

DEMOCRATIC CAUCUS EDUCATION FUNDING TASK FORCE RECOMMENDATIONS

For too long, Washington's 1.1 million school kids, their parents and their teachers have been asked to do more with less.

It is the responsibility of the legislature to guarantee that every child has an opportunity to succeed. It is our responsibility to ensure that every teacher receives a livable, competitive wage for the hard work we ask them to do. Finally, it is our duty to pay for these investments in a sustainable, responsible and equitable way.

This solution achieves these goals.

Over the next four years, we will invest \$7.3 billion into Washington's K-12 education system. These investments will meet our state's Constitutional responsibility and help every student and educator to achieve their fullest potential.

- 1) Recommendations for compensation that is sufficient to hire and retain state-funded basic education staff, including:**
 - a. Whether and how future salary adjustments should be incorporated into the salary allocation model and if so the method for providing the adjustment and**
 - b. Whether a local labor market adjustment should be incorporated and the method for providing the adjustment.**

The consultant report produced for the Education Funding Task Force found that, on average, educator's current total combined salaries approximate market rate values. This report is consistent with the comparative labor market analysis produced by Dr. Lori Taylor for the Compensation Technical Working Group in 2012.

The Democratic Caucus proposal maintains an allocation only system but eliminates the formal salary allocation model. The state allocation for staff salaries will be increased to an average market rate cost for each of the three types of staff with market rate defined as the comparable cost to hire similar staff types as identified by the Employment Security Department and in the Governor's K-12 funding proposal. In order to ensure a smooth transition and in recognition of the realistic challenges district's will face in implementing a new salary allocation model, the new state salary allocation system will be phased in over three years.

Grandfathered salary allocations are subsumed within the new salary allocations. During phase-in the I-732 cost of living adjustment (COLA) is assumed to be included in the increased allocation with COLA allocations beginning again after full phase-in. Moving forward, the COLA is included as part of the state's definition of the program of basic education.

- Certificated instructional staff (CIS): \$70,947 at final phase-in.

- One limitation included: Districts must meet a minimum of \$45,500 for beginning teachers and 10% above the beginning teacher salary for a teacher with three years' experience.
- Certificated administrative staff (CAS): \$117,363 at final phase-in.
- Classified staff (CLS): \$54,178 at final phase-in.

Re-alignments of the salary allocation model will be made based on a market rate review and revision every six years.

A labor market adjustment is included for all three categories of staff.

State funding is provided for ten professional development days for all three categories of staff in order to support efforts to recruit and entertain high quality educators. These new professional development days are phased in over three biennia. This state-funded professional development is tied to existing statutory definition of quality professional development and becomes part of the program of basic education as it is phased in.

A temporary district-wide hold-harmless provision is provided if needed, assuring that no district receives less funding.

National Board Certification bonus is maintained.

2) Recommendations for whether additional state legislation is needed to help school districts to support state-funded all-day kindergarten and K-3 class size reduction;

The capital budget committees will recommend proposals to address the additional classroom and facility needs necessary to fully support the existing and planned investments in state-funded all-day kindergarten and K-3 class size reductions that have been made in the operating budget.

3) Recommendations for improving or expanding existing educator recruitment and retention programs;

Progress towards improving educator recruitment and retention was made last session in Senate bill 6455 and through increased investment in the Beginning Educator Support and Training (BEST) program. The Democratic Caucus recommends that the components in that bill be fully funded and the Legislature continues to increase investments in the BEST program. Additional support is still necessary and the education policy committees are developing proposals to further support recruitment and retention.

4) Recommendations for maintenance & operations levies and local effort assistance:

The Democratic Caucus recommends addressing the upcoming levy cliff crisis that our school districts are facing by establishing a long-term levy policy that ultimately brings the levy lid

to 24% for all districts and maintains the existing levy equalization policy including the existing ratios. This levy policy will ensure that local districts have the flexibility to continue to be responsive to their own communities. Communities may choose to offer locally-determined enrichments to the program of basic education and/or reduce local property taxes.

For non-grandfathered districts, the levy lid is reduced from the current level over a three-year period as follows:

- levy lid of 27% in CY 2019,
- levy lid of 26% in CY 2020
- levy lid of 24% in CY 2021

For grandfathered districts, the levy lid is reduced proportionally until the lid for all districts reaches 24% in CY 2021.

Ghost money is eliminated from the levy base beginning in 2018, as required in current law.

5) Recommendations for local school district collective bargaining:

Local control over school district collective bargaining is maintained.

6) Recommendations clarifying the distinction between basic education and local enrichment services:

The Democratic Caucus recommends that the following policies no longer be considered enhancements to the program of basic education and be included in the state's basic education responsibility:

- CTE class size reductions to a level of 19:1 and skills center class size reduction to 16:1 as established in Initiative 1351. This funding is to be phased in over two years beginning in SY 2019-2020.
- Additional support is provided for the Learning Assistance Program, Transitional Bilingual Instruction Program and Special Education to help address the opportunity gap. Increased state allocations for each program are phased in over two years beginning in SY 2019-20.
- Increased investment in the Highly Capable program by increasing the number of instructional hours from 2.159 to 3.2 hours over two years.
- Increased allocations for Guidance Counselors and Parent Involvement Coordinators beginning in SY 2019-2020 in recognition of the enhancements established in Initiative 1351.

These additional enhancements to the program of basic education are phased in after the compensation phase-in is complete.

Additional funding for early learning will be necessary to support existing promises under current law and to fully support our students to be successful in the K-12 system, however early learning will remain outside the program of basic education.

Local levy funding as established under the policy established in Question 4 is maintained and intended to be used for enhancement purposes and locally determined enrichment of the state's program of basic education.

7) Recommendations regarding required district reporting, accounting, and transparency of data and expenditures:

The Democratic Caucus recommends that additional reporting requirements and a more robust accounting system be created. The Legislature will work with school district business officials to develop details for a more comprehensive accounting system that ensures local funds are used only for local enhancements and that state funding is providing full support for the program of basic education. Additionally, the Legislature will require OSPI to update their online reporting system to align with the new accounting system and provide increased transparency of local school district data.

8) Recommendations related to the provision and funding of school employee health benefits:

Health benefits continue to be bargained locally and no additional changes are recommended as part of this proposal.

9) Recommendations for sources of state revenue to support the state's statutory program of basic education:

The focus must be on fully funding the program of basic education; however, the options up for consideration must keep in mind the regressive nature of our tax system and look for ways to fund education while not exacerbating this problem. Sources of revenue to be considered include:

- Four-Tier Nexus (Marketplace Fairness Act)
- Tax Preference Closures
- B&O Tax Changes
- State Property Tax Changes
- Capital Gains Excise Tax
- Carbon Pricing

The Democratic caucus will continue to work with key stakeholders, including the business community on a revenue package that fully funds basic education. Lawmakers and stakeholders came together two years ago in support of a transportation revenue package that made significant investments in our aging infrastructure. We will come together again to ensure that our public schools are fully funded for the next generation.