



EQUITY IN EDUCATION

C O A L I T I O N

Memo

From: Sharonne Navas, Co-Founder and Executive Director, Equity in Education Coalition

Date: February 3, 2017

Re: Education Equality Act, SB 5607

The **Equity In Education Coalition** is Washington State's largest coalition of stakeholders from communities of color and white allies who are striving to improve educational opportunities and outcomes for children of color.

With regards to Senate Bill 5607, publicly distributed on Saturday, January 28th 2017, the Equity in Education Coalition signed-in in support **of the concept** of transitioning the prototypical model currently being used in Washington State to fund education to a Student Centric Locally Controlled Funding Formula. There are, however, too many holes and questions under this proposal to receive the full support of the EEC.

Failing to fully replace local levy dollars, which can be used very broadly for a variety of local needs, with state dollars, that have very restricted set of uses, poses threats to school districts that are currently rely heavily on local levies. That would include urban districts like Seattle, Tacoma, and Spokane, that have many students of color with special education needs covered by local levy dollars. The side by side analysis of school districts and the influx of money is misleading since the Senate Republican plan's financial benchmark assumes that the local levy cliff will not be extended. The Senate's plan features, as its major funding source a new Local Effort Levy – basically, an increase to the statewide property tax of \$1.80 per \$1,000 of assessed value. As details about the plan emerge, however, it appears that the plan **does not actually raise additional dollars** for schools. That's because the proposed statewide property tax increase is coupled with cuts to local property tax levies that currently fund a significant portion of basic education costs.

According to the Washington State Budget and Policy Center:

“The Senate Republicans' new plan to fund K-12 public schools continues to work within a framework that doesn't **raise additional revenue** – a strategy that has proven ineffective at serving Washington's kids and that could force cuts to other important investments. To pay for the basics, including keeping excellent teachers and staff in our public schools, the legislature must inject more resources into schools than they have in recent years. Any plan to improve our schools must include additional new revenue, as well as a strong focus on equity, sustainability, and adequacy.

As we've said in the past, levy swaps like this are schemes that change the source of the money flowing to schools but don't actually make new investments in Washington's kids.

Reforms to the property tax should also include steps to fix our inequitable, upside-down tax code – in which Washingtonians with the lowest incomes pay seven times what the richest 1 percent pay in taxes as a share of income. The Senate's plan aims to more evenly distribute the tax code so that homeowners in every school district pay the same property tax rate, regardless of property values. But that doesn't do enough to protect the thousands of lower- and middle-income homeowners and renters who would see higher property tax bills under the Senate proposal. The proposal should include a property tax safeguard rebate to ensure that property tax increases do not fall disproportionately on the shoulders of families who can't afford it, no matter what part of the state they call home.”

Specific to the prospect of the student weighted formula, the EEC has the **following concerns**:

- I. **Per pupil allocation model:** Currently, the bill replaces the prototypical funding model that uses staff mix factor with a per pupil allocation model. This shifts the unit of calculation to students not staff, **however**:
 1. The allocation model does not change how money is spent at the district nor does it move accountability of money used to the school or school district level;
 2. There is no detailed accounting software change or accountability to ensure that the money being sent out via weights was being spent on programs that close the opportunity gap;
 3. There is no professional development for business officers at school districts, superintendents or school board directors to be trained in, or understand, the new funding model or implications of decisions made based on student-centered needs;
 4. There is no statute calling for an accountability plan to be created with local and affected communities and students within the budgeting and plan to close the opportunity and achievement gap process so that decisions made about the budget are transparent, local and student-driven;
 5. There is no provision to answer whether students can be double counted in their weights or if students can only draw from one specific weight (ELL + Poverty or Special Education + Homeless + Highly Capable);
 6. There is no phase in or roll out timeframe for this new funding formula;
 7. All weights lay at the school district level, meaning that the number of poverty, ELL, homeless/foster youth and special needs students could be dramatically different INTRA-school district, therefore, school *buildings* that have the most needs might not be reflected within the allotment by the school funding formula this bill creates.
 8. Poverty is calculated using U.S. Census data. The net result is far fewer students being identified as low-income and fewer districts being eligible for concentration boost than if Free and Reduced Price Lunch (FRL) enrollment was used, as in the current system. Currently, WA state Free and Reduced Lunch enrollment encompasses approximately 46% of students in the K-12 system. Using the U.S. Census data, the number of students allotted any poverty weight in this funding formula would drop to under 15%;
 9. There is no requirement for an annual strategic plan from districts that outlines how allocated funds will be used to yield higher student outcomes with all students, especially those for which the targeted funding was generated.
 10. Foster youth and foster students are not part of the weighted formula;
 11. There is no clarity around the CTE weight and how that will play out since all high school students must take CTE to graduate with the 24-credit requirement.

II. **Financial Data & Transparency:**

1. Requires the establishment of a local revenue sub-fund at each district to increase the ability to track local revenues and what those local dollars are spent on but there is

- no professional development and/or forethought as to how smaller districts, whom are currently contracting with the local ESD to do financial work, will attain this level of accounting acumen.
2. Districts must have separate accounting for state, federal, and local revenues – although this might seem like the best way to understand the braiding system of school funding, it is also labor intensive and assume all school districts have the time, infrastructure and staff-power for this process.
 3. Districts must electronically publish and submit to the educational service district and OSPI, the school district budgets and four-year enrollment projections. However, if the student weighted formula proposed is using poverty via the U.S. census as its threshold for poverty weight, the plan seems extra-curricular and unnecessary since the weights for poverty won't change for 10 years.
 4. When districts submit a local levy to the voters, they must submit a plan to OSPI for approval on how funds will be spent but there is no set metrics or rubric to hold the school district responsible and accountable for spending local levy money as planned. There needs to be additional public reporting requirements on district websites, in multiple languages and accessible to the diversity of the public.
 5. There are no additional indicators of school of performance, outside of the district and state accountability system, included.

III. Accountability:

1. The bill outlines specific uniform performance targets for districts to reach by 2020 (and 2024 for the closing the opportunity gap indicator) across the state:
 - i. 86% of third graders meeting standard in ELA;
 - ii. 72% of eighth graders meeting standard in math;
 - iii. 89% graduation rate (4-year cohort) although there is no determination as to what 'graduation rate' equates in real life;
 - iv. 93% of students enrolled in postsecondary not requiring remediation – although there is no supporting information as to where the data will be gathered or maintained that will indicate if we achieve this 93%;
2. Close the opportunity gap to 5% (by 2024) – we assume that the Senate Bill means the achievement gap, however, we would welcome a detailed explanation as to what the definition of 'opportunity gap' means in this context;
3. Those that fall into the lowest tier of performance across the state are subject to the state outlined district assistance procedures and the Required Action District (RAD) process. There are no specific timelines by which all schools in the lowest 5% move along the continuum of supports and improvement strategies.
 - i. We recommended outlining a clear process with timelines by which the state will ensure chronically underperforming schools are addressed within a reasonable time.
 - ii. Currently, the RAD program does not serve all eligible schools because of insufficient resources.
 - iii. We recommend increasing the capacity of the RAD program so that all districts may be well served.
4. There are currently no supports for low-performing districts that are above the bottom five percent. We would recommend creating a system of tiered supports for schools in partnership with the ESDs to assist schools in improving outcomes for students.
5. **Absenteeism:** Requires districts to set aside funds to be returned to the state if their absentee rate is too high – which seems excessively punitive given some of the

circumstances for which students might be absent for long periods of time, most of which a school has no control over but of which they can mitigate the negative outcomes given resources and flexibility.

6. The set aside of funds to be repaid to the state in the event of high absentee rates does not specifically address the root causes of high absenteeism. We recommend providing supports for students with the funds set aside, rather repaying them.
7. The current draft bill does not require growth to be included in the performance targets. We recommend including growth targets, in addition to the opportunity gap target to highlight and incentivize academic focus on historically underperforming student populations.

IV. Teacher Compensation and Benefits:

1. Solely removing the state salary schedule does not explicitly change salary schedules in districts.
 - i. We recommend providing additional provisions to prioritize professional growth, additional responsibility, and leadership in salary considerations to encourage districts to no longer emphasize years of experience and degree level.
2. The \$10K incentive for urban, high-poverty schools at the 25% poverty rate using U.S. Census data will not identify many districts for the incentive. Also, many of our high poverty districts are rural, and so would not qualify. We recommend expanding the focus to additional hard-to-staff geographies.
3. There is no additional incentive for teachers in hard to staff endorsement areas, such as special education and science.
4. There are no provisions directly related to professional development and grow your own teacher pipelines. We recommend creating specific programs to enhance development opportunities to better recruit and retain effective educators.

On a positive note:

There are positive aspects of SB 5607 that the EEC can stand behind:

1. The per-pupil guarantee. Although it is not a student-weighted formula as of yet, it begins to imagine school funding that is centered around what a student needs to be successful in their educational achievement.
2. Increased and intentional OSPI oversight and accountability provisions
3. Beginning teacher pay increases: The EEC would suggest moving the starting salary to \$48K a year. The bill also removes the state salary schedule.
4. Provides more affordable health coverage for families by setting a threshold employee contribution of 3x what a single payer contributes.
5. Restricts pay increases based on degree level to degrees within a relevant field
6. Creates incentives and bonuses, including a housing allowance, hard-to-staff, urban high-poverty school incentive, and bonuses for the highest performing educators.
7. Housing allowance is interesting but should not be done in place of a cost of living increase

The Equity in Education Coalition believes that looking at a funding formula (or formulas) outside of the prototypical model is a good exercise towards envisioning a funding model that is student centric and answers the question, “How many students can we serve?” versus “How many staff can we buy?” Senate Bill 5607, however, does begin to envision a funding formula that is much more student-centric than the prototypical model of today. There are, however, too many questions, unresolved conflicts and unintended consequences within this bill for the Equity in Education Coalition to lend its full support without reservation.