

When finding \$1 billion is the easy part for lawmakers

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Published: May 5, 2013 at 12:05 a.m. PDT

Here's something to contemplate during the Legislature's version of spring break: the difficult job of finding \$1 billion-plus in additional state money for public schools might be the easy part of meeting the state Supreme Court's mandate in the McCleary decision.

At least the more-cash-for-schools part is popular and everybody has come up with their own plan to do it, arguing only about whose dollars are "real" and what ed reformers should get in return.

No, the hard part of McCleary is the second part of McCleary: reforming the mess that past governors and Legislatures have made of the local school levy system. What was supposed to be a means for districts to supplement the basic education program has become something else completely.

For lawmakers trying to balance budgets, the levies have become a crutch. As they reduced state support for schools, legislative budgeteers allowed school districts to float their own boats by taking more and more out of the levies. That in turn has created another list of problems.

Some history: In response to the state Supreme Court's first ruling against the school finance system in 1977, local levies were set at 10 percent – that is, 10 percent of what the districts were receiving in state and federal funds. The money was to be spent only on "enrichment" and for programs outside the legislative definition of basic education.

At that time, to soften the impact of the reduction in local money, districts with higher levies were grandfathered with the assumption that they would be brought down to 10 percent gradually.

It never happened. And the 10 percent lid for everyone else was raised. By 2009, it was 24 percent. In 2010, it became 28 percent while the grandfathered districts were allowed to take up to 34 percent, all to make up for the shortchanging in state funds.

That shifting of responsibility from the state to local taxpayers – and the resulting inequities in funding – was at the center of the 1977 ruling and is at the center of McCleary: “Districts with high property values are able to raise more levy dollars than districts with low property values, thus affecting the equity of a statewide system,” wrote Justice Debra Stephens for a unanimous court.

For local teachers unions, levies have been the go-to pot of money to boost salaries. Since the state took over salary setting in the early 1980s, the way to make up for disappointing pay raises granted by the Legislature has been to bargain more and more from the maintenance and operations levies.

This has required a wink-and-a-nudge by everyone within the education establishment because local supplements to teacher pay are by law supposed to be only for specified extra time, extra responsibility and incentive pay (so-called TRI pay). With everyone’s acquiescence, levies have become another source of across-the-board pay hikes.

The Washington Education Association complains that teacher pay is among the nation’s lowest. But that is true only if the state allocation is all that is used for comparison. A study conducted last year for the state by Lori Taylor of Texas A&M showed that when state money and local money is totaled – and it all spends the same regardless of source – Washington teachers do pretty well.

“Total salaries are competitive in most of the state, and the fringe benefits are unusually generous,” Taylor wrote.

So, as the state increases the amount of schools money flowing from Olympia – a direct order of the McCleary court – shouldn’t it also reduce the size of local levies? And once the state pays the total cost of those salaries Taylor concluded are competitive, shouldn’t less salary money flow from local levies?

Such a two-step response isn’t specifically ordered by the McCleary court but it is clearly implied.

“... the state has consistently failed to provide adequate funding for the program of basic education ...” Stephens wrote. “To fill this gap in funding, local districts have been forced to turn increasingly to excess levies ...”

If the state stops ripping off local districts, if it does as ordered and fully funds a program of basic education with state dollars only – funding that would include salaries for teachers delivering that program – then it flows that districts can reduce their dependence on levies.

Just about everyone says the reduction must happen. Even when candidate Jay Inslee attacked the so-called levy swap – one idea for resetting the relationship between state and local funding – he did not deny the need for another method.

But he's yet to come up with one, saying more money for schools must come first. Even a modest move by the Majority Coalition Caucus in the Senate to begin a ramp down from the current 28 percent levy lid to 24 percent brought protests from the education establishment and no response by the House Democrats.

Many inside education hope the state will simply boost its support to cover the full cost of the basic program and leave levies as they are. If local money is used only for local add-ons, some argue, why not let local voters decide how much they are willing to spend?

The answer is that it would perpetuate existing inequities and create new ones as well. And absent reforms in local bargaining for salaries – something else that is promised by both sides in the Legislature but never accomplished – levy-rich districts would continue to set a high bar that levy-poor districts would have to meet by taking from programs or face strikes.

For example, a beginning teacher in grandfathered Mukilteo got an extra \$8,612 in TRI pay in 2011, according to numbers compiled by the Seattle School District. But non-grandfathered University Place was only able to pay new teachers \$4,813 extra.

Levy reform is hard; it attracts opposition. So it is put off for next session. Or the session after that. Or the session after that.

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