

MID-SESSION BREAKDOWN: A LOOK AT PROPOSALS FOR EDUCATION FUNDING IN 2024

School districts across Washington state are in the midst of some of the most challenging budget decisions they have had to make in years. Districts are still adjusting to the long-term impacts of the pandemic and how it has affected what students need to be well and thrive at school. Districts have responded to these budget challenges in a number of ways, including by reducing staff, delaying the adoption of updated curriculum, or reducing extracurricular offerings. No one has been immune - districts big and small, higher-income and lower-income, urban and rural, and everything in between are facing serious challenges resourcing everything their students need.

So how has the legislature responded?

At this point in the 2024 Legislative Session, there are two main education funding bills that attempt to address some of these challenges. And while there is no one right way to envision and create equity across a system, we at LEV believe that as we take steps - whether they are incremental or foundation-shifting - we must keep students at the center. We stand by the idea that funding equity boils down



Students from South Shore PreK-8

to a straightforward principle: all students should get what they need, when they need it.

We will share the different funding approaches that the Washington state Legislature has coalesced around this year with a focus on whether they build student-centered equity or strengthen existing inequities in how we fund schools. Below are the House and Senate proposals that have recently been passed out of their respective chambers (this doesn't include a more targeted special education funding bill, [House Bill 2180](#), that is more limited in scope).

THE PROPOSALS

	<u>Washington State Senate</u>	<u>Washington State House of Representatives</u>
	<u>Senate Bill 5882</u> - Increasing prototypical school staffing to better meet student needs.	<u>House Bill 2494</u> - Increasing state funding for operating costs in schools.
Summary	This bill would make a permanent increase in the Prototypical School Funding Model allocation for teaching assistants (paraeducators) and office support workers starting in 2024-25.	This bill would permanently increase funding for Materials, Supplies, and Operating Costs (MSOC) that each student generates in state funding models.
What You Need to Know	<p>Districts will ultimately get to decide how to spend the new funds, except for the 2024-25 school year.</p> <ul style="list-style-type: none"> Schools are not required to spend this funding to attract or retain any specific staff. The prototypical school funding model is for “allocation purposes only,” which means districts can decide to spend the funding on something else. However, there is an exception to this for the 2024-25 school year: schools will be required to spend funds next year to increase paraeducator staffing levels, prevent layoffs, or increase existing salaries. <p>Students will generate different levels of additional funding, with those in high-cost-of-living districts generating more.</p> <ul style="list-style-type: none"> A significant, but not well-understood, aspect of Washington’s education funding system is a funding enhancement some districts receive based on the housing values in their district, called “regionalization factor.” Regionalization factors provide a funding increase to schools in areas with higher housing costs in order to help boost the salaries of K-12 staff. Many districts don’t receive a regionalization factor enhancement, but those that do receive an extra 6% to 18% more in funding for staff salaries. You can find your district’s regionalization factor here. This ultimately means the higher the housing values in a district, the more funding that district will get per student under this proposal. 	<p>Districts will ultimately get to decide how to spend these new funds.</p> <ul style="list-style-type: none"> The new funding doesn’t need to be spent on MSOC-related expenses, such as books, curriculum, utilities, etc. Washington’s funding model is for “allocation purposes only,” which means districts can spend the funding on something else if they choose. <p>Every student will generate the same level of additional funding.</p> <ul style="list-style-type: none"> Since the regionalization factor doesn’t impact MSOC funding, every district will receive the same increase in per-student funding through this proposal.
Expected Cost	\$50 million in 2023-25, \$131 million in 2025-27, and \$135 million in 2027-29 (see fiscal note)	\$21 million in 2023-25, \$55 million in 2025-27, and \$57 million in 2027-29 (see fiscal note)

A LOOK TOWARDS EQUITY

Washington's prototypical school funding model assumes all schools, regardless of student need, require the same level of staffing to meet the educational goals we have set for our state. The current financial state of many districts is forcing difficult choices, and these choices are only getting more challenging as the cost of providing an education increases for districts.

We acknowledge the need to address these unprecedented challenges and the reality that what it costs to attract and retain staff varies across districts, but both funding proposals fall short in prioritizing equity as we work to limit the impact of the budget crisis on the student experience.

Historically marginalized students, including students living in poverty, students gaining English proficiency, students experiencing homelessness, foster youth, students with disabilities, and others need more resources and support to access their education than what our system is designed to give them. Districts that serve communities in concentrated poverty, for example, or districts that may be experiencing a homelessness crisis do not get any additional funding through the prototypical school funding model to hire the right staff to better meet the elevated level of need.

There are some aspects of state funding formulas that do allocate additional funding for student-based factors, like the Learning Assistance Program (LAP), but this also falls short in truly meeting the depth of student need across our state. LAP makes up a relatively small proportion of basic education funding, about \$470 million a year, or about 3% of the approximately \$15 billion annual budget for a K-12 education system that serves more than one million students.

We believe it is possible to address the financial challenges facing districts while also taking steps toward student need-based equity in our state. Continuing to favor districts with higher housing values, while not taking into account that some students need more resources to access their education, is inconsistent with the goals and values we have collectively set for our K-12 system. It is possible for more equitable solutions and steps in circumstances like these, even on a small level. With each step, we must reflect a commitment to fostering an inclusive education, where every student has the opportunity to thrive, regardless of their zip code or their circumstances.