State House passes education funding bill; challenges loom

By Jerry Cornfield

Everett Herald

Thu Feb 23rd, 2017 1:30am

OLYMPIA — The state House on Wednesday approved a \$7.6 billion blueprint for fully funding public schools as required by the Supreme Court.

On a 50-47 party line vote, majority Democrats approved <u>House Bill 1843</u> that sketches where those additional dollars would be invested in the next four school years.

"I think our plan provides significant investments for our students that our communities have been asking for, for a very long time," said Rep. Lillian Ortiz-Self, D-Mukilteo.

But Democratic leaders acknowledged in the floor debate it's an unfinished plan as they must figure out how to cover the costs now estimated to be <u>nearly \$1.8 billion in the</u> <u>next budget</u> and \$5.8 billion in the 2019-21 budget.

"Do we have a lot of work to do? We absolutely do," said Rep. Kristine Lytton, D-Anacortes, chairwoman of the House Finance Committee and member of last year's Education Task Force.

The lack of a financing mechanism is one reason Republicans cited for voting against it. They offered an amendment to nullify the entire bill unless it identified taxes or other sources of revenue to pay the added expenses.

"If we are going to ask our constituents for billions of dollars we owe it to the public to to tell them how we're going to come up with that money," said Rep. Drew Stokesbary, R-Auburn.

With Wednesday's vote, the House joined the Senate with an approved approach to meet the court's 2018 deadline to provide public schools with the money needed to pay for basic education.

House Majority Leader Pat Sullivan, D-Covington, said they would immediately seek to begin negotiations with leaders of the Republican-controlled Senate.

"We've formally reached out every week since the session started," he said. "We'll do it again."

An architect of the Senate Republican proposal called the House action "a good first step" and wondered when Democrats will know where they'll get the money to pay for their proposal.

"We look forward to talking to them on their timetable for finishing their work," said Sen. John Braun, R-Centralia, who also is chairman of the Senate Ways and Means Committee.

The House and Senate plans vary substantially.

Under the House plan, most of the additional spending in the next budget is to pay employees a competitive salary.

Starting pay for new teachers would be boosted to \$45,500 beginning with the 2019-20 school year. It also calls for the average state-funded salaries for teachers to be \$70,824, for certificated administrative staff to be \$117,159, and for classified staff to be \$54,084.

The House bill also expands the Learning Assistance Program, shrinks the size of career and technical education classes and adds counselors in middle schools and high schools. Those changes would take effect in September 2019.

Regarding local property tax levies, Democrats allow districts to maintain current levels of collections in 2018 and sets a maximum 24 percent rate starting in 2021. Republicans proposed an amendment to set the cap at 10 percent — as is allowed in the Senate plan — but it failed.

On the issue of revenue, Democratic leaders have said they're considering several potential sources including higher property and business taxes and new taxes on capital gains and carbon emissions. Wednesday was not the day to figure it out, they said.

"There will be opportunities to talk about revenue," Sullivan said.

<u>The Senate plan</u> passed earlier this month proposes to put an additional \$2.4 billion into public schools in the next budget

On the matter of salaries, it increases starting pay for new teachers to \$45,000 but does not set average salaries for teachers, administrators and classified staff.

A main thrust of the proposal is replacing money collected from local school levies — which generally goes to pay salaries — with revenue from a new statewide property tax. Republican senators contend whatever the new tax doesn't cover will be paid for with existing streams of tax receipts the state expects to collect.

The rate for that new statewide property tax would be 45 cents per \$1,000 in 2018, rising to \$1.80 in 2019 when local levies would go away.

Under the GOP plan, existing local levies are extended at their current rate for 2018 — erasing concerns about the so-called levy cliff. They would be eliminated in 2019. School districts, with approval of the Office of Superintendent of Public Instruction, could seek local levies up to 10 percent with voter approval in 2020.

The Senate plan also would no longer use the prototypical school model for allocating state funds. Instead the GOP is proposing a new student-based methodology and guaranteeing each district receives at least \$12,500 per pupil.

Meanwhile, Gov. Jay Inslee wants to spend \$2.7 billion over the next two years to satisfy the court decision.

To pay for it, the governor is proposing to increase business taxes on attorneys, real estate agents and professional services, to institute a carbon tax and to levy a new capital gains tax.

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