

COMPREHENSIVE RESPONSE TO EDUCATION FUNDING

Senate Democratic Caucus

April 15, 2015

■ Providing a full McCleary plan (SB 6104, Rolfes)

- A new compensation system for all educational staff.
- New salary allocation model for teachers linked to the state's certification system.
- A six-year phase-in plan for compensation beginning in 2017-18 school year.
- Salary adjustments based on comparative labor market analysis every four years.
- A cap on locally funded salary enhancements for non-basic education functions.
- Implements a six-year phase in for the increased staffing and class size reductions required by Initiative 1351 beginning in the 2017-19 biennium.
- Funded by revenue from SB 6102.

■ Providing new revenue (SB 6102, Ranker)

- Creates a capital gains tax to provide funding to support new compensation system.
- Capital gains in **excess** of \$250,000/\$500,000 at 7 percent.
- Applies to 5000 returns - approximately 7,500 people.
- All single-family residences, retirement accounts excluded.
- Livestock, agricultural, and timber land mostly excluded.
- Constitutional amendment (SJR 8206) to ensure the threshold cannot drop below \$250,000/\$500,000.

■ Reducing reliance on local levies (SB 6103, Hargrove)

- As new K-12 salary enhancements begin in 2018 school district local levy revenue will be reduced the same amount dollar for dollar.
- A school district's levy rate will not be reduced to a rate of less than one dollar.
- Levy equalization is not reduced at the 2017 level from 2018 through 2022.
- Beginning in 2023, the local maximum levy authority for all districts is \$1.00. Local Effort Assistance is matched on a statewide median per pupil value.
- The state auditor must report to OSPI and the Legislature any basic education spending with local levy dollars.
- The levy base is not increased by the new basic education funding as it is phased in.



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