THE WORK AHEAD:
DISTRICT DECISIONS AROUND TEACHER SALARY POST-MCCLEARY

LEAGUE OF EDUCATION VOTERS FOUNDATION™

AUGUST 2018

BY JACOB VELA, SENIOR POLICY ANALYST

STATE TAKES STEP FORWARD

IN ATTRACTING AND RETAINING TEACHERS

The state has committed to making historic investments in K-12 education in 2018-19. As districts, parents, and communities are engaging in conversations around how the new funding can best support students it is important to understand what has changed and how this may influence how districts decide to invest the new money. This brief provides some broad background for what has changed and how this may influence how districts ultimately decide to invest the new funding.

League of Education Voters Foundation cares deeply about teacher compensation and supporting schools and districts as they begin to make major budget decisions in a modified funding landscape. To help navigate a complex funding ecosystem, we've pulled together some important data for stakeholders to consider as districts look to allocate the additional state education funding.

In the 2017-18 school year, the average state-funded teacher salary was $56,085. For decades, districts have added to the state salary using local levy dollars, over $15,000 per-teacher on average in 2017-18, to make up for what many saw as insufficient state funding to attract and retain teachers. From district to district average additional teacher salary above state funded amounts ranges from $0 in some districts to more than $25,000 in others.

In the 2018-19 school year the legislature will make significant investments, increasing average state funding for teacher salary by an average of more than $15,000 per teacher. The significant state investment in funding educator salaries will make Washington teachers, on average, among the highest paid teachers in the country[1].

The increase in state funding was paired with a decrease in how much districts are able to raise locally creating a new dynamic in the funding landscape for districts.

Districts and communities across the state have already begun to wrestle with the opportunities and challenges this presents, such as:

- How will the educational experience of students be positively impacted with the new investments?
- Does the state provide enough for all districts to attract and retain teachers, especially for high-poverty or rural districts?
- How will the increased state investments impact how districts use their local levy dollars?
- Will district budgets be financially sustainable?

[1] https://nces.ed.gov/programs/digest/d17/tables/dt17_211.60.asp

CURRENT TEACHER SALARIES

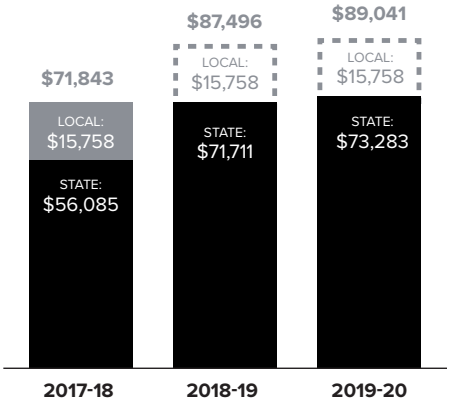
In 2017-18 the average district was paying a full-time teacher over $15,000 (28%) above the state funded salary, which is approximately equal to the increase in state teacher salary for 2018-19. The additional salary includes increased base salary for teachers, stipends for coaching a sports team, teaching summer school, or for teachers taking on additional roles or responsibilities.

Salary funding becomes even more complicated given that state law does not allow districts to pay for a districtwide base salary enhancement for all teachers with local levies. The use of local levies for salary is intended to be used for teachers taking on additional roles or responsibilities. Despite this technical prohibition many districts[1] have been using local levy dollars to enhance teacher base salary to offer a more competitive wage, but since many felt the state wasn't paying enough for teacher salary there were few objections to this practice from elected officials or stakeholders.

TEACHER SALARY IN 2018-19 AND BEYOND

The state will fully fund their base teacher salary increases starting in 2018-19 and will add a new salary mechanism in 2019-20 with the creation of the experience factor that will go to the 56 qualifying districts whose teachers had higher levels of educational attainment and more years of teaching experience in 2017-18. Qualifying districts will receive this enhancement for four years. By 2019-20, the state will fund each district a minimum of $66,455 in salary per teacher and a maximum of $85,063, which will be adjusted for inflation annually. Districts will continue to determine their own educator salary allocation models, but the state has set a minimum and maximum teacher salary of $40,000 and $90,000 respectively, adjusted for inflation and district salary allocation amounts. Teachers who teach in STEM fields or who teach in the Transitional Bilingual Instructional Program or Special Education can have salaries that exceed their district cap by 10%, but the state does not provide additional funding for these salary enhancements.

STATEWIDE AVERAGE TEACHER SALARY
STATE AND LOCAL CONTRIBUTIONS



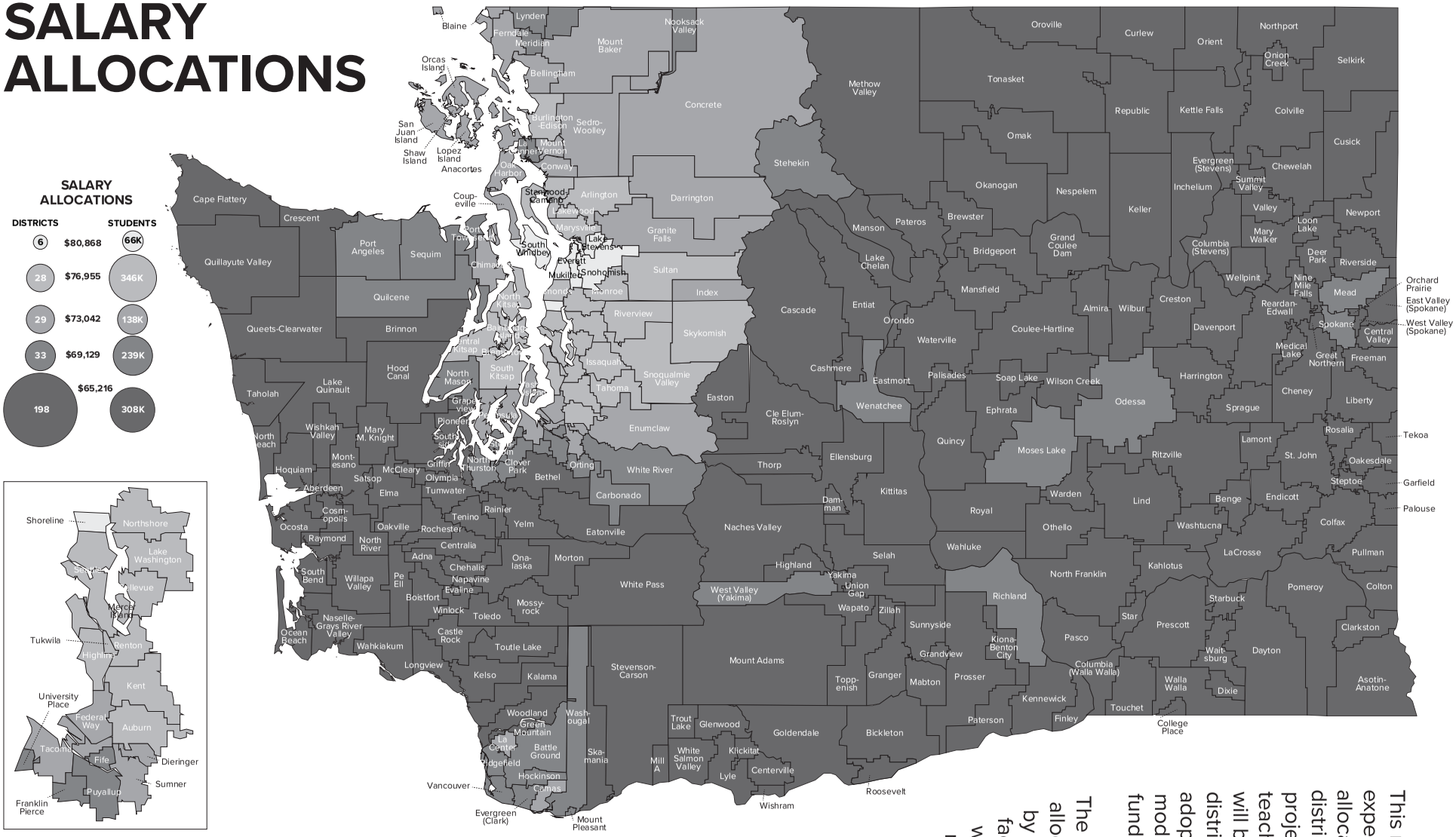
The graph above shows the current state average teacher salary, including state and local salary amounts, and future state salary amounts. Because the amount of local levy dollars will change for almost all districts, levy spending will be more closely monitored, and many districts will be negotiating new salaries for teachers, we cannot project future local salary amounts. The white boxes below shows salary levels if the same amount of local dollars were to go towards teacher salaries in the future.

The table below shows examples of district salary allocation models by education — BA: Bachelor's, MA: Master's — and years of teacher experience including base salary enhancements available to all teachers in a district. Salary totals exclude money for additional roles such as coaching, mentoring, or other leadership activities, employer pension or healthcare contributions. Salary Schedules can be found on district or local Education Association websites.

District	Low-Income Student Enrollment	2017-2018					2018-2019
		State Funded Salary Per-Teacher[2]	Salary Schedules (State + Local)				State Funded Salary Per-Teacher
			0 Years + BA	0 Years + MA	5 Years + MA	10 Years + MA	
Seattle[3]	34%	$54,561	$51,523	$62,768	$66,964	$79,757	$76,955
Everett[3]	38%	$60,801	$47,928	$59,280	$71,667	$84,502	$80,868
Highline	63%	$52,941	$49,888	$59,810	$63,121	$71,391	$76,955
Spokane	57%	$56,859	$43,456	$52,100	$54,984	$62,188	$69,129
Pasco	74%	$53,272	$44,114	$52,888	$55,816	$63,129	$65,216
Yakima	72%	$56,023	$43,588	$52,258	$55,249	$62,693	$65,216
Bellevue	18%	$54,888	$49,703	$59,316	$61,198	$74,622	$76,955
Vancouver	48%	$54,988	$43,840	$52,503	$55,393	$62,613	$76,955
Tacoma	58%	$55,412	$45,500	$54,462	$58,979	$68,473	$76,955

[1] https://app.leg.wa.gov/CMD/Handler.ashx?MethodName=getdocumentcontent&documentId=izzhDGqdgfw&att=false
[2] 2017-18 District Salary Allocations & Total Salary: http://k12.wa.us/safs/PUB/PER/1718/tbl34B.pdf
[3] Seattle and Everett have adopted a salary allocation model that differs from the one the state uses to fund districts. Seattle and Everett don't have a MA column, but instead have a BA+90+MA column which is comparable to the MA column found in many other districts.

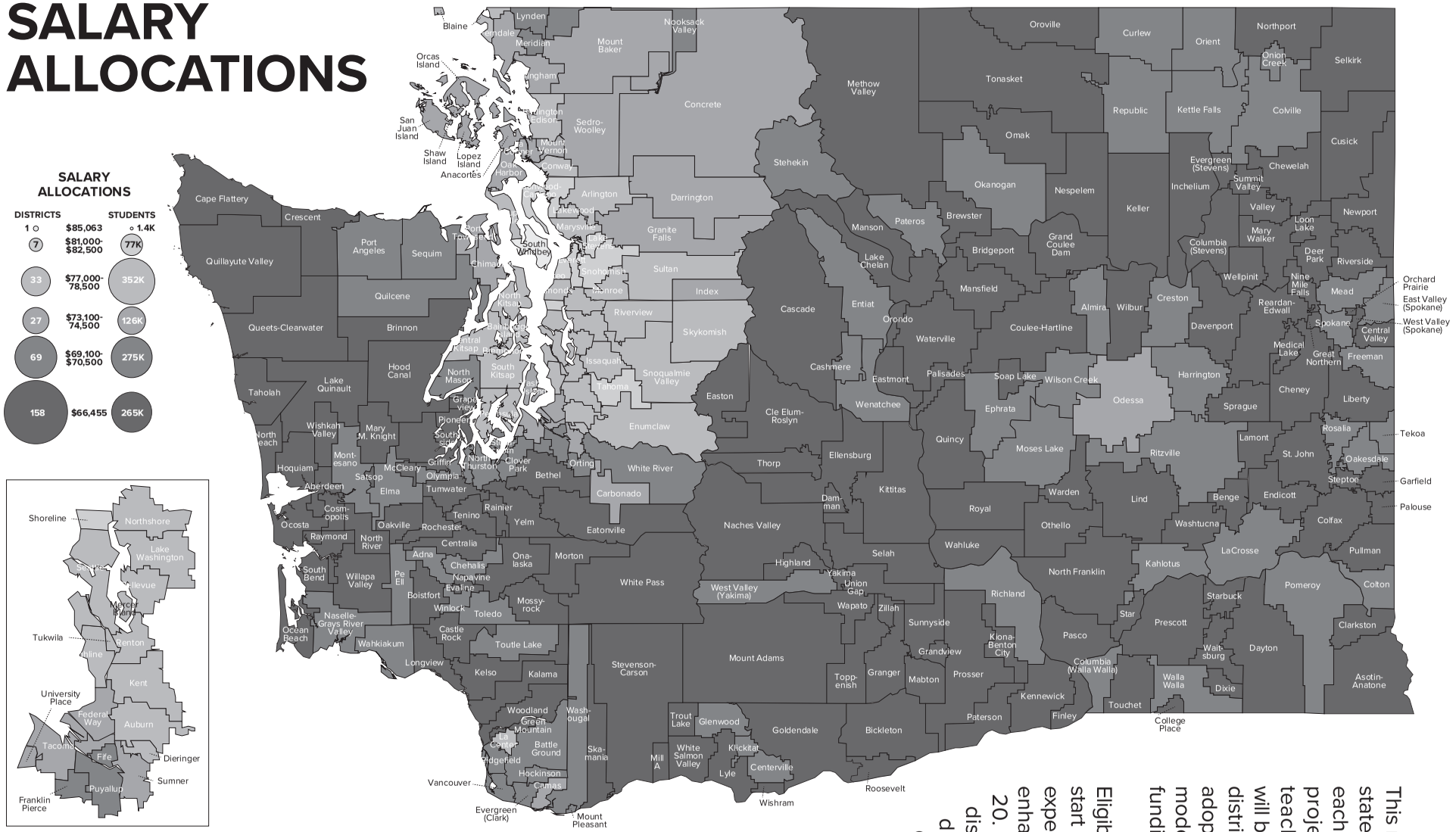
2018-2019 **SALARY ALLOCATIONS**



This map shows expected state salary allocations for each district using OSPI projections. The actual teacher salary amounts will be decided by each district based on locally adopted salary allocation models using state funding allocations.

The different salary allocations are driven by the regionalization factor of districts which is based on median home values in each school district. There is a strong correlation between district salary allocations and district wealth.

2019-2020 **SALARY ALLOCATIONS**



This map shows expected state salary allocations for each district using OSPI projections. The actual teacher salary amounts will be decided by each district based on locally adopted salary allocation models using state funding allocations.

Eligible districts will start receiving the experience factor salary enhancements in 2019-20. Most eligible districts are small districts with student demographics that are less diverse than the statewide average.

LEVIES

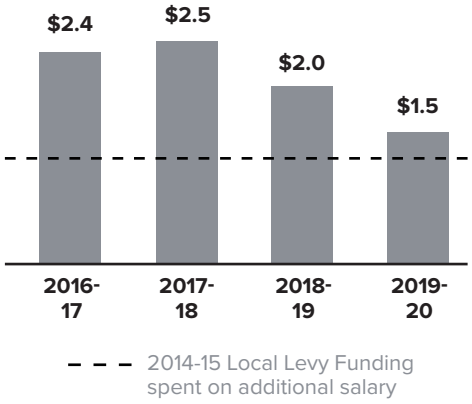
The legislature also made significant changes to the levy system that will reduce the amount of funding districts will be able to raise via local levies, reducing statewide levy collections by more than $1 billion between 2017-18 and 2019-20. Limiting levy collections will reduce a district's ability to supplement staff salary, reduce staffing ratios, provide for expanded learning opportunities, or other programmatic or student supports.

If districts maintain their current approach to spending local levy resources after the funding changes go into effect the supplementing of staff salaries will account for almost all of levy expenditures by 2019-20.

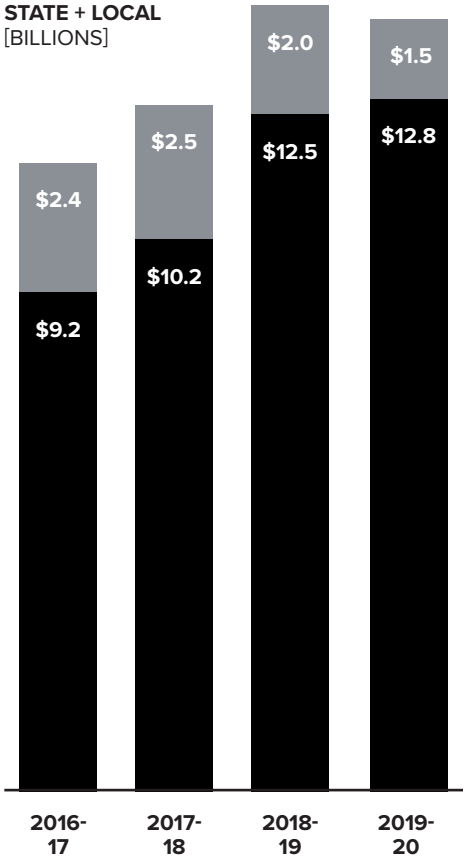
Districts will continue to use local levy dollars to enrich the program of basic education through expanded course offerings, extended school days, summer school, extracurricular activities, lower staffing ratios, and other activities[1]. The reduction in local levy authority will require districts to reassess their levy strategy as the $1.2 billion of 2014-15 levy revenues spent on supplementing salaries is equal to 80% of total expected 2019-20 levy revenues.

Districts will have fewer local levy resources, but as the state is increasing funding for salaries the need for districts to supplement base teacher salary is greatly reduced and will theoretically free up levy resources that are currently spent on supplementing salary to instead be spent on maintaining lower staffing ratios, additional student supports, or other district priorities to meet the needs of students.

EXPECTED LOCAL LEVY FUNDING
[BILLIONS]



COMBINED STATE + LOCAL
[BILLIONS]



THE FUNDING PICTURE

The changes made in the 2018 legislative session will fully fund the salary increases in 2018-19, but the changes to the local levy system won't take effect until the middle of the 2018-19 school year so districts won't feel the impact of the levy changes for a full school year until 2019-20. This means that districts will have fewer combined state and local resources available in 2019-20 than 2018-19. However, the combined state and local resources available in 2019-20 will be over $1.5 billion more per-year than 2017-18.

[1] http://app.leg.wa.gov/Rcw/default.aspx?cite=28A.150.276

HOW WILL THE RESOURCES AVAILABLE TO DISTRICTS CHANGE?

The changes in education funding the legislature committed to impact districts in different ways. The map on the next page shows the percent change in available state and local resources from 2017-18 to 2019-20 (excluding caseload forecasts and transportation funding) resulting from the state's recent legislative efforts to fully fund education.

The historic investments made by the state in K-12 funding are partially offset by the reduction of local levy authority which reduces the net funding increase for K-12 education by more than $1 billion. The districts that most benefit from the changes to educator salary are also more likely to experience higher percent increases in combined available state and local funding.

The percent increase in available resources districts will experience will vary greatly across the state. The factors most impacting the amount of increases will depend on the following factors:

EXPERIENCE AND EDUCATION OF THE TEACHER WORKFORCE

Through 2017-18, the average experience and education levels of a school district's teachers was the main factor in determining state salary allocations with districts with more experienced and educated teachers getting more state salary funding. Now the main formula is dependent on single-family home values to determine state salary allocations, therefore districts with less experienced and educated workforces will no longer receive less money for teacher salary because of the characteristics of their workforce.

REGIONALIZATION FACTOR

Districts will receive up to a 24% increase in base state salary allocations due to the higher value of single-family residences in their district, while some districts will not receive any additional enhancement. This is why state salary allocations to districts will range from $66,455 to $85,063.

LOCAL LEVY REVENUES

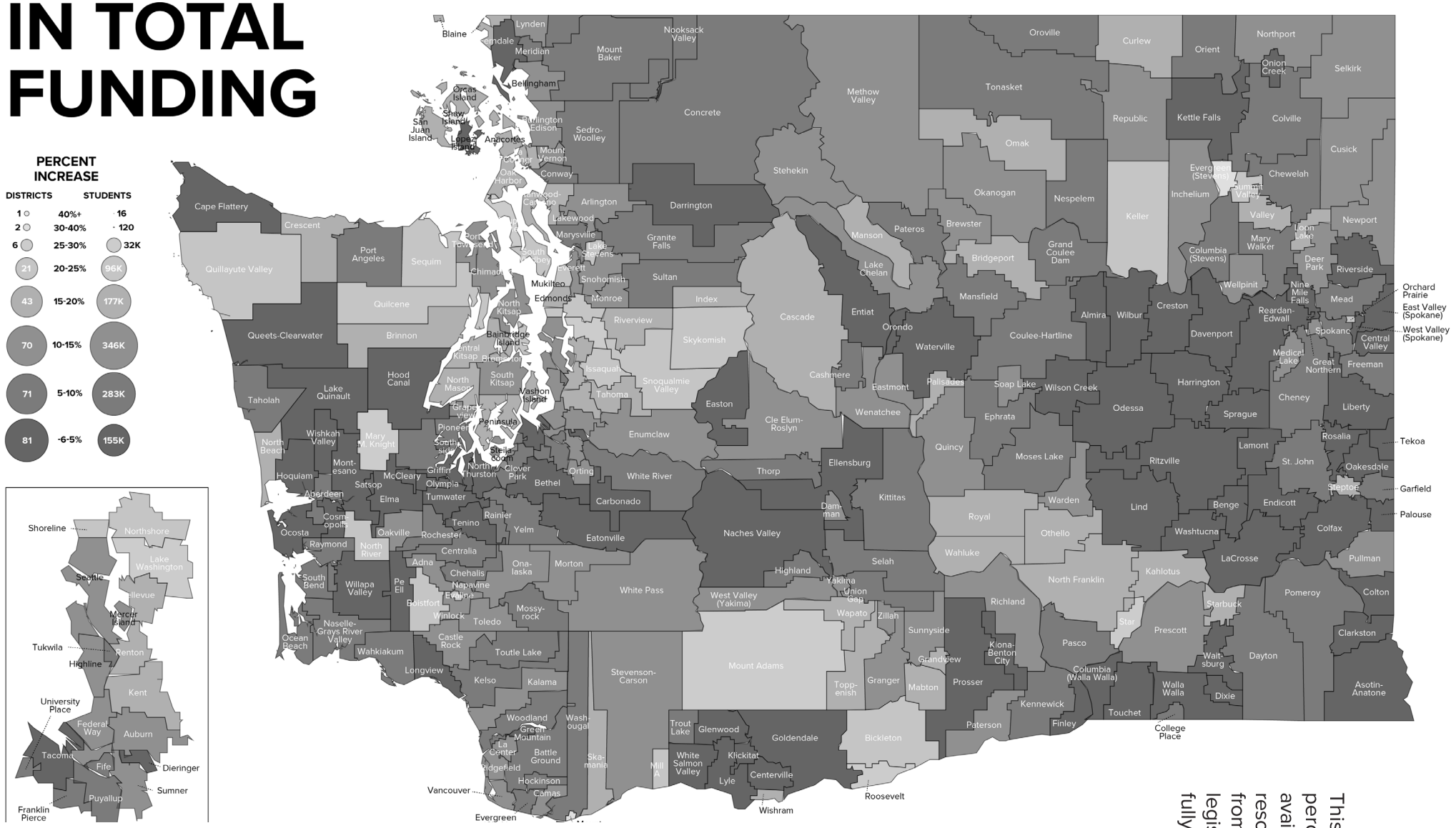
The new limits placed on how much districts can raise through local education levies will limit districts to no more than $2,500 per student, adjusted for inflation, while 188 districts with lower property values will be limited to no more than $1,500 per student in combined levy and local effort assistance (LEA) revenues[1]. Currently 52 districts serving over 124,000 students raise over $3,000 per-student in local levies. Under the new system districts that could previously raise more than $3,000 per-student will be capped at $2,500 per-student like Seattle and Bellevue while others like Tacoma and Waterville will be limited to $1,500 per-student in combined levy and LEA revenues.

How districts respond to the changes in the funding system will start to become clearer in the coming weeks as the new school years inches closer. The changing relationship between state and local funding will require a reexamination of how districts invest their limited local levy resources. The additional reporting requirements for how districts spend their state and local resources will help the public better understand how districts and schools have prioritized the $14 billion in annual state and local education funding. This is an important step to understand how historically and systematically underserved students are being resourced by the new funding system. How will these historic investments in K-12 education help to achieve Washington's stated goals of closing the educational opportunity and achievement gaps?

[1] Local Effort Assistance (LEA) is state funding directed to districts with lower property values because they would need to pass a levy at a much higher tax rate to raise a comparable per-student amount as high property value districts that can pass a modest local levy and raise a higher per-student amount

PERCENT INCREASE

IN TOTAL FUNDING



This map shows the percent change in available state and local resources resulting from the state's recent legislative efforts to fully fund education.

www.educationvoters.org