

Economic Sense - Seventeenth Edition

Renegotiated educator salaries should not come at the expense of students or taxpayers

Bottom line up front:

With teacher salary negotiations underway in many districts and school set to start in less than a month, local bargaining units and school districts should follow three tenets to ensure the public interest is best served:

1. K-3 class size reduction money should not be negotiated away;
2. Do not grant salary raises that depend upon the Legislature increasing the local property tax limit; and
3. Do not go on strike.

With constitutional compliance in the *McCleary v. State of Washington* court case finally achieved and students statewide receiving an average of \$15,000 per pupil in funding,¹ attention has turned from the Legislature to

¹ Per Pupil for SY 18-19: \$13,584 state/local; \$948 federal; \$584 all other. Senate W&M staff for state/local. Federal & all other based on SY 15-16 amounts reported on fiscal.wa.gov.

school districts and unions as they negotiate contracts for the upcoming school year.

K-12 staff are incredibly valuable and should be paid commensurately. As educators and administrators seek to find agreement on pay and benefits in the upcoming school year, there are three guidelines that all participants should abide by to best serve the interest of students, teachers, parents, and taxpayers.

1) Money specifically intended to reduce class sizes in early grades should not be negotiated away for pay raises

The Legislature, as part of its comprehensive solution to provide a high-quality and equitable basic education, allocated funding for districts to have class sizes of 17 in kindergarten through third grade. Research shows that lower class sizes in these early grades lead to improved educational outcomes, and it was with this in mind that the Legislature put more than \$500 million toward this endeavor.²

Due to concerns that capital facilities were not ready to support this effort, the Legislature in 2017 granted a one-year reprieve, permitting districts to use these funds on other programs outside class size reductions in the 2017-18 school year.³

Unwisely, I believe, the majority party pushed through another one-year exception for the upcoming 2018-19 school year.⁴ This largely under-the-radar policy opens the door to using those funds for salary increases. Doing so violates the original policy intent and harms children's' education. The teachers' union, who has long pushed for lower class sizes, should share this value and pledge not to seek money intended for K-3 class size reduction for salary increases.

In addition to being poor public policy and a "bait-and-switch" that erodes public trust, bargaining away K-3 class size funds for ongoing raises is fiscally foolhardy: current law for the 2019-20 school year dictates that districts will only receive those funds if they achieve class sizes targets of 17 in early grades.

² See 2015-17 operating budget.

³ EHB 2242 (2017), sec. 402. <http://apps2.leg.wa.gov/billsummary?BillNumber=2242&Year=2017&BillNumber=2242&Year=2017>

⁴ E2SSB 6362 (2018), sec. 101. <http://apps2.leg.wa.gov/billsummary?BillNumber=6362&Year=2017>

2) Do not grant raises that depend on the Legislature increasing local property taxes

Pillar #2 is simple: don't bargain, negotiate, or agree to salaries that depend upon the Legislature lifting the new local levy limit of \$1.50/\$1,000 of assessed value or \$2,500 per student, and giving districts more property tax authority.

The Legislature's bipartisan *McCleary* solution employed a comprehensive rebalancing of K-12 finance by providing ample funding from the state, reducing the reliance on local levies, and as a result significantly raising districts' total funds and improving school and taxpayer equity. No longer would Federal Way have to charge property owners nearly four times the tax rate of Seattle in order to finance their schools.⁵

As explained in the "McCleary Lessons Learned" Economic Sense piece:⁶

The issue with increased local levies is multi-fold: some districts will be able to utilize, others will not. Disparate results will occur and, make no mistake, it will be the wealthiest districts that most benefit. Inequity, non-uniformity, a school system of haves and have nots. That will be the future paved with good intentions of increased local school levy authority.

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

Any contract that depends upon the Legislature raising the local levy limit in order to finance its terms would be irresponsible, and -- in the unlikely event the Legislature would accede -- take our state back down the road toward an inequitable and unconstitutional funding system.

⁵ In 2017, Federal Way levied a \$3.94 local levy, raising \$2,370 per pupil. Seattle levied a \$1.10 local levy, raising \$3,752 per pupil. See Economic Sense 11th edition (Oct. 2017), pp. 15-16: <http://johnbraun.src.wastateleg.org/economic-sense/>

⁶ Economic Sense 15th edition (July 2018), p.5: <http://johnbraun.src.wastateleg.org/economic-sense/>

3) Do not go on strike

The average state-funded -- not counting any local levy dollars -- salary allocation for teachers for the upcoming school year is over \$72,000.⁷ **That is higher than the average wage in every county in the state.**⁸

Teachers, outside of King County, are often in the top 20% of the wage earners in a county. Educators also get significant time off, state pensions, and health care benefits that are the envy of private sector workers across the state.

Education is the paramount duty of the state. It is the responsibility of educators, both teachers and administrators alike, to take this new funding, deploy it responsibly, and start the school year on time.

Anything less should be unacceptable.

Bottom line:

- Don't use money provided for specific research-based programs like K-3 class size reduction for raises;
- Don't enter into an agreement the district cannot afford under the existing law;
- Don't reduce the time students spend in the classroom, harming their educational opportunity and adding significant challenges for families.

⁷ Senate W&M staff fiscal analysis, includes regionalization.

⁸ OFM Average Wages by County:
<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/economic-trends/washington-and-us-average-wages/average-wages-county-map>