

FAQ Regarding the Pullman School District Budget

We have received some questions regarding the Pullman School District Budget and the impact of the McCleary school-funding decision. Below you will find some helpful information.

What is the McCleary lawsuit?

McCleary, et al. v. State of Washington - Supreme Court Case Number 84362-7.

In January 2007, a lawsuit was filed on behalf of two families against the State of Washington for not meeting its constitutional obligation to amply fund a uniform system of education. By February 2010, King County Superior Court had declared the State out of compliance with Article IX of the Washington State Constitution. The oral argument for *McCleary, et al. v. State of Washington* was heard in front of the Washington Supreme Court on June 28, 2011. With the state Supreme Court's June 7, 2018 order, the McCleary school funding case has officially closed. School districts across the state are now trying to make sense of the changes made as a result of the McCleary legislation.

One of the biggest changes is the elimination of a decades-old system in which the teacher salary funding that school districts received from the state were linked to the average experience and training level of each district's teaching force. That "staff mix" system was replaced with a statewide average allocation, per teacher, that is the same for each district, regardless of their teacher costs.

Pullman Public Schools will receive \$65,216 per state funded teacher for the purpose of salary expenditures.

What is the new "Regionalization" formula?

Another change made by legislators is the creation of a regionalization formula that attempts to recognize cost-of-living differences among school districts. A total of 99 districts out of 295 school districts in the state will receive this extra funding for salaries, ranging from an additional 6 percent to 24 percent. Legislators made a few additional changes to the regionalization formula in the 2018 session, but that modification only improved funding for six school districts.

Pullman Public Schools will not receive any additional regionalization funding for salaries.

What happened to the state salary schedule?

The Legislature eliminated the standardized state teacher salary schedule. As a result, each school district will need to negotiate its own salary schedule. Engrossed House Bill 2242 passed by the House June 30, 2017 contains the new rules and regulations regarding educational employee salaries.

Link to Engrossed House Bill 2242:

<http://lawfilesexext.leg.wa.gov/biennium/2017-18/Pdf/Bills/House%20Passed%20Legislature/2242.PL.pdf>

What is "hold harmless"?

The 2017-19 budget funded two hold harmless provisions:

- 1) *Net revenue hold harmless—\$5 million provided for districts expected to receive a net funding reduction (state and local) with the funding formulas under EHB 2242. This provision was funded but not explicit in EHB 2242 nor the operating budget bill; and*
- 2) *Salary hold harmless—for the 2018-19 school year, districts receive the greater of the new minimum salary allocations plus regionalization; or the salary allocations for the 2017-18 school year, that used staff mix, increased by 2.3 percent.*

However, Pullman is not eligible for hold harmless. The hold harmless dollars are limited to districts who have a high staff mix factor (higher proportion of experienced teachers), so they will be receiving less money with the new McCleary funding. For example, if a district has more experienced teachers than less experienced teachers (high staff mix factor), they will not be receiving enough in McCleary funding. Their average teacher salary may be \$68,000 per funded FTE, but they will only be receiving \$65,216 per funded FTE from the state. Hold harmless would then apply to help with the higher than average salaries. Pullman has an average staff mix factor, so we will not qualify for the hold harmless money. We will be losing \$2.9 million in local levy over the next four years. Please refer to the chart on the next page.

What happened to the Maintenance and Operations Levy? What is the Enrichment Levy?

Engrossed House Bill 2242 renamed the Maintenance and Operations Levies to “Enrichment Levies”.

Legislators also changed the amount of money districts can collect in levy funds

In 2018-2019, maintenance and operations levies proposed by local school districts and approved by voters will be replaced by enrichment levies. For Pullman School District, enrichment levies are capped at the lesser of \$1.50 per \$1,000 of assessed value.

Permitted forms of enrichment:

- Extracurricular activities
- Extended school days or school year
- Additional course offerings
- Early learning
- Administration of enrichment activities
- Providing extra staff for class size reduction and additional staff beyond the staffing ratios allocated in the prototypical school formula

OSPI may report to the Legislature on expanding the list of specifically permitted enrichment activities

What is Local Effort Assistance (LEA)?

Beginning in calendar year 2019 and each calendar year thereafter, the state must provide state local effort assistance funding to supplement school district enrichment levies as provided in this section.

The state is continuing to provide local effort assistance supplementing school district enrichment levies. This assistance is in proportion to a school district’s actual levy compared to the maximum levy, up to a combined total of \$1,500 per student, as of the 2019 calendar year. OSPI determines eligibility for local effort assistance.

	Voter Approved Levy Amount	Maximum Levy Collection Based on \$1.50 per \$1,000 of Assessed Value	State Local Effort Assistance (LEA) to Offset Levy	Loss of Levy Dollars After LEA
2018-19	\$5,300,000	\$4,090,777	\$904,040	(\$305,183)
2019-20	\$5,300,000	\$3,250,568	\$1,102,069	(\$947,363)
2020-21	\$5,500,000	\$3,315,580	\$1,167,787	(\$1,016,633)
2021-22	\$5,300,000	\$3,381,891	\$1,217,453	(\$700,656)
TOTAL				(\$2,969,835)

If you have any questions, please contact Diane Hodge: dhodge@psd267.org or 509-334-9395.

Feel free to share this information!