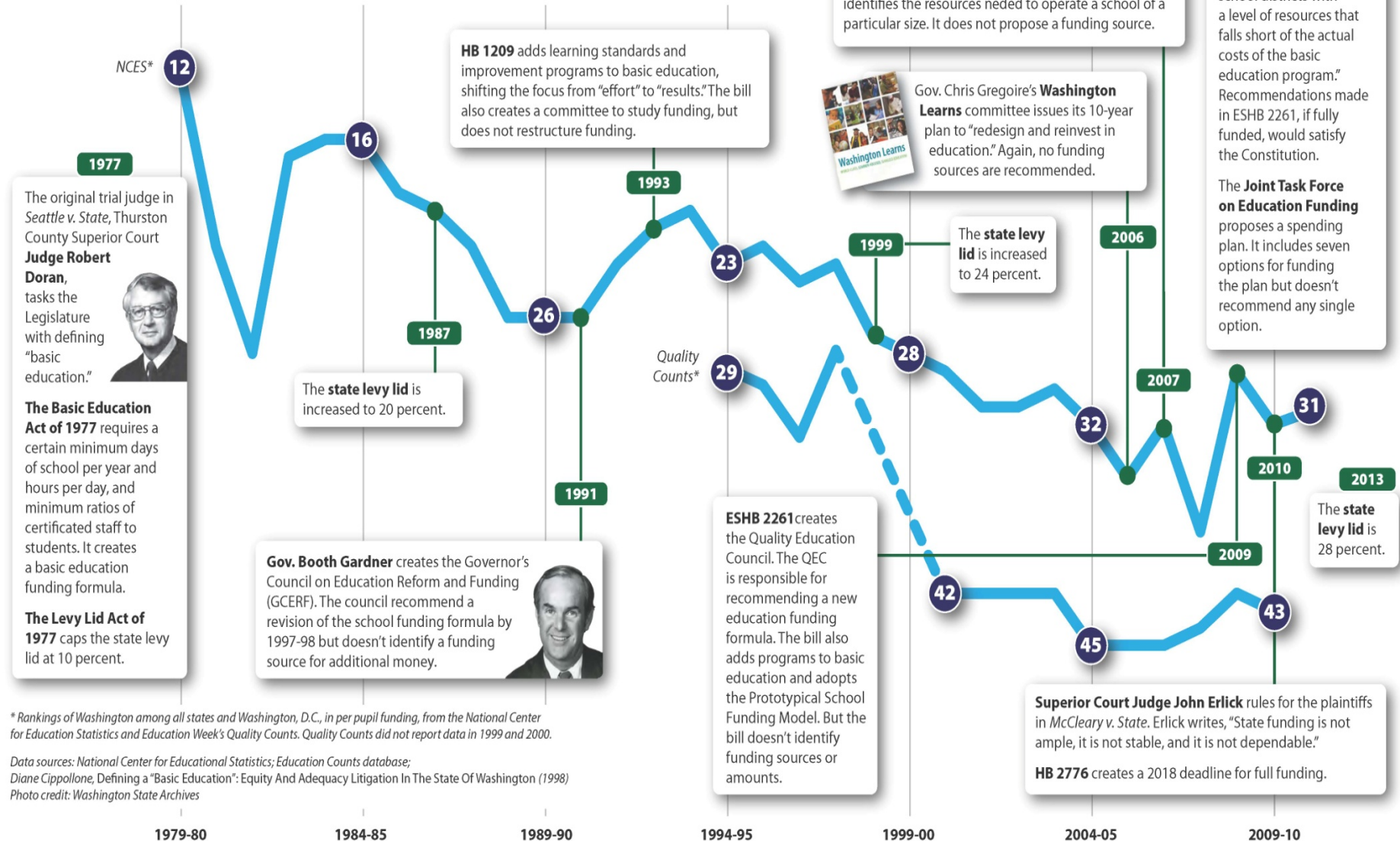
Actual Funding Practice

7

- Federal grants leverage use of state and local resources
- The state legislature makes adjustments in school allocations on a regular basis. There is no constant of state funding
- Local school levies are used to cover lack of state funding and pay for federal requirements

A brief history of education funding in Washington state

Modern education funding began in 1976, when the Seattle School District sued the state. At the time, 65 districts (representing 40 percent of the student population) each recently had levies fail twice in a row. The State Supreme Court agreed with the district, ruling that the funding system in place at the time was neither ample nor stable.



Spending

9

- State allocation requirements and Federal requirements severely inhibit creativity and new ventures within the bureaucracy
- What money is “green”, what money is restricted? The state formula says for “allocation purposes only” yet much is restricted
- Its all about compensation: professional pay for professional results versus cheap labor to run a machine
- Locally bargained labor contracts use up over half of flexible funds
- Allocations to meet diverse student needs in a creative and practical manner are on the margins

Who pays for compensation?

10

- The State Constitution requires full state support for all basic education expenses
- On average, 85% of a school district budget is spent on labor cost
- In 1987-88, the state paid 99.1% of labor cost
- In 2012-13, the state paid 77% of labor cost
- School Districts spend an average of 53% of levy resources to pay for underfunded state personnel costs, currently about \$1B

Are teachers overpaid?

11

- A study for the legislature completed in 2012 concluded that comparing like skills of private sector and other public sector jobs to skills required of a teacher, indicated that on average, and including days worked per year:
- Entry level teachers are underpaid
- Teachers with five years and more experience earn near average of like skilled jobs

Who's in charge of K 12?

12

- **No one entity or individual:**
 - Legislature, 1) apportionment required by law, 2) discretionary apportionment
 - Governor, line item veto
 - OSPI, Professional Educator Standards Board, and State Board of Education as rules writers
 - Federal Government entitlements and discretionary grants
 - Local Boards hire and fire superintendents
 - Voters elect legislators, boards and vote on local taxes
 - ✦ It's not working...

Who controls K 12?

13

- **It depends:**
 - Since no one entity technically controls K 12, control is owned by those with the most knowledge about how things work, those with the most ability to influence the political process, and those able to stand against their opponents

Funding for life long education

14

- **Civil rights issue of the 21st Century**
 - Legal requirement of our state constitution
 - Education is the gate to individual and community opportunity
- **Challenges:**
 - Many in power fear loss of their existing power if we change tax, accountability and oversight structure
 - Changes to full state funding may mean loss of power for those who have it now

Framing the Challenge

15

- The prize is worth the work
- It is easy to get sidetracked away from the prize by focusing on incremental things that are good but are out of step with obtaining the prize
- The Opportunity Gap will only be addressed by using Student Achievement data coupled to program support, *no data, no support*

To do:

16

- **Advocate for State meeting its Constitutional needs**
 - Requires greater state spending on education, start by state fully funding Basic Education compensation and benefits
 - Implies changes to how state controls certain spending
 - Requires limiting to how local districts spend levy money
 - Implies local districts have less local levy money

Requires a sustainable tax structure that addresses Equity and Ample for every student
- **Racial Equity Tool**
 - That if the strategy, practice, policy, or procedure works for our most vulnerable communities, it works for everyone. The reverse however, is not true

end

17