



K-12 education funding plan introduced

The 2009 Legislature adopted ESHB 2261, which commits Washington to reforming the state's basic education finance system over the next eight years. The bill redefined and expanded basic education, but does not include a way to pay for it. ESHB 2261 established the Quality Education Council to provide oversight in the implementation of the bill and a series of working groups to continue development of the details of a new education finance system. The first advisory group, the Funding Formula Technical Working Group, was charged with three specific tasks: (1) develop details of the funding formulas used to allocate state funds to school districts; (2) recommend an implementation schedule for phase-in of increases in programs and funding; and (3) examine possible sources of revenue to support increases. The Working Group was convened by the Office of Financial Management with support and assistance from OSPI. Members of the group included representatives from the Legislative Evaluation & Accountability Program Committee, district financial managers, the Washington Association of School Business Officials, the Washington Education Association, the Washington Association of School Administrators, the Association of Washington School Principals, the Washington State School Directors' Association, the Public School Employees of Washington, and other interested stakeholders with expertise in education finance.

The Funding Formula Technical Working Group worked diligently this past year to complete its assigned tasks; however, it focused mainly on the first two assignments (funding formula details and implementation recommendations). David Iseminger, a Lake Stevens school director, represented school directors

on the Working Group and was concerned the third assignment (revenue options) would not be completed. Rather than sit idly by, he took action. Iseminger crafted a comprehensive K-12 education funding plan. The "Iseminger Education Funding Plan" is based on five implementation elements, or tenets, that collectively chart an attainable course to funding education reform in Washington state. The plan is not simply a collection of intriguing ideas—Iseminger completed detailed financial modeling of the plan and believes it is a workable solution. On his Web site (which includes comprehensive details of the plan, including a summary, the rationale and potential benefits of each tenet, and the actual modeling used to craft the plan) Iseminger states, "Simply put, it works. Individual tenets wouldn't be enough on their own, but when taken holistically, this plan can fund a redefined plan of basic education in Washington as outlined in ESHB 2261."

Tenet 1

Reserve a portion of annual increases in state revenues for K-12 education reform

Dedicate 50 percent of annual increases in state revenues for K-12 education, until full implementation of basic education reform is complete in 2018.

Benefit: Revenues are increased for K-12 education without creating a new tax, nor increasing tax rates.

Tenet 2

Shift the 24 percent levy lid to state collection

Set all districts to the 24 percent levy lid collection rate, reduce all grandfathered districts to 24 percent, and shift those levy collections into the existing \$3.60 state-collected portion of the property tax. Create a Local

Burden Assistance (LBA) fund, paid out of education revenues, to account for undue tax burdens in low-assessed-valuation districts.

Benefit: Provides education revenue in an equitable, consistent manner, most of which is already being collected locally for basic education programs. Uses existing state-based tax authority to collect an already-authorized education tax (the 24 percent levy lid), and caps collections at the existing \$3.60 authority ceiling. Leverages the LEA formula to apply LBA relief for burdensome tax rates, ensuring equity in contribution.

Note: See Tenet 5 for the new local levy structure.

Tenet 3

Use state bonding to address required capital improvements

Reserve the increased bonding authority realized with Tenet 2 for K-12 capital improvements, such as new schools, necessary for education reform. Weight assistance toward needy districts, and require local effort to receive matching. Use collections of regionally vetted, previously built stock plans to ensure cost- and instructionally sound construction efficiencies.

Benefit: Enables improved basic education throughout the state, including districts without available space. Promotes financial efficiency by using vetted plans, adjusted architecturally and cost-wise for different regions. Ensures local participation to receive match, but recognizes the need for local assistance.

Tenet 4

Implement reform by funding the neediest students first

Since implementation of these programs happens over an eight-year period—from 2010 to 2018—there is opportunity to fund elements on varied schedules: some elements should be implemented early, some evenly over time, others toward the end.

Benefit: Prioritizes funding toward high-impact, high-return program elements that serve the neediest students. In many cases, will provide early benefits to

districts that would see increased overall levy rates based on Tenet 2. Programs targeted would include: pre-k for at-risk children; all-day kindergarten weighted toward high-poverty districts; classroom reduction for high-poverty schools; enhanced ELL programs; enhanced LAP programs.

Tenet 5

Reform local levies: Enable local participation without statewide disparity

Reform local levy rate lids to 10 percent or \$1 per \$1,000 of assessed value (AV), whichever is more. Retain the Local Effort Assistance (LEA) formula as it is today. To mitigate potential future increases in the levy lid, and associated potential for disparity among statewide programs, pass a law that requires local levy proceeds that exceed the 10 percent or \$1 per \$1000 AV limits deposit 50 percent of those excess revenues into the LEA fund.

Benefit: Retains communities' ability to contribute to local schools, while reducing the levy lid from 24 percent to 10 percent. Enables high AV districts to levy on assessed value rather than their student base, and balances levy lid rates with statewide equity among programs.

For more details on these tenets and to review the modeling of the plan visit www.iseminger.com.

The Iseminger Education Funding Plan, which was endorsed in a unanimous vote of the WSSDA Board of Directors, forms the basis of two pieces of legislation introduced this session. HB 2746, sponsored by Rep. Mike Hope (R-Lake Stevens), and SB 6740, sponsored by Sen. Steve Hobbs (D-Lake Stevens), would modify the charge of the Local Finance Working Group (the second Working Group established by ESHB 2261) to include an analysis of strategies for: a) increasing K-12 funding through the statewide property tax, b) reducing reliance on voter-approved maintenance and operation levies, c) removing levy grandfathering provisions in current law, and d) providing property tax relief for property poor districts. These key questions to be addressed are directly

linked to the Iseminger Plan; however, they are broad enough to provide for additional solutions. The key is to have a thoughtful discussion about funding options for Washington's new system of basic education. Both HB

2746 and SB 6740 have been heard by their respective House and Senate Education Committees and await further action.

Levy bills on the move

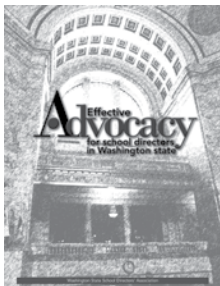
At the beginning of the 2010 session, five bills were introduced to make changes to school district levies; each of them have been heard in legislative committees and each has begun to move through the process. Following is a summary of each of these bills:

SB 6502 and its House companion HB 2670 would extend the sunset date for current law provisions that artificially inflate school district levy bases. SB 6502/HB 2670 would allow, through December 2017, the enhancement of school district levy bases by assuming Initiative 728 (Student Achievement) and Initiative 732 (educator COLAs) were fully funded when calculating levy bases. Additionally, the bill would allow K-4 class size enhancement funding to continue to be counted in the levy base, even if the funding is eliminated.

SB 6518 and its House companion HB 2893 would temporarily (calendar years 2011-17) increase school district levy lids to 28 percent; grandfathered district lids would also increase by four percent. School districts where voters have authorized a multi-year levy would be allowed to seek voter approval for an additional “supplemental” M&O levy if the current levy was approved prior to or during 2010. These bills would also increase Local Effort Assistance allocations from the

current 12 percent levy rate to 14 percent for all LEA eligible districts. As amended by the House Education Appropriations Committee, HB 2893 includes a “reverse severability” clause. Language in the bill declares that each section of the bill represents a comprehensive plan for addressing school levy laws such that if any section passed by the Legislature is invalidated or not signed into law, or if OSPI does not certify that full funding has been appropriated for the LEA rates in the bill, the entire act is null and void.

SB 6488, a request bill from Gov. Gregoire, would temporarily (calendar years 2011-2017) increase all school district levy lids to 36 percent. School districts where voters have authorized a multi-year levy would be allowed to seek voter approval for an additional “supplemental” M&O levy if the current levy was approved prior to or during 2010. In calendar years 2011-13, SB 6488 would also increase Local Effort Assistance allocations from the current 12 percent levy rate to an 18 percent levy rate—but only for one-quarter of LEA eligible districts which receive the least per-pupil funding from state and federal sources. The remaining LEA eligible districts would continue to receive the current 12 percent match.



Advocacy manual: a source of help for school directors

Effective advocacy for school directors in Washington state is a timely handbook for school board members in their role as advocates for public education. (See page 4 of this *Impact* for tips on advocacy, an excerpt from the manual.) School directors' voices can have a significant impact on the legislative process. As elected officials, school board members share a

common bond with legislators; they must hear from their constituents in order to know their key concerns.

The manual will be available at the Legislative Conference this weekend. Or, obtain a copy by contacting Sheila Chard (S.Chard@wssda.org or 360.252.3011). It is available for download as well at wssda.org > Publications.

Impact and daily legislative reports are also available on the WSSDA Web site at wssda.org.

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Top 10 tips for effective advocacy with your legislators

1. Research your legislators' backgrounds, committee assignments, and voting records on your issues.
2. Develop relationships with your legislators by routinely visiting, writing and calling.
3. Don't overdo your advocacy. Only communicate when you have something important to say.
4. Invite your legislators to visit your schools. Plan a tour of your school district to showcase successful programs in action.
5. Advocate using with your real life experience. It's your most persuasive tool.
6. Set priorities. When everything is important, nothing is important.
7. Shore up allies from your community to demonstrate broad support.
8. Don't forget the news media. Getting your message out to the news media can influence your legislators and public opinion.
9. Always be positive and courteous. In politics, there are no permanent friends and no permanent enemies.
10. Everyone likes a pat on the back. Remember to thank each of your legislators for jobs well-done.

Excerpt: Effective advocacy for school directors in Washington state