I Can See McClean-ly Now

A look at the education funding debate in Washington

Part 1 of 2

LEV Policy Team
Working to improve public education in Washington state from cradle to career with ample, equitable, and stable funding.
Essential Questions

• Is our current education funding structure fair?
• Is it a system that benefits all kids?
Agenda

• What is “basic education?”
• What are some of the proposals on how to expand basic education?
• How has the definition of “basic education” changed in recent years?
• What did the Supreme Court say in their ruling?
• What has the state funded post-McCleary?
• What are the differing interpretations of the McCleary ruling?
• What is the future of Initiative 1351?
Big Picture Takeaways

• The legislature, not the WA Supreme Court, defines the program of basic education.
• The current prototypical school funding model in law is not aspirational.
• The prototypical school funding model is for allocation purposes only. (e.g. money allocated to be spent on materials does not have to be spent that way.)
• Schools are funded based on the number and characteristics of adults in the building.
• Over the last decade many recommendations have been made, but few have been adopted.
McCleary Timeline

2009
- Basic Ed Funding Task Force Report
  - HB 2261

2010
- Quality Education Council Recommendations
  - HB 2776

2011
- Compensation Technical Working Group
  - McCleary Ruling

2012
- Joint Task Force on Education Funding
  - Legislative Reports to Supreme Court Post-Session

2013
- I-1351

2014
- SB 6195

2015

2016
What is basic education?

- According to the WA Supreme Court’s interpretation, education is:

  “The basic knowledge and skills needed to compete in today’s economy and meaningfully participate in the state’s democracy” (McCleary Opinion, p. 2).

- The legislature is given the responsibility to translate this intent into a program of basic education.
The Program of Basic Education

- 1,000 hours of instruction for grades K-6
- 1,080 hours of instruction for grades 7-12
- At least 180 school days
- The opportunity to complete 24 credits for high school graduation
- Learning Assistance Program
- Transitional Bilingual Instructional Program
- Special Education
- Highly Capable Program
Education Funding Reports Commissioned by the Legislature

- Joint Task Force on Basic Education Finance (2009)
- Joint Task Force on Education Funding (2012)
- Education Funding Taskforce (Due 2017)
Education Funding Proposals Adopted by the Legislature

• Prototypical funding model
  – Washington Learns
• Smaller K-3 class sizes
  – Washington Learns, Basic Education Finance
• Materials Supplies & Operating Costs (MSOC) increases
  – Basic Education Finance
McCleary Timeline

- **2009**: Basic Ed Funding Task Force Report (HB 2261)
- **2010**: Quality Education Council Recommendations (HB 2776)
- **2011**: Compensation Technical Working Group
- **2012**: Joint Task Force on Education Funding (McCleary Ruling)
- **2013**: Legislative Reports to Supreme Court Post-Session
- **2014**: I-1351
- **2015**: SB 6195
- **2016**:
January 2009: Basic Education Finance Task Force Report to the Legislature

• Created to develop a funding system that connects goals of basic education with the resources provided.

• Proposed a new funding formula called the prototypical school funding model.
  – Provided recommendations for increased funding levels

• Recommended changes to staff compensation structure and local levies
What is a prototypical school?

• The prototypical school is intended to define school staffing levels required to deliver basic education

<table>
<thead>
<tr>
<th>Student Support and Other Staff (Non-Teaching Staff)</th>
<th>High School</th>
<th>Middle School</th>
<th>Elementary School</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Prototype Sizes</td>
<td>600</td>
<td>432</td>
<td>400</td>
</tr>
<tr>
<td>Administration and Student Support Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principals/Assistant Principals/Other Administrators</td>
<td>1.8</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Librarians/Media Specialists</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Guidance Counselors/Parent Outreach</td>
<td>1.5</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Student Health Services (Nurses/Social Workers)</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Classified Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Support (Secretaries, Administrative Aides)</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Maintenance (Custodians, Buildings/Grounds, etc.)</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Security Staff</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Recommendations on Teacher Compensation and Local Levies

• Recommended the Legislature create a workgroup to examine local levies
  – Proposed a per-student model, rather than current property value model
• Recommended new staff compensation system that takes into consideration certificate level and career ladder
McCleary Timeline

2009
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Basic Ed Funding Task Force Report
Quality Education Council Recommendations
Compensation Technical Working Group

HB 2261
HB 2776
McCleary Ruling
2009: The Legislature Passes HB 2261

HB 2261 set up a framework for an expanded program of basic education. This includes:

- Full-day kindergarten
- Increased allocations for Materials, Supplies, and Operating Cost (MSOC)
- Increased instructional hours for grades 7-12
- 24-credit high school diploma
- A new and enhanced student transportation funding formula
HB 2261, Continued

– Established a new framework for funding schools
  • Prototypical model, but no values assigned
  • QEC created to establish values and enhancements to the program of basic ed

– Intent for the state to pay a higher teacher salary
  • Created compensation technical working group
McCleary Timeline

- 2009: Basic Ed Funding Task Force Report, HB 2261
- 2010: Quality Education Council Recommendations, HB 2776
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- 2016
January 2010:
Quality Education Council Report to the Legislature

• Recommended:
  – Increases in the number of staff for all positions in the prototypical school model
    • Still only for distributing money, districts can spend in other ways
  – Reducing class size
    • Created different class sizes for high-poverty and non-high-poverty schools
# Class Size Comparisons

<table>
<thead>
<tr>
<th>Grade</th>
<th>Non-High Poverty School Class Size</th>
<th>High Poverty School Class Size</th>
<th>Non-High Poverty School Class Size</th>
<th>High Poverty School Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>25.23</td>
<td>25.23</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>27</td>
<td>27</td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td>5-6</td>
<td>27</td>
<td>27</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>7-8</td>
<td>28.53</td>
<td>28.53</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>9-12</td>
<td>28.74</td>
<td>28.74</td>
<td>25</td>
<td>23</td>
</tr>
</tbody>
</table>
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- **2009**: Basic Ed Funding Task Force Report
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- **2013**

- **2014**
  - **SB 6195**

- **2015**

- **2016**: Legislative Reports to Supreme Court Post-Session
2010: The Legislature Passes HB 2776

- HB 2776 is passed by the Legislature operationalizing HB 2261, including:
  - Establishing values for the prototypical school model
    - Status quo, maintaining current staff levels rather than using aspirational QEC recommendations
  - Reducing K-3 class sizes
  - Funding amounts for Materials, Supplies, and Operating Costs (MSOC)
  - Set a deadline of 2018 for full implementation
### Staffing Levels for Prototypical High School of 600 Students

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Enrollment</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Principals, assistant principals, and other certificated admin</td>
<td>1.880</td>
<td>1.880</td>
<td>1.9</td>
</tr>
<tr>
<td>Teacher Librarians</td>
<td>0.523</td>
<td>0.523</td>
<td>1.0</td>
</tr>
<tr>
<td>School Nurses</td>
<td>0.096</td>
<td>0.096</td>
<td></td>
</tr>
<tr>
<td>Social Workers</td>
<td>0.015</td>
<td>0.015</td>
<td>1.0</td>
</tr>
<tr>
<td>Psychologists</td>
<td>0.007</td>
<td>0.007</td>
<td></td>
</tr>
<tr>
<td>Guidance Counselors</td>
<td>1.909</td>
<td>1.909</td>
<td>3.5</td>
</tr>
<tr>
<td>Teaching Assistance, classified staff</td>
<td>0.652</td>
<td>0.652</td>
<td>1.0</td>
</tr>
<tr>
<td>Office Support</td>
<td>3.269</td>
<td>3.269</td>
<td>3.5</td>
</tr>
<tr>
<td>Custodians</td>
<td>2.965</td>
<td>2.965</td>
<td>3.0</td>
</tr>
<tr>
<td>Student Safety Staff</td>
<td>0.141</td>
<td>0.141</td>
<td>1.3</td>
</tr>
<tr>
<td>Parent Involvement Coordinators</td>
<td>0</td>
<td>0</td>
<td>---</td>
</tr>
</tbody>
</table>
January 2012: McCleary Supreme Court Ruling

• The Court ruled that the state needs to fund education ‘fully, sufficient [sic], and considerably more than just adequate’
• The Court said fully funding HB 2261 ‘would remedy deficiencies in the K-12 funding system.’
• Used the 2018 deadline from HB 2776
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Staff compensation accounts for most of school district budgets

**DISTRICT EXPENDITURES**

- Staff Compensation: 82%
- Purchased Services: 11%
- Supplies & Materials: 6%
- Other: 1%
Teacher salary varies significantly from district to district

- Additional teacher salary provided by districts ranges from $0 in additional salary per full-time teacher to over $23,000

<table>
<thead>
<tr>
<th>District</th>
<th>State Funded Salary</th>
<th>Additional Salary</th>
<th>Total Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everett</td>
<td>$58,001</td>
<td>$23,981</td>
<td>$81,982</td>
</tr>
<tr>
<td>Wapato</td>
<td>$50,495</td>
<td>$72</td>
<td>$50,567</td>
</tr>
<tr>
<td><strong>State Average</strong></td>
<td><strong>$53,767</strong></td>
<td><strong>$11,080</strong></td>
<td><strong>$64,847</strong></td>
</tr>
</tbody>
</table>

- State funded beginning salary is $35,069
June 2012: Compensation Technical Working Group

- Recommendations included:
  - A new educator salary schedule
  - Increased K-12 staff salaries
  - Additional educational enhancements.
  - New teacher salary structure
- Would cost $4 billion annually
  - As of 2010 districts are supplementing teacher salary by approximately $780 million annually.
Looking ahead to next session

- How far has the state come in funding McCleary?
- What has the Court said in response to the legislative action on McCleary?
- What are the remaining barriers to developing consensus on McCleary?
We have made progress on McCleary, but still have a long way to go

- The table below chronicles the progress made by the legislature since the 2012 court ruling. (Not including facilities cost)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Additional Investment, Annually by 2016-17 (Millions)</th>
<th>Cost to Fully Fund, Annually (Millions)</th>
<th>Additional Needed, Annually (Millions)</th>
<th>Percent Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-day Kindergarten</td>
<td>$175</td>
<td>$175</td>
<td>$0</td>
<td>100%</td>
</tr>
<tr>
<td>K-3 Class Size Reduction</td>
<td>$329</td>
<td>$575</td>
<td>$246</td>
<td>57%</td>
</tr>
<tr>
<td>MSOC</td>
<td>$660</td>
<td>$660</td>
<td>$0</td>
<td>100%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$97</td>
<td>$97</td>
<td>$0</td>
<td>100%</td>
</tr>
<tr>
<td>K-12 Staff Compensation*</td>
<td>$0</td>
<td>$780</td>
<td>$780</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,261</td>
<td>$2,287</td>
<td>$1,026</td>
<td>55%</td>
</tr>
</tbody>
</table>

* Compensation figures are based on 2010-11 district salary data
Substantial resources are needed to implement Initiative 1351

- $7 billion per biennium for implementation
  - $4 billion per biennium for the state
  - $3 billion per biennium for school districts
- I-1351 did not include salary increases for any staff positions
Different Goals for Lowering Class Size

• QEC Recommendations on class size:
  – Smaller K-12 class sizes, lower for high-poverty schools
  – Increase staffing ratios for all staff positions
• McCleary (HB 2776) on class size:
  – Smaller K-3 class sizes
  – No changes to staffing ratios
• Initiative 1351 on class size:
  – Smaller K-12 class sizes, lower for high-poverty schools
  – Increase staffing ratios for all staff positions
What has the Court said in response to the Legislature’s most recent action?

• The Court said the state must account for the actual cost to districts for K-3 class size reductions & full-day kindergarten.

• The state still must pay for the cost of hiring ‘competent’ K-12 staff.

• The state has a deadline of the 2017-18 school year.
Remaining Significant Challenges on Fulfilling McCleary

• Who is responsible for paying for additional classroom space needed for K-3 class size reduction?
• What is an appropriate salary level for K-12 staff?
• Will there be accountability measures attached to additional funding?
No one knows what the Court will do

• This is uncharted territory for WA.
• The Court has already fined the Legislature.
• Courts in other states have shutdown schools or threatened to do so.
  – New Jersey Supreme Court shut down schools for 8 days in 1976.
  – Kansas Supreme Court threatened to shut down schools in January 2016.
Education Funding Task Force (SB 6195)

• Will make recommendations regarding:
  – Competitive salary for K-12 staff
  – Local labor market adjustments
  – Additional support for implementation of smaller K-3 class sizes
  – Recruitment and retention of teachers
  – Local school district levies
  – Clarifying what constitutes basic education
What will be covered in part 2:

• What components does the state need to fund in the program of basic education to comply with McCleary?
• How much additional funding is needed?
• Where do the cost projections come from?
• How do districts enhance teacher salaries?
Essential Questions

• Is our current education funding structure fair?

• Is it a system that benefits all kids?
QUESTIONS?