



Impact of HB 2242

The Legislature made significant changes to the K-12 education funding structures in 2017—infusing more than \$7 billion in state money into the system over four years through [HB 2242](#). As the fiscal impacts of the changes become clearer, legislators proposed a range of changes to address the concerns that districts have voiced around HB 2242.

As the legislature looks to make changes to their plan to fully fund education, **League of Education Voters** feels it is important that the changes should be focused on:

Direct investments based on student need. Any changes to the funding system should drive resources to districts based on the needs of their student populations.

Eliminate disparities between districts. Modifications made to the structures put in place in HB 2242 should address unintended impacts that created (and recreated) inequities between high-property value/low-poverty districts and low-property value/high-poverty districts.

Attracting & retaining educators. State funding formulas should ensure that districts across the state are provided enough resources to attract and retain a diverse educator workforce.

Increase transparency in funding system. Increased access to data on spending and student outcomes is essential to ensure the effectiveness and equity of the new systems and structures put into place.



	Current Law	Governor Inslee Proposal (SB 6352)	OSPI Proposal (SB 6362)	HB 2717 / SB 6397	SB 6525
Compensation					
<i>Changes to state funded K-12 base salaries</i>	<p>The state increased K-12 staff salary for all districts. Districts will receive the first half of the salary increase in 2018-19. The remainder of the increase will be in the 2019-20 school year.</p>	<p>Salaries will be fully funded starting in 2018-19</p>	<p>Salaries will be fully funded starting in 2018-19</p>	<p>2018-19: Statewide salary will only be increased by inflation. A subset of districts with more experienced and educated teachers will get an 8% raise in teacher salary called Experience Mix Factor (EMF). District Eligibility for EMF will be reassessed every year</p> <p>2019-20: The full increase in state salary</p>	<p>Districts can receive their full salary allocations in 2018-19 instead of 2019-20 if the following conditions are met at the start of the 2018-19 school year: District establishes local revenue sub-fund. Levies are used for enrichment purposes only. Revenue to expenditure accounting is used. District levy plan is approved by OSPI. School district prepares a four-year budget plan.</p>



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<i>Regionalization Factor</i>	Starting in 2018-19 districts with above average housing costs will have their state salary allocations increase from 6% - 24%	No Changes	Districts sharing a boundary with a district that has a regionalization factor 12% or more than their own will have their regionalization factor increased by 6% if the district is located west of the crest of the Cascade mountains	Increases regionalization factor in districts who have a neighboring district with a higher regionalization factor to lessen the difference in regionalization factor with the neighboring district by 50%	No Changes
Levies					
<i>Cap on district enrichment levy revenues</i>	District levy rates are capped at a rate that would generate \$2,500 per-student or a levy rate of \$1.50/\$1,000 of assessed value, whichever is lesser	No Changes	No Changes	Creates two levy systems based on district size: Districts with more than 1,000 students are capped at a rate that would generate \$3,000 per-student or a levy rate of \$1.50/\$1,000 of	No changes for districts, unless a district receives their full salary allocation starting in 2018-19 in which case their 2019 levy authority is reduced in proportion to the additional salary allocations a



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				<p>assessed value, whichever is lesser</p> <p>Districts with fewer than 1,000 students will be capped at a levy rate of \$1.50 without a per-student limit</p>	district received over current law
<i>LEA Eligibility</i>	Districts are eligible for LEA if a levy rate of \$1.50 would generate less than \$1,500 per-student.	No Changes	No Changes	<p>For districts with more than 1,000 students: No Changes</p> <p>For districts with fewer than 1,000 students: Eligible if their per-student levy rate at \$1.50 generates a smaller per-student amount than the average district with under 1,000 students.</p>	No Changes
<i>LEA Funding Formula</i>	For LEA eligible districts the	No Changes	No Changes	LEA formula remains unchanged	No Changes



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	combined total of their local levy revenues and LEA can't exceed \$1,500 per-student			<p>for districts with more than 1,000 students.</p> <p>The LEA formula for districts with under 1,000 students is equal to the average per-student funding generated in districts under 1,000 students at a levy rate of \$1.50</p>	
<i>Difference between levy cap and LEA threshold</i>	Districts not eligible for LEA can generate \$1,000 more per-student in levy funding than LEA districts can in combined levy and LEA funding.	No Changes	No Changes	<p>For districts over 1,000 students: Non-LEA eligible districts can raise \$1,500 more per-student than LEA eligible districts in combined levy and LEA funding</p> <p>For districts with fewer than 1,000 students: Some non-LEA eligible districts can</p>	No Changes



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				raise over \$2,000 more per-student than LEA eligible districts can in combined levy and LEA funding	
<i>Use of Enrichment Levy Funds</i>	State law requires that starting in 2019-20 enrichment levies may only be used to enhance basic education, not pay for basic education	Requirement will start in 2018-19 to correspond with full-implementation of state plan to fund K-12 staff salaries	Requirement will start in 2018-19 to correspond with full-implementation of state plan to fund K-12 staff salaries	Removes state laws outlining the permissible uses of levy funds. Specifies that districts aren't prohibited from providing overtime pay for time worked outside of normal schedule.	This provision will apply when districts receive their full allocation of salary according to current law
<i>Annual Inflationary Adjustments to Levy and LEA Revenue Caps</i>	Annually adjusts levy and LEA caps using U.S. Department of Commerce calculations	No Changes	Makes annual adjustments using Department of Labor calculations	Makes annual adjustments using U.S. Dept. of Labor calculations in addition to the percent increase in per-student state basic education funding to increase caps	No Changes



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<i>Approval of Levy Spending Plans</i>	Districts are required to get OSPI approval of levy spending plans before submitting levies to voters. OSPI ensures plans are compliant with permissible uses of local levies according to state law.	No Changes	No Changes	Removes requirements for districts to get OSPI approval before submitting levies to voters.	No Changes
<i>Transparency</i>	OSPI must report per-student funding allocations by grade for each school district	No Changes	No Changes	No Changes	No Changes
Additional Changes					
<i>District Apportionment Schedule (School fiscal year Sept. – Aug, State fiscal year July - June</i>	Makes no changes to monthly payments the state provides to school districts	Increases the August school funding allocations by 2.5 %, while reducing allocations in earlier months in order to shift more cost into the following state fiscal	Increases the August school funding allocations by 2.5 %, while reducing allocations in earlier months in order to shift more cost into the following state	No Changes	No Changes



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		year while maintaining same level of funding in school district fiscal year	fiscal year while maintaining same level of funding in school district fiscal year		
<i>K-3 Class Size Investments</i>	Districts will receive funding for K-3 class sizes in proportion to their demonstrated K-3 class size starting in 2018-19	No Changes	No Changes	Permanently eliminates requirement	No Changes
<i>Learning Assistance Program (LAP) Concentration</i>	A school qualifies for the LAP high-poverty concentration if their FRL enrollment the previous year was at least 50% of enrollment	No Changes	Changes the qualifying threshold to a rolling 3-year average	Allows schools to retain full-funding the year after losing eligibility and retain 2/3 of the funding the following year if they remain below 50% FRL enrollment.	No Changes
<i>Special Education Funding</i>	Special education is funded at an enhancement of 93.09% of a school district's average per-student general	No Changes	Enhancement is increased to 96.09%	No Changes	No Changes



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	apportionment state allocation.				
<i>Charter School Clarification</i>	Starting next year there is a lack of clarity on how salary allocations for public charter schools will be determined by the state.	Public charter school salary level will be determined in the omnibus appropriations act	Public Charter School salary allocations will be equal to that of the school district in which they are located.	No Changes	No Changes
<i>Running Start Funding Formula</i>	The funding generated per full-time running start student is based on per-student funding levels for high school students which is \$6,570.44 for 2017-18 increasing to \$8,337 by 2019-20 because of K-12 salary increases	No Changes	The Running Start formula will move from a formula tied to BEA to a flat rate per full-time student that will annually be adjusted by inflation. Students will generate approximately \$6,570 per student starting in 2017-18.	No Changes	No Changes
<i>State Funded Professional Development for Certificated Staff (Teachers,</i>	The state will fund professional learning days under the following phase-in schedule:	No Changes	Delays implementation schedule by 1 year and creates a limit on the number of	No Changes	No Changes



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<i>counselors, librarians, etc.)</i>	2018-19: 1 2019-20: 2 2020-21 & after: 3		early release days allowed, limiting early release days to the following: 2019-20: 13 2020-21: 10 2021-22 & after: 7		