

2018 MCCLEARY FIX

SIDE-BY-SIDE



Changes to Education Finance in Washington state

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 **House Bill 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 made changes in 2018 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. Below is a comparison between current law under HB 2242 and changes made in the 2018 legislative session.

	State Law Entering 2018 Legislative Session	Senate Bill 6362 (passed in 2018)
Compensation		
Changes to state funded K-12 base salaries	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	Salaries will be fully funded starting in 2018-19 Beginning in 2019-20 a subset of districts with more experienced and educated teachers will get a 4% raise in teacher salary. Eligibility is determined using current teacher characteristics. The districts will continue to receive that additional funding thru at least 2022-23
Regionalization Factor	Starting in 2018-19 districts with above average housing costs will have their state salary allocations increase from 6% - 24%	Districts sharing a boundary with a district that has a regionalization factor more than 6% higher than their own will have their regionalization factor increased by 6% if the district is located west of the crest of the Cascade mountains

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	State Law Entering 2018 Legislative Session	Senate Bill 6362 (passed in 2018)
Levies		
Cap on district enrichment levy revenues	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
Local Effort Assistance (LEA) Eligibility	Districts are eligible for LEA if a levy rate of \$1.50 would generate less than \$1,500 per-student	No Changes
LEA Funding Formula	For LEA eligible districts the combined total of their local levy revenues and LEA can't exceed \$1,500 per-student	No Changes
Difference between levy cap and LEA threshold	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
Use of Enrichment Levy Funds	State law requires that starting in 2019-20 enrichment levies may only be used to enhance basic education, not pay for basic education	Requirement begins in 2018-19 to correspond with fully funding teacher salary
Approval of Levy Spending Plans	Districts are required to get Office of the Superintendent of Public Instruction (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
Transparency	OSPI must report per-student funding allocations by grade for each school district	No Changes

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Additional Changes

K-3 Class Size Investments	Districts will receive funding for K-3 class sizes in proportion to their demonstrated K-3 class size starting in 2018-19	Delays until 2019-20
Use of Enrichment Levy Funds	State law requires that starting in 2019-20 enrichment levies may only be used to enhance basic education, not pay for basic education	Requirements will now start in 2018-19 to correspond with fully funding K-12 staff salary
Learning Assistance Program (LAP) High-Poverty Concentration	A school qualifies for the LAP concentration if their Free/Reduced Price Lunch student enrollment the previous year was at least 50%	Changes the qualifying threshold to a rolling 3-year average of the previous three years
Special Education Funding	Special education is funded at an enhancement of 93.09% of a school district's average per-student general apportionment state allocation	Enhancement is increased to 96.09%
Charter Schools and Tribal Compact Schools Clarification	Starting next year there is a lack of clarity on how salary allocations for public charter and tribal compact schools will be determined by the state	Public charter school and tribal compact school salary allocations will be equal to that of the school district in which they are located
Identification of Highly Capable Students	Districts currently have locally determined procedures in place to determine eligibility for the Highly Capable Program	Establishes processes districts must use when identifying students for the Highly Capable Program, including requiring the use of multiple measures and not allowing subjective measures to exclude a student from participating

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Additional Changes (cont.)

Supplemental Contracts for K-12 Staff	<p>The rate of pay for supplemental contracts for teachers, counselors, and other K-12 staff may not exceed the rate of pay provided to the same staff member as part of their duties under their rate of pay for basic education duties</p>	<p>Supplemental contracts that are time-based are restricted to the rate of pay for basic education duties. Supplemental contracts that are not time-based must document the duties, responsibilities, and incentives that are funded, but are not subject to the rate of pay restriction</p>
Annual Inflationary Adjustments to Levy and LEA Revenue Caps	<p>Annually adjusts levy and LEA caps using U.S. Department of Commerce calculations</p>	<p>Inflation will be adjusted using the Seattle area consumer price index (CPI) as calculated by the U.S. Department of Labor</p>
State Funded Professional Development for Certificated Staff (Teachers, counselors, librarians, etc.)	<p>The state will fund professional learning days under the following phase-in schedule:</p> <p style="text-align: center;">2018-19: 1 day 2019-20: 2 days 2020-21 & after: 3 days</p>	<p>No Changes</p>
Definition of a school day	<p>The state currently does not define what constitutes a school day in state law</p>	<p>A work group will be created to provide recommendations on how to define what constitutes a school day</p>