

## Economic Sense - Fifteenth Edition

# An open letter to future Legislatures to prevent McCleary 2.0

### **Bottom line up front:**

**In June, the Washington State Supreme Court dismissed the *McCleary* lawsuit, finding that the state remedied prior constitutional infirmities in K-12 public school funding.**

**With an eye toward avoiding a re-occurrence, it's important to share lessons learned with future Legislatures.**

### **Dear Future Legislatures,**

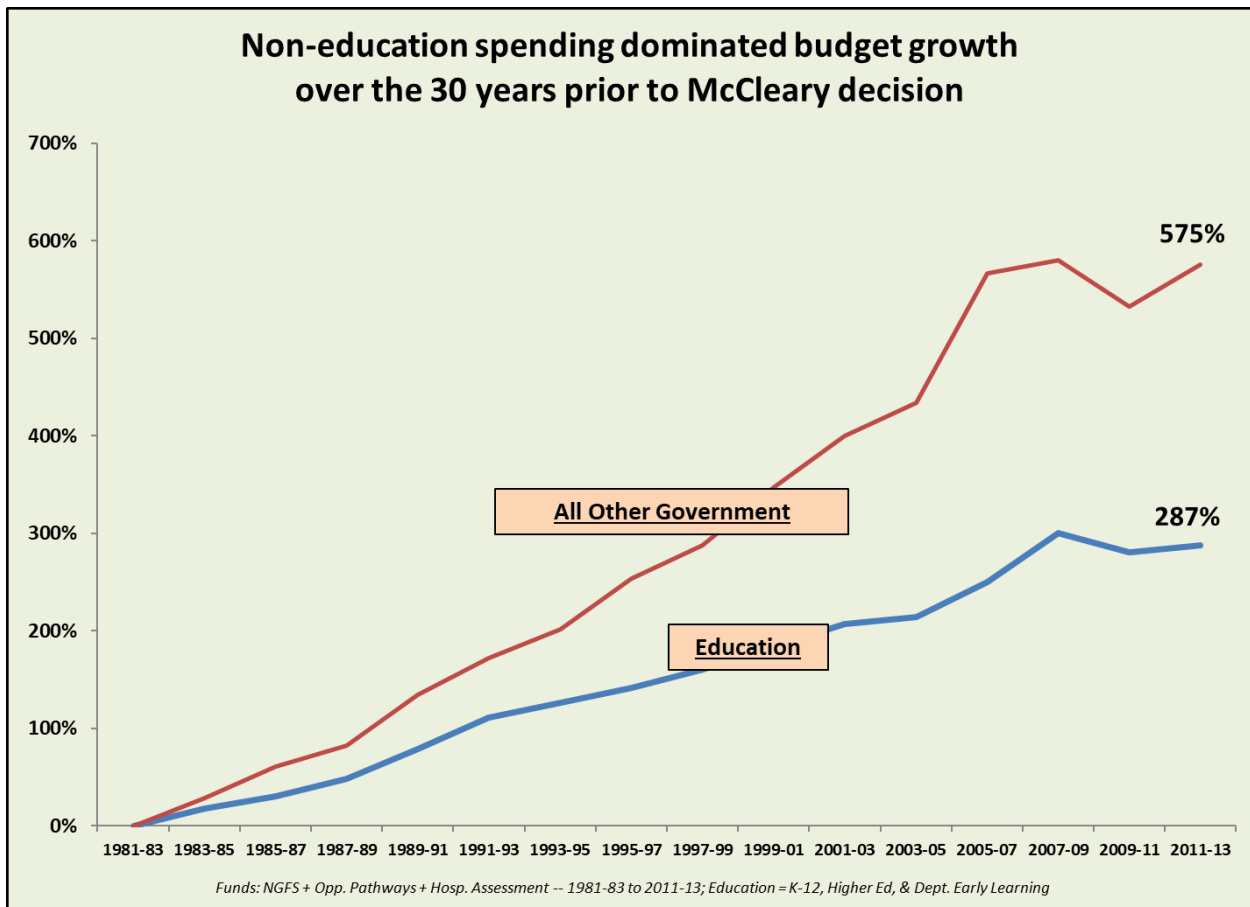
Hello, from one of your legislative predecessors in 2018. I trust you are well and able to maintain balance and perspective in Olympia. You are conducting the people's business, which is both an immense honor and responsibility.

It is in that vein that I write to you. We have just concluded a long saga known as "McCleary" in which the state's K-12 education funding system was found in violation of Article IX, section I of the Washington State Constitution. Bringing the state back into compliance with its paramount duty was one of the greatest challenges in recent memory. It is my hope this letter will serve as guidance on how to avoid finding

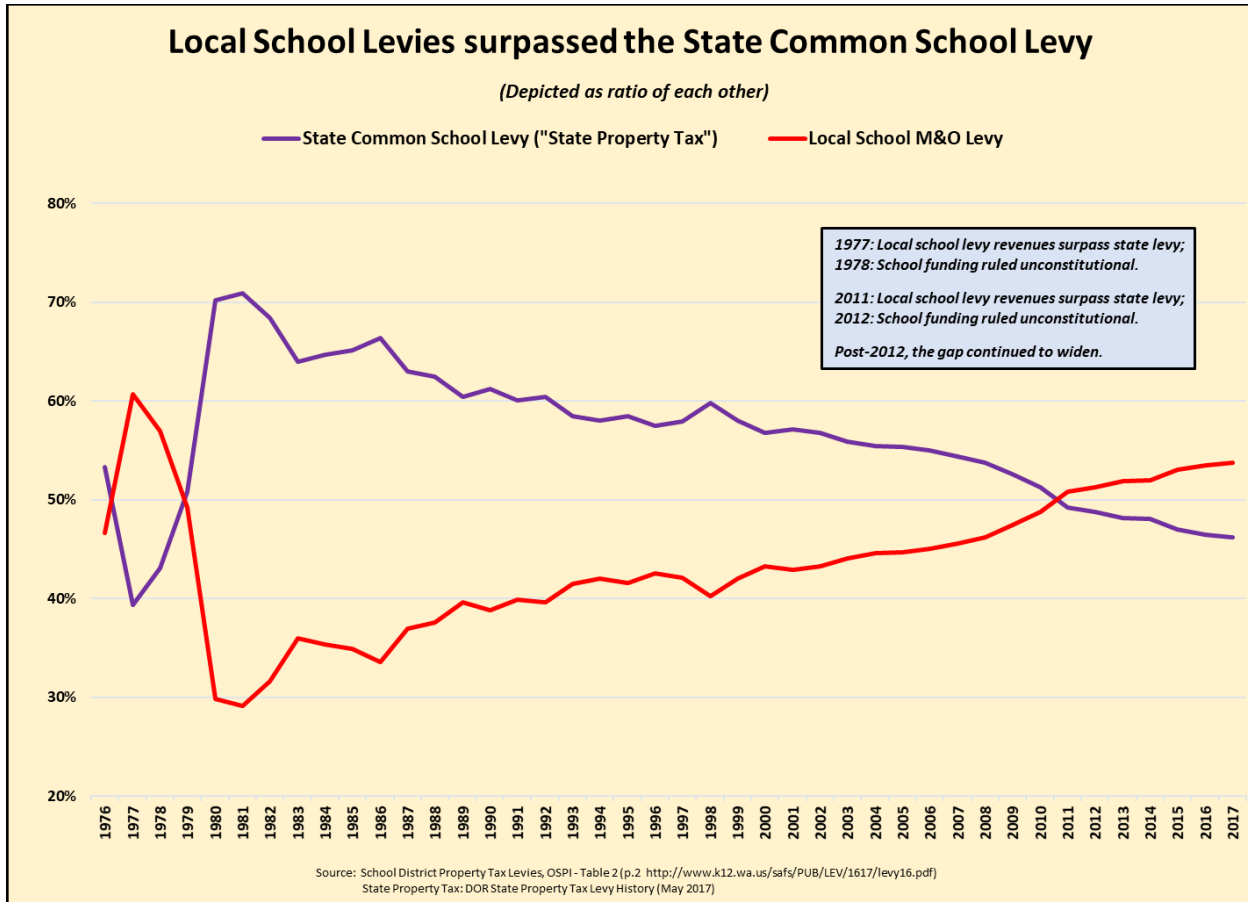
yourselves back in the same situation, which would not only present a major test for lawmakers but more importantly have a negative impact on the learning opportunities available to more than 1.1 million students.

First, please review the two charts below. While fairly simple they explain how and why the state was deemed out of constitutional compliance.

## For 30 years, education a declining priority in state budget



## School districts' increasing reliance on local levies




Thus, in 2012, our state Supreme Court found themselves faced with judging the constitutionality of a school funding system in which:

- Local school levies were contributing more toward a district's finances than the state common school levy, and
- Legislators for 30 years had been growing non-education portions of the budget at twice the rate of education.

### **The result was predictable.**

After many trials and tribulations, these infirmities have been resolved and the state is now again fulfilling its paramount duty as the primary provider for public schools.



We left you in good shape:

### **K-12 above 50% of budget**

This occurred for the first time since the 1981-83 state operating budget, more than 35 years ago.

### **Top 5 in state education funding<sup>1</sup>**

In the upcoming school year, Washington will almost assuredly rank in the top five nationally in state education funding levels per pupil, trailing only the sparsely populated states of Vermont, Hawaii, Wyoming, and Alaska.

### **Nearly \$15,000 per student statewide<sup>2</sup>**

Statewide, districts project to receive nearly \$15,000 per pupil in the 2018-19 school year from a combination of all funds: state & local (\$13,584), federal (\$948), and all other (\$584).

This translates, for a class of 20 students, to nearly \$300,000 per classroom.

### **More equitable for students and taxpayers**

The new system is much more equitable than the old, which was one of haves and have-nots due to the reliance on local property tax levies. Wealthy communities were able to finance much more funding per student at a fraction of the tax rates of less affluent areas of the state. By returning to state funding, the disparate levels of taxation and funding across the state have been significantly reduced.

## **Lessons to learn**

While the state is currently meeting its paramount duty, constant vigilance must be maintained. Please do not repeat the mistakes of the past.

Three primary lessons that must be learned:

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## 1. Always make education funding the top priority

This may seem obvious and simple, but the reality is there are constant demands for existing taxpayer dollars (and constant demand by some for more taxpayer dollars).

The story of education funding in Olympia - both K-12 and higher education - in the 30 years prior to McCleary is not that schools went without, but rather that the Legislature failed to prioritize them and instead shifted the K-12 and higher education funding burden onto local school levies and tuition hikes.

Shirking this duty led to disparity, inequity, and ultimately unconstitutionality.

## 2. Resist the urge to raise local levies

The temptation will be great - school districts and the education establishment will line up requesting increased local levy authority, and it will seem like "free money".

Don't do it. It will only get our state in trouble.


The issue with increased local levies is multifaceted: some districts will be able to utilize them, others will not. Disparate results will occur and, make no mistake, it will be the wealthiest districts that benefit, returning our state to a school system of haves and have-nots.

The reality is this: if there are funding needs that are widespread and meritorious, then they should be funded at the state level to ensure every student receives those services and those costs are borne equally across the state.

Resisting this urge to increase local levy authority will be perhaps the biggest challenge, but it will also be among the most important if you are to avoid another education funding crisis.

## 3. If paying for reforms, actually require implementation

It does little to improve a child's education when the Legislature promises and pays for specific research-based reforms if school districts don't spend the money that way.



Parents sometimes ask why their first grader’s class has 30 children despite state law saying there should only be 17 of them. While the Legislature defines a “basic education” and school districts receive money to make it a reality, local decision makers don’t actually have to spend the money that way. Funding, no matter how bountiful, spent on any new programs or operating costs has to come from somewhere.

Future Legislatures should continue to update and improve upon what has been deemed a basic education as ongoing research and innovation is constantly changing what are held as best practices. If the Legislature wants to invest in a program to improve outcomes for students, it should actually require the money be used for that specific purpose, rather than merely a suggestion.

If all of the funding for lower class sizes in kindergarten through third grade is diverted to other interests, parents and taxpayers are left with children in large classes. Not only has that led to confusion and frustration among parents, but it seriously erodes the public’s trust in education leaders’ ability to follow through on providing a high-quality education.

I offer this lesson having been a part of a Legislature that did not fully adhere to it, granting not one, but two reprieves for how schools use K-3 class size reduction money. Continuing this trend and expanding it to other areas will normalize this erosion of public trust and the goals of our education system, which cannot become standard operating procedure.

Good luck and best wishes,

**Senator John Braun**



**FOOTNOTES**

1. The Census K-12 Finance report for FY 16 ranks Washington 12th in state funding support per pupil. From FY 16 to FY 19, the state’s funding is increasing by over \$3.7 billion, a 42% increase. This is projected to place Washington 5th in the state funding rankings. If New York were to dramatically increase its funding beyond the pace of the prior 5 years it is possible they would be higher than Washington, pushing Washington to 6th place in FY 19.

2. Senate W&M staff for state & local funding. Federal and other funding based on SY 15-16 levels reported on [fiscal.wa.gov](http://fiscal.wa.gov).