



# School District Impacts of HB 2242

Cynthia Hollimon

November 8, 2017

# 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
<hr/>	
Net Change	\$ 0.87 ↑

## 2019



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

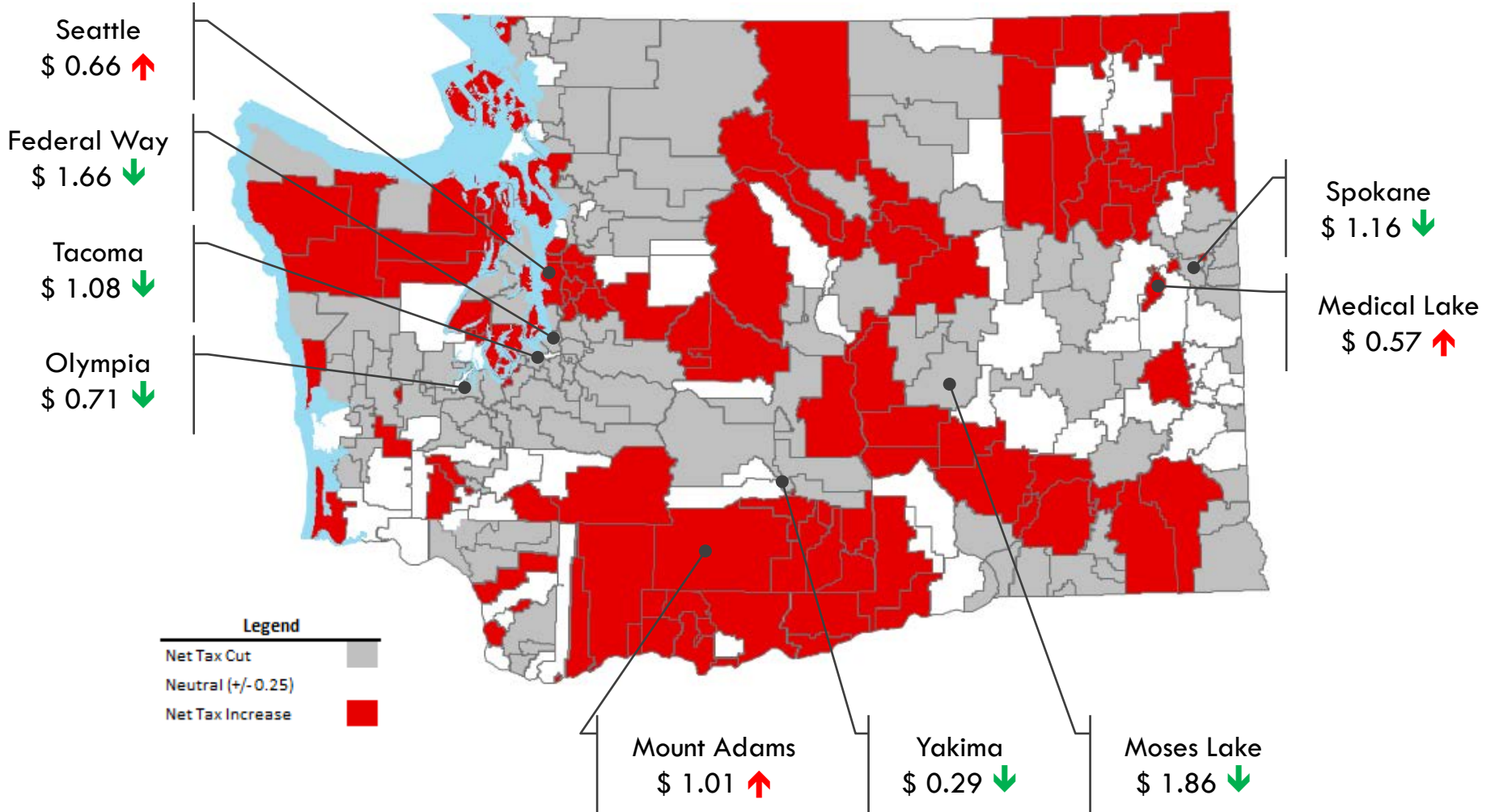
## 2020



State Property Tax	\$ 0.95 ↑
Local School Levy	\$ -0.84 ↓
<hr/>	
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

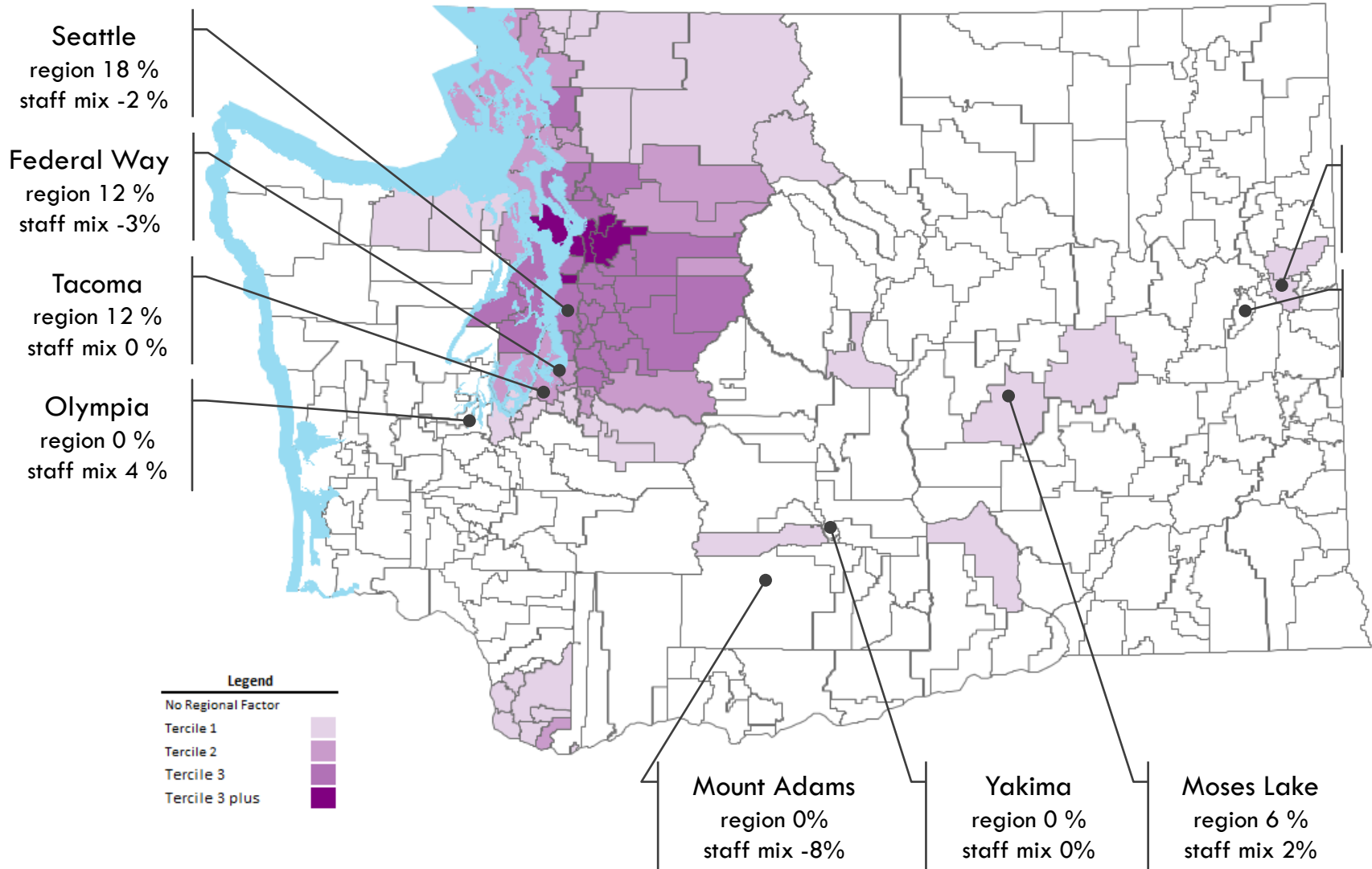
## ✘ Staff mix eliminated

- ✘ 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