

# Lawmakers look ahead on a big shift in school funding



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*Teachers and students walk from Seattle Center to Westlake to protest a lack of state funding for schools. Credit: David Kroman*

A plan to raise an extra \$3.5 billion in state revenue will have to be in place by 2018 for an overhaul of Washington's school levy system to work.

The legislation for the overhaul won't be nailed down until the Washington Legislature's 2016 session — if lawmakers can pass such a bill in a two-month short 2016 session with elections looming later in year.

A bipartisan [Senate bill](#) to overhaul Washington's school levy system would increase the burden on the state, while decreasing the burden on local school districts. It received its first public airing Thursday with a public hearing before the Senate Ways & Means Committee and a press briefing.

In broad strokes, the bill would start a four-year, \$3.5 billion shift in 2018 from local school districts' tab for paying for basic education — mostly teachers' basic salaries — to the responsibility of the state government. The details on accomplishing this shift are extremely complicated, but a key concept is reducing local property taxes for schools in the state's 295 school districts while ramping up state funding. That is meant to end the inequity of richer school districts spending more for teachers and smaller class sizes than poorer districts can.

The bill aims to help meet the mandates of a 2012 Washington Supreme Court decision — the so-called "McCleary" ruling — that called for a drastic improvement in teacher-student ratios in Grades K-3. The ruling also called for the Legislature to improve how education funding is handled and ensure that an overhaul's effects are permanent and provide equity of funding for students statewide.

The Legislature has been slow in complying with the McCleary ruling. The Supreme Court has threatened yet-to-be-determined sanctions against the Legislature if it does not have a solid plan in place by the end of this month.

The bipartisan bill is the brainchild of Sens. Bruce Dammeier, R-Puyallup; Christine Rolfes, D-Bainbridge Island; Ann Rivers, R-La Center; and James Hargrove, D-Hoquiam. Dammeier is the bill's prime sponsor.

On Thursday, the four senators said they don't expect the bill to win approval in the 2015 session, which officially has less than three weeks left. Instead, they unveiled the bill in order for legislators, educators and the public to provide feedback throughout this year in order to modify the legislation for the 2016 session.

"We want to put our cards on the table. ... We want it out there so people can see it," Hargrove said.

The bill would only go into effect if an adequate funding source or sources begins to provide revenue for the new system by Jan. 1, 2018. That could be a major challenge as Democrats have been pushing for new tax revenues to fund the McCleary work in the 2015-2017 state budget, while Republicans counter that the money can be found from the state's existing funds.

The budget math works like this.

The McCleary ruling called for reducing class sizes in Grades K-3 plus reducing the basic education costs on local districts, because locally raised money varies from district to district. Right now, the Legislature is looking at spending \$1.3 billion to \$1.4 billion in 2015-2017 for class size reduction. It is also expected to raise another \$1.3 billion for class size reduction in the 2017-2019 budget biennium.

The extra \$3.5 billion obligation for the levy shift proposal would have to begin to kick in 2018.

The partisan battle over how to provide the extra \$1.3 billion to \$1.4 billion in 2015-2017 has to be resolved this month. No one has thought yet how to specifically raise another possible \$1.3 billion for 2017-2019 or the \$3.5 billion needed to the levy overhaul beginning in 2018.

“We will mostly likely have to fund it with a variety of sources,” Rolfes said.

And hovering over all of this is how the Legislature will tackle Initiative 1351, which Washington voters approved in 2014. I-1351 calls for drastically improving teacher-student ratios in Grades 4-12. That has a \$2 billion per budget biennium price tag. Currently, legislators in both parties want to get rid of that obligation because the money is not available, but are fighting over how to do so.

Another factor in play is that the Washington Supreme Court has threatened yet-to-be-named sanctions against the Legislature if it does not have an adequate McCleary fix-it plan ready by June 28.

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Rolfes said that it's anybody's guess whether the four legislators' bill will satisfy the court.

At the Ways & Means Committee hearing, Dammeier and Rolfes said if this bill passes, the state would be obligated to meet its requirements regardless of whether Washington goes into another recession.

Sen. Mike Padden, R-Spokane Valley and a Ways & Means Committee member, noted that the 2012 McCleary ruling stemmed from the Legislature not meeting its obligations under two bills passed a few years earlier. Consequently, he speculated, the Legislature could face a similar Supreme Court ruling in the next decade if the bill passes but the money does not follow in subsequent years.

The bill drew mixed reactions at Thursday's hearing. The Washington Education Association and two of its locals opposed it. The opposition focused on having less of teachers' pay being determined by collective bargaining, plus worries that the proposed system would hamper teachers' raises in the future.

“Many educators' pay would be stagnated at current levels for years and years,” said North Kitsap teacher Chris Fraser.

Some education lobbying groups came out cautiously for the measure. And several said they like the concept in general, but cited strong concerns about many technical details within the bill.

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