



School District Impacts of HB 2242

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HB 2776 Progress

Prior to the 2017 Legislative Session



Transportation

\$147 million

full implementation
2014-15 school year



MSOC

\$741 million

full implementation
2015-16 school year



Full-day K

\$180 million

full implementation
2016-17 school year



K-3 class size

\$1.14 billion

full implementation
2017-18 school year

2017 Legislative Session: What Happened

- » HB 2242 - Fully Funding Basic Education
 - › compensation funding reform
 - › bargaining reform
 - › health benefits reform
 - › Levy reform
 - › state property tax increase
- » Budget bill
 - › increase funding for students with specific needs
 - › training for new teachers and paraeducators

Property taxes increase in 2018 and more than 40% remain higher in 2019

2018



State Property Tax	\$ 0.87 ↑
Local School Levy	no change
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Net Change	\$ 0.87 ↑

2019



State Property Tax	\$ 0.91 ↑
Local School Levy	\$ -0.94 ↓
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Net Change	\$ -0.03 ↓

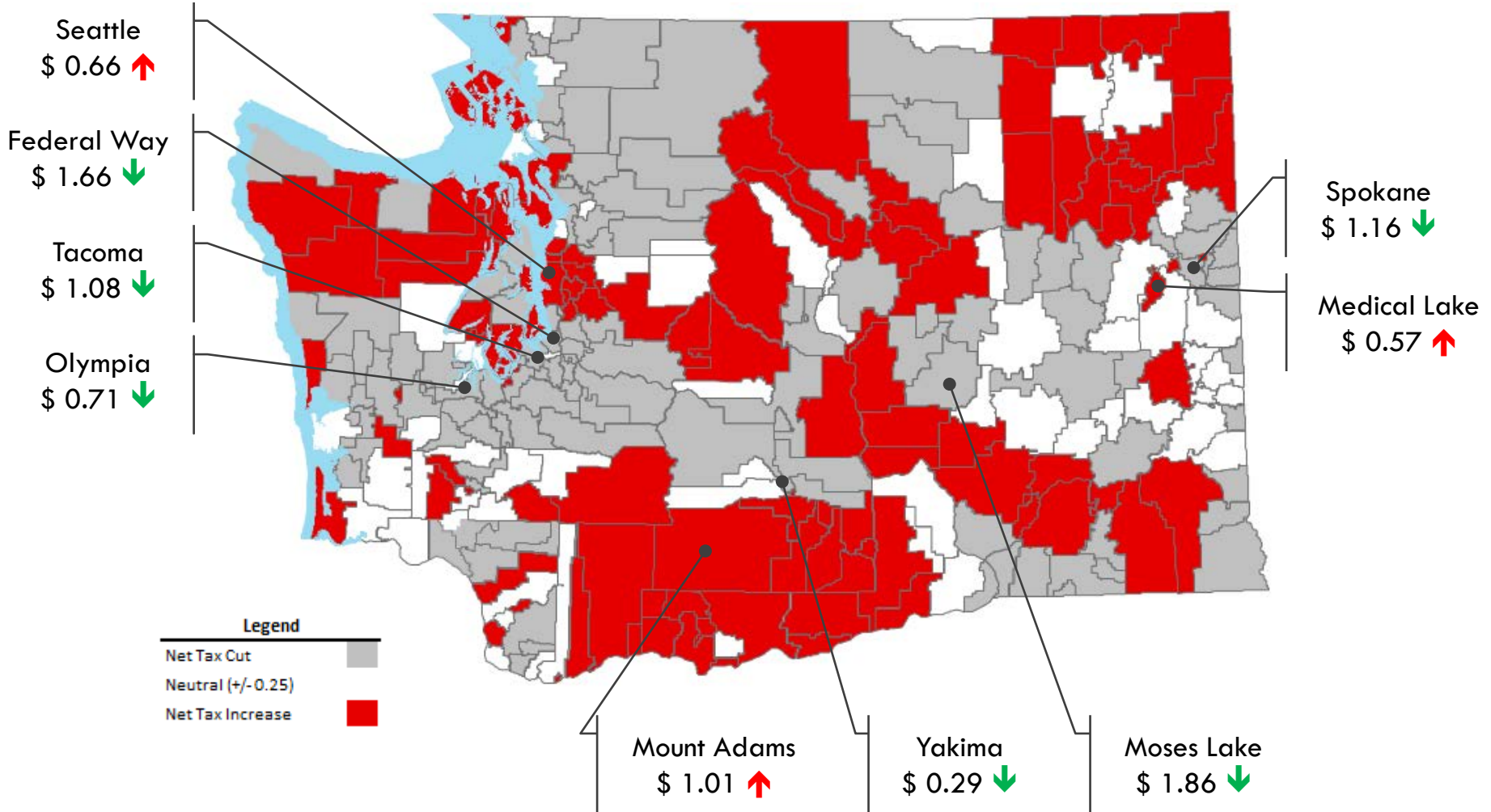
2020



State Property Tax	\$ 0.95 ↑
Local School Levy	\$ -0.84 ↓
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Net Change	\$ 0.11 ↑

Estimates are statewide average rate changes

Tax changes vary widely across the state



November 1, 2017

What is the impact for school districts?

School Year 2019-20	<u>Net New Funding</u>		<u>Unrestricted New Funding</u>	
	Dollars (millions)	Percent	Dollars (millions)	Percent
Seattle	\$ 82.8	12%	\$ 47.1	8%
Federal Way	\$ 36.3	14%	\$ 13.4	6%
Tacoma	\$ 20.6	6%	\$ (4.0)	-1%
Olympia	\$ 2.4	2%	\$ (2.1)	-2%
Mount Adams	\$ 2.2	23%	\$ 1.2	17%
Yakima	\$ 24.1	13%	\$ 9.8	7%
Moses Lake	\$ 9.4	9%	\$ 2.1	3%
Spokane	\$ 24.3	7%	\$ 1.7	1%
Medical Lake	\$ 3.2	17%	\$ 2.0	14%

Common Concerns Among School Districts

» Compensation

- ✗ Regional factor
- ✗ Staff mix eliminated
- ✗ Expectations of staff and community

» School Levy

- ✗ Not enough capacity
- ✗ The term “Enrichment”

Two Major Changes to How the State Funds Staff Salaries

✘ Regional factor

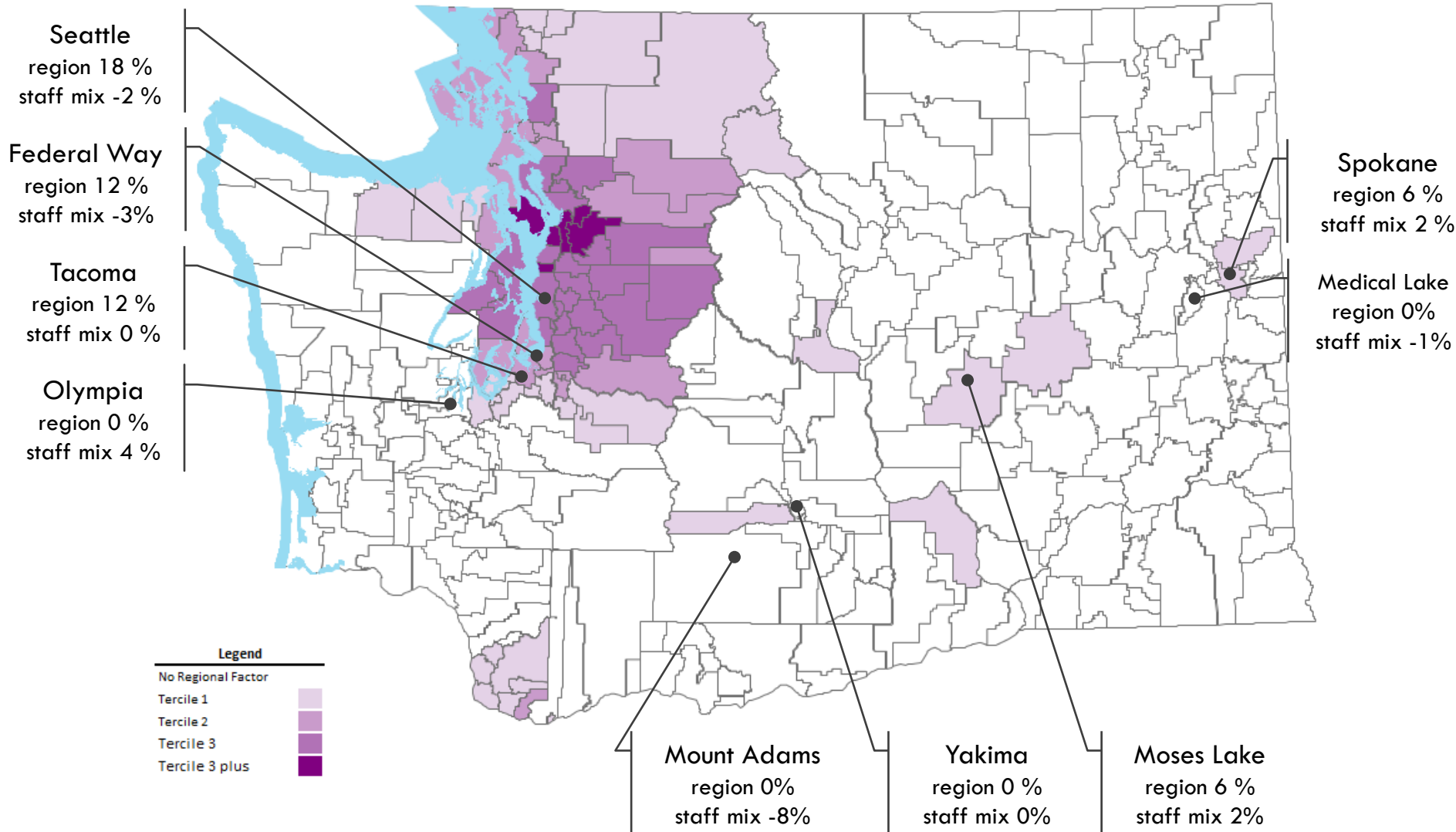
- ✘ Hard boundaries create difficulties for districts on the breaking point
- ✘ Tied to property value rather than prevailing wages
- ✘ Methodology is not transparent and cannot be replicated
- ✘ Overburdens remaining levy capacity

✘ Staff mix eliminated

- ✘ Financial disincentive to hire experienced staff
- ✘ Combined with new maximums, places extra burden on levies

✘ Staff Mix and Regional Factor DO NOT align

Regional Compensation Factor



“Allowable” expenses create unfunded expectations of staff and community

Minimum Salary

\$40,000



Creates a ripple effect for all other salaries

Maximum Salary

\$90,000



The most experienced person in each district expects the new maximum salary

Assignment Pay

10 %



Counselors, Librarians, Nurses, and Teachers in STEM, bilingual, and special education expect 10% higher salaries

Supplemental

Contracts



Districts still have supplemental contracts for additional time, responsibilities, and incentives

What happened to school levy capacity?

	Current Levy & LEA	New Levy & LEA	Percent Change
Seattle	\$ 200	\$ 135	-33 %
Federal Way	\$ 65	\$ 35	-47 %
Tacoma	\$ 96	\$ 43	-55 %
Olympia	\$ 25	\$ 15	-40 %
Mount Adams	\$ 1.0	\$ 0.9	-8 %
Yakima	\$ 32	\$ 24	-24 %
Moses Lake	\$ 23	\$ 13	-43 %
Spokane	\$ 85	\$ 45	-47 %
Medical Lake	\$ 2.9	\$ 2.8	-3 %

dollars in millions

School Enrichment Levy

- » The word “Enrichment”
 - › to supply with riches, wealth, abundant or valuable possessions
- » Enrichment levies may be used to supplement basic education
 - › Prototypical school staffing
 - › Special education
- » Examples of programs funded through enrichment levies
 - › Pre-School for all 4 year olds
 - › After-school and Saturday programs for credit retrieval
 - › PSAT/SAT for all students
 - › Specialty course offerings
 - › Assessment of students’ abilities in early grades

Next Steps: 2018 Session and Beyond