West Valley School District Superintendent Gene Sementi, like other Washington educators, is waiting as legislators wrestle to find a solution to fund basic education this session.

He is pleased to see budget proposals on the table from the House Democrats, Senate Republicans and Gov. Jay Inslee.

“It’s very encouraging that there are three different proposals this early in the session,” said Sementi, whose school district is in the Spokane Valley, east of Spokane. “Both sides seem to be very serious about arriving at a resolution.”

Other legislators have offered alternative proposals to solve the education-funding problem.

Senate Democrats Mark Mullet of Issaquah, Steve Hobbs of Lake Stevens and Dean Takko of Longview introduced a plan (SB 5825) on Wednesday, Feb. 15. Sen. Christine Rolfes, D-Bainbridge Island, said its concepts are not representative of the education budget proposals put forward by House Democrats or other Senate Democrats.

The Senate Republican plan, SB 5607, was passed by the Senate majority and now awaits its fate in the House. Meanwhile, the House Democrats' proposal, HB 1843, passed the House with 50 in support, 47 against, and 1 excused Wednesday.

“l appreciate the House passing their bill (Feb. 22) and providing a thoughtful proposal for discussion as budget negotiations begin,” Inslee said in a statement. “Their approach will help us recruit and retain great teachers and close the opportunity gap.”

Inslee’s proposal, HB 1067, is in the House Committee on Appropriations.

All plans are intended to satisfy the Washington Supreme Court’s 2012 McCleary ruling, which declared the State isn’t fulfilling its constitutional duty to fund basic education.

In 2015, the Supreme Court determined the Legislature hadn’t made sufficient progress on funding basic education and imposed a daily fine of $100,000 until the Legislature finds a solution to basic-education funding. The fine now exceeds more than $55 million. The Legislature has until Sept. 1, 2018 to meet the Court’s edict. If the
Legislature fails to meet its deadline, the Court would then decide which actions to follow.

Educators, teachers and other organizations have differing opinions on aspects of each education-budget proposal.

**Funding models**

Inslee’s and the House Democratic plans rely on a “prototypical” funding model that distributes money based on student and staff ratios in elementary, middle and high schools.

The state allocates districts $11,870 per student on average. Under the House Democratic plan, districts would be allocated $14,900 per student on average. The state would provide additional funding for basic education programs including Learning Assistance, Highly Capable, Transitional Bilingual, and Pupil Transportation.

The Senate Republican plan switches from the prototypical-funding model to a basic per-pupil guarantee, which provides districts with a minimum of $12,500 per student with local, state and federal revenues combined. Districts would receive additional funds for homeless students ($1,500) and students enrolled in programs including, Special Education ($7,500), Bilingual Instruction ($1,000), Highly Capable ($1,000), Learning Assistance, and Career and Technical-Education and Skills Courses ($500).

Sen. Joe Fain, R-Auburn, said the Republicans support the per-pupil guarantee because it’s driven by students’ needs rather than by types of staff members in school districts. Students in one district may have different needs than students in another district. He added that the current prototypical school system makes it difficult for the public to decipher where the funds are going.

Dave Powell, government affairs director for Stand for Children Washington, favors the per-pupil model. Stand for Children advocates for policies that advance education.

“It focuses the funding on students rather than on resources, salaries and jobs,” he said. “We want to make sure the conversation is focused on students.”

On the other hand, Davenport School District Supt. Jim Kowalkowski said the per-pupil method wouldn’t be beneficial for all schools. Davenport is on Highway 2 west of Spokane and the county seat for Lincoln County. He noted that some rural school districts require more funding per student than urban school districts. For example, school buses in rural areas may travel further distances than urban school buses. Fewer students on the rural school buses would result in higher transportation costs per student.

“A one-size-fits-all solution really concerns me,” he said.
The plan proposed by the three Senate Democrats is a hybrid of the per-pupil guarantee and the prototypical school model. In the first draft of the bill, districts would receive $11,500 per pupil. This amount would include state and local funding.

**Teacher certification and salaries**

Teacher compensation is different in each budget.

If passed, the Senate Republican plan would remove the requirements for teacher certification, and an uncertified educator could teach when supervised by a certified teacher.

The decision to hire uncertified staff would be up to the district, and a district could not offer higher wages to staff with advanced degrees unless the degrees are in the subjects they teach.

Heritage High School English teacher Adam Aguilera says removing the requirement for teacher certification would deprofessionalize educators. He received a master's in teaching from Washington State University, which, he explained, provides him with valuable skills he applies in his classroom. He said more emphasis should be placed on fairly compensating quality teachers.

Heritage High School is part of Evergreen Public Schools in Vancouver.

The “salary allocation model,” which determines how much teachers and staff earn based on their education level and teaching experience, is eliminated in the Senate Republican and House Democratic proposals. Instead, salaries would be negotiated at the district level.

Rep. Kristine Lytton, D-Anacortes, said the salary-allocation model is very complex, which is why the House Democrats replaced it with a simpler salary-funding model. Washington is a local-control state, she said, which means that districts can make decisions that best fit their students. She said allowing districts to determine staff salaries would help maintain this local control.

Under the House Democrats’ plan, wage rebasing would occur every six years at the state level. A review would be scheduled to ensure the wages are competitive with other parts of the country. The governor must include these updated wages in his budget; these wages could not be altered. Then the Legislature would vote yes or no on the new wages. If the bill wins approval, the state would pay the costs associated with teacher salaries; teacher compensation is considered to be part of basic-education programs. Teachers could still locally negotiate for other compensation, days off and benefits, but this would be outside the basic-education formula.

Under the House Democrats’ plan, in the 2019-2020 school year annual pay for teachers with one year of experience would increase to $45,500 from the current
$35,700; teachers with three years of experience would earn $50,500. Four days of professional learning are included in these wages.

In the Senate Republicans’ proposal, beginning teachers earn a minimum salary of $45,000 starting in the 2018-2019 school year. Salaries including benefits are limited to 80 percent of a district’s budget. Bonuses of $12,500 are offered to certified instructional staff and certified administrative staff in districts with a 25 percent poverty rate and at least 25,000 students.

Washington Education Association (WEA) spokesman Rich Wood said restricting how much a district can spend on teachers’ salaries is in direct opposition to local decision-making. WEA is the largest union for public school employees in Washington State.

“I don’t know why legislators in Olympia would dictate to a local school board how much they can invest in their teachers and education support staff,” he said. Wood explained that WEA supports Gov. Inslee’s proposed budget because it invests in support staff and dramatically improves educators’ compensation.

Inslee’s proposal relies on the current salary-allocation model, but with higher teacher wages.

In the governor’s proposal, beginning-teacher salaries would increase from $35,700 to $44,976 in the 2017-2018 school year, and to $54,587 in the 2018-2019 school year. In 2017-2018, teachers with “average experience” would earn $59,709, increasing to $72,466 in 2018-2019; currently their salary is $54,865.

Teachers with 16 or more years of experience currently make $67,288. In 2017-2018, their wage would be bumped up to $69,938 and to $84,883 in 2018-2019, in the governor’s proposal.

Wages in the 2017-2018 school year would include 30 hours of training and collaboration; in the 2018-2019 school year, salaries would include 80 training and collaboration hours.

The proposal put forth by Senators Mullet, Hobbs and Takko would continue to use the salary-allocation model and allows districts to pay teachers more than specified in the model. No teacher could be paid less than $45,000.

Without the salary-allocation model, West Valley School District Superintendent Sementi says districts may be less likely to hire veteran teachers.

Currently the state funds staff wages using a staff-mix factor. All of the wages in a district are added together and averaged. The district receives the same amount from the state, whether the teacher is just beginning or is more experienced. Without this system, Sementi said, districts may hire staff based on the cost of the teacher rather than the teacher’s qualifications.
“We ought to be in the business of hiring the most talented teachers,” he said.

**Levies and revenue**

How will these basic education budget plans be funded?

The state collects property taxes to support schools in Washington’s 39 counties. The revenue is redistributed among the districts using the prototypical school model. In the McCleary decision, the Supreme Court said this tax resource was not enough to fully fund basic education.

To make up the difference, school districts ask voters to approve taxes to pay for operations and maintenance, also referred to as local levies, to fund what state dollars don’t. The levy lid is set by the legislature and currently sits at 28 percent, which means that voter-approved levy dollars can make up to 28 percent of the district’s overall budget.

Senate Republicans — the Senate Majority Caucus — propose a state-imposed $1.80-per-$1,000-of-property-value tax rate be instituted in each district. The revenue would be put toward the $12,500 allocation for each student. The state would be responsible for making up the difference for districts whose property values are unable to raise the $12,500 amount.

Under this plan, 189 districts would see a decrease in property taxes, one school district would see no change in property taxes, and 105 districts would see an increase in property taxes. The Senate Republican plan would also use existing revenues in the state general fund, which have not been specified. According to Office of Financial Management calculations, all districts would see an increase in funding assuming the funds include the unspecified revenues.

School districts would be able to continue to use local funding options through voter-approved special property tax levies, but at a decreasing amount as the new state funding plan takes effect.

The levy lid would remain at 28 percent in 2018 under this Senate plan. In 2020, districts could fund up to 10 percent of their budget with voter-approved levies, but these funds couldn’t be used for basic education purposes. Local effort assistance (LEA), or levy equalization, would be replaced by the per-pupil allocation.

The plan projects adding an additional $2.5 billion in 2017-2019 and $4.4 billion in 2019-2021 to the education budget. Further calculations and where these dollars would be raised have not yet been revealed by the Senate majority coalition.

House Democrats are still developing a funding plan to pay for their proposed education budget, HB 1843, but they have discussed a capital gains tax on investment income and closing corporate tax exemptions. Under their proposal the levy lid would decrease
to 24 percent by 2019 and LEA would also be phased down. Their proposed budget would add $7.5 billion over the next four years to meet the fully funded basic education requirement.

Inslee’s education funding plan, HB 1046, proposes to reduce property taxes in 119 out of 225 school districts. Local property taxes wouldn’t be raised in any district. Instead, increased funding would be acquired through new business and occupation taxes, a carbon-emissions tax, a capital gains tax and closing some tax exemptions.

Inslee’s proposal would freeze the local levy lid at the current 28 percent in 2018 and reduce the lid to 15 percent and (LEA) to 7.5 percent in 2019. Grandfathered levies would be eliminated in 2019. His proposed policies would add an additional $3.4 billion to the 2017-2019 education budget.

The plan proposed by the three Democratic senators, SB 5825, locks in levies at each school district’s current rate. Similar to the Republican levy model, districts that are unable to reach $11,500 with state-imposed levy dollars would receive assistance from the state. Up to $1,000 could be raised per pupil in local levy funds for enrichment programs that are not covered by basic education funds.

Funding for SB 5825 would also be raised through online sales taxes. Currently, out-of-state sellers are not required to collect retail sales tax on their products sold in Washington State. There is no sales tax requirement if the seller does not have a physical presence in the state.

As the Legislature works toward a basic education funding solution, Sementi understands that legislators will need to reach across the aisle.

“I would hope as the negotiations proceed, that the middle-ground position solves the McCleary issue,” he said, “Among those bills, the answers are there.”

(This story is part of a series of news reports from the Washington State Legislature provided through a reporting internship sponsored by the Washington Newspaper Publishers Association Foundation. Reach reporter Grace Swanson at grace.swanson47@gmail.com.)