

2017 Legislative Session

Comparison of Education Funding Plans

February 7, 2017

	Governor's Proposal	D's - PSHB 1843	Senate R's SSB 5607
Compensation	<p>After two-years of phase-in: CIS \$72,466 (beginning \$54,587) CAS \$114,612 CLS \$52,908 Mentors \$92,664</p> <p>Salary amounts include additional professional development days.</p>	<p>After three-years of phase-in (by SY 19-20): CIS \$70,824 (beginning \$45,500) CAS \$107,159 CLS \$54,084</p> <p>Salary amounts shown are before professional development and the regional factor is applied</p>	<p>After two-years:</p> <ul style="list-style-type: none"> • Minimum CIS salary is \$45,000 • School district total gen. fund salary and benefit expenditures are limited to 80%. • NBCT bonus provided only as a local option. • Add'l compensation for advanced degrees can only be provided if in current subject area. • Per employee increases are provided: <ul style="list-style-type: none"> ○ Up to \$10,000 for high cost housing allowance ○ \$12,500 provided for high poverty schools with more than 25,000 students
Salary Allocation Model (SAM)	<p>New SAM allows for salary increases for professional certification attainment, advanced degrees, and years of experience. Current salary control language maintained: base salaries cannot exceed the average state allocation.</p>	<p>Formal SAM is eliminated. At full phase-in beginning teachers must be provided at least \$45,500. After 3 years, salary must increase 10%. Current salary control language maintained: base salaries cannot exceed the average state allocation.</p>	<p>Formal SAM is eliminated. All CIS must be provided no less than \$45,000 School district total general fund salary and benefit expenditures are limited to 80%.</p>
Labor Market Adjustments	<p>None</p>	<p>Provided in the omnibus appropriation act – no details for the methodology. Factor is adjusted annually, but will never be less than the prior year.</p>	<ul style="list-style-type: none"> • Up to \$10,000 per employee for higher cost living areas • \$12,500 provided for high poverty schools with more than 2,500 students
<p>Comparable Wage Survey</p> <p><i>Employment Security Department (WaESD)</i></p>	<p>Requires comparable wage analysis every 4-years conducted by WaESD. The salary determined by WaESD must be used as the base salary by the Legislature.</p>	<ul style="list-style-type: none"> • Every 6 yrs WaESD conducts a comparable wage study for the purpose of rebasing K-12 salaries. • Gov must use rebased salary when preparing budget proposal. • Leg has a thumbs up/thumbs down approval of the rebased salary. 	<p>None</p>

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Grandfathered Salaries	Grandfather salary allocations are subsumed within the new salary allocations.	Grandfather salary allocations are subsumed within the new salary allocations.	Until SY 23-24, school districts may exceed the 80% salary cap if current salaries and benefits exceed the cap.
Cost of Living Adjustment (COLA)	COLA not provided during new salary phase-in. Restarts after phase-in is complete.	COLA not provided during new salary phase-in. Restarts after phase-in is complete and is defined as basic education.	I-732 COLA is eliminated.
Health Benefits	Funding rate is increased to match the percentage growth provided to state employees (\$849/mo)	Collectively bargained locally. No add'l changes.	School district must provide benefit plans with a 3:1 family to single employee premium ratio by using a benefits savings pool model of cost sharing.
Professional Development (PD)	80 hours of PD provided for CIS 40 hours of PD provided for paraeducators	Ten PD days phased-in over 6 years for all staff types.	N/A
Hold Harmless	Hold harmless provided at the district-level.	Hold harmless provided at the district-level.	In SY 18-19 only, the SPI can provide add'l funding if less state revenue is provided to a school district. Small school funding remains flat with inflationary increases until state funding catches up.
Recruitment and Retention	<ul style="list-style-type: none"> • \$50M is provided for BEST and it is expanded to include principals. • Additional salary is provided for mentors. • Additional investment in Alternative Routes. 	Not stated in the bill, but part of the EFTF talking points: Continue funding for SB 6455, increase investment for BEST, and other policy changes being developed.	<ul style="list-style-type: none"> • Per employee bonuses are provided in high cost and high poverty school districts. • Teacher recognition grants provided for an unknown number of teachers in the top 5% every other year. • Eliminates school staff certification requirements. • Requires min. employment standards and creates a mandatory certification process for Paraeducators.

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Basic Education Changes	<ul style="list-style-type: none"> • Adds 1.0 FTE per prototypical school intended to be used for nurses, social workers, psychologists, counselors, or family engagement coordinators • LAP increased to 2.5 hr/wk • Highly Capable percentage of students serviced increased to 2.75. • PD provided as part of basic education • Creates 30% Voc MSOC multiplier 	<p>Added: COLA</p> <p>Beginning in SY 19-20 the following is phased-in by SY 20-21:</p> <ul style="list-style-type: none"> • CTE/Skill Cntr class sizes are reduced to 16.0/19.0 respectively. • LAP increased to 3.4 hr/wk • TBIP increased to 6.778 hr/wk for grades 7-12 • HiCap increased to 3.2 hr/wk • Guidance Counselors increased for grades 7-12 • Parent Inv. Coord. increased for grades K-6 	<p>Eliminated: Prototypical school funding model (and related transparency), I-732 COLA, and I-1351 staffing increases.</p> <ul style="list-style-type: none"> • Creates a weighted student formula for medium to large school districts. • Requires school districts to create a reserve account to allow for basic education cost recovery for chronically absent students.
Collective Bargaining	Local control over collective bargaining is maintained.	Local control over collective bargaining is maintained.	<ul style="list-style-type: none"> • Local school boards meeting accountability targets provided in the bill will be exempt from state laws to include collective bargaining. • School employee strikes are prohibited. • Creates a dismissal process for teachers without the ability to appeal beyond the local school board eliminating due process. • Beginning in SY 18-19, for the first time CLS and CAS salary amounts will be limited by a district-wide salary cap. • Prohibits certain employer contributions. • State-funded supplemental contacts are allowed for LAP activities outside of the school day/year.

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Levy and Local Effort Assistance (LEA)	<ul style="list-style-type: none"> • Levy lid phased-down to 15% by CY 2019. Eliminates grandfathered levy and removes ghost revenue calculations. • Statewide levy revenue remains flat. • There is no reduction to overall LEA funding. 	<p>Levy lid phased-down to 24% by CY 2021. Eliminates grandfathered levy lids by CY 2021. Removes ghost revenue calculations by CY 2018.</p>	<ul style="list-style-type: none"> • Levy cliff is extended for CY18. • All local levies are eliminated in CY19. • Beginning in CY20, 10% local levies are allowed with the approval of the SPI. • LEA is no longer provided for low assessed value districts is provided. • Salary and benefit expenditures are limited to 80% of the district's general fund. • Local funds cannot be used for basic education staff or purposes.
Accountability and Transparency	<p>Creates a more robust accounting system.</p>	<ul style="list-style-type: none"> • Creates a workgroup to provide recommendations for a new school district accounting system. • School districts must report TRI contracts to OSPI annually. OSPI will provide a summarized report to the Legislature. 	<ul style="list-style-type: none"> • Requires the creation of a local sub-fund for local revenue and expenditures. • Modifies SD accounting system to allow for reporting of basic and non-basic expenditures, revenue source, and reporting to allow comparison with funding model structure. • Requires SDs to adopt 4-year budget outlook with 4-year enrollment projections. Outlook will become a financial health indicator. • Requires the regular state financial audits of school districts to include a review of the expenditure of levy funds to ensure that such funds are not expended on any supplemental contract beyond the state-funded for certificated instructional staff to provide remedial education instruction and services. • Schools districts with more than 5,000 students must undertake the Baldrige review process every three years.

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Revenue Sources	Sources of revenue include: <ul style="list-style-type: none">• B&O for services• Carbon Pricing• Capital Gains Excise Tax• Tax Preference Closures• Online retail economic nexus B&O extension	No revenue source stated in the bills, but the EFTF proposal listed the following sources to be considered: <ul style="list-style-type: none">• Four-Tier Nexus (Marketplace Fairness Act)• Tax Preference Closures• B&O Tax Changes• State Property Tax Changes• Capital Gains Excise Tax• Carbon Pricing	<ul style="list-style-type: none">• Creates a new state levy called the Local Effort Levy at \$1.80/\$1,000 AV. Revenue from this levy is partially provided back to the district it was collected in as a deductible revenue to apportionment.• Eliminates and repurposes state funding for NBCT bonuses and Local Effort Assistance.• All other revenue (from all funds) received by a district (state, local, and federal) is treated as a deductible revenue to the "backfill" apportionment allocation.