

# **Fair School Funding**

Federal Way School District v. State of Washington

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# The “staff funding” formula

- ✓ “Staff funding” is the single largest component of BEA funding
- ✓ Three separate formulas: cert instructional, cert administrative and classified
- ✓ At least 46:1000 for certs, 4:1000 for admin, and 16.9:1000 for classified (same for all districts)
- ✓ “Salaries” for each unit based on each district’s 1976-77 average salary
- ✓ Funded salaries for each district adopted as part of the budget on LEAP Document 2 (current name)

# How the formulas work

Consider Model School District with 1000 students

46 cert units X **funded salary** X **staff mix factor** =  
total cert funding

4 admin units X **funded salary** = total admin  
funding

16.9 classified units X **funded salary** = total  
classified funding

# How the formulas work

Consider Model School District with 1000 students

$$46 \times \$32,746 \times 1.5 = \$2,259,474$$

$$4 \times \$54,405 = \$217,620$$

$$16.9 \times \$30,111 = \$508,876$$

$$\text{Total Staff Funding} = \$2,985,970$$

## How the formulas work

If Model School District had been funded at the level of the highest district in each category:

$$46 \times \$34,612 \times 1.5 = \$2,388,228$$

$$4 \times \$80,807 = \$323,228$$

$$16.9 \times \$35,227 = \$595,336$$

$$\text{Total Staff Funding} = \$3,306,792$$

# How the formulas work

How LEAP 12E could impact Model School District:

Highest Total Staff Funding = \$3,306,792

Lowest Total Staff Funding = \$2,985,970

Difference = \$320,822 in staff funding formula

**A gap of 10.7% in staff funding**

# It's a funding formula only

- ☑ Districts required to bargain actual salaries
- ☑ No legal connection between the admin and classified formulas and actual salaries
  - ☑ Classified and Admin employees have had right to bargain market wages since 1987, with no limits
  - ☑ Result is that actual salaries exceed funded salaries in almost all districts
  - ☑ Result is that actual salaries are actually much more equal than funded salaries
  - ☑ Many districts don't hire (can't afford) 4 admin/1000 students

# It's a funding formula only

- ☑ Cert instructional salaries are different—they are subject to salary compliance laws
  - ☑ Salaries for teachers with BA must be at least the BA funded level on the state's SAM
  - ☑ Salaries for teachers with MA must be at least the MA funded level on the state's SAM
  - ☑ The actual average salary cannot exceed the district's funded average (cap)
- ☑ Result is that almost all districts pay actual salaries at the funded levels

## Back to the history lesson . . .

- ☑ 1977 to 1987, legislature worked to narrow gaps
- ☑ Abandoned that effort from 1987 to 2007
- ☑ Percentage COLAs increased the dollar gap

# No rational basis

- ☑ Funding levels are geographically, and demographically random
  - ☑ Top CIS funding: Everett, Shaw Island, Vader, Puyallup
  - ☑ Bordering districts with top and bottom CAS funding: Skykomish and Index SD
  - ☑ The story behind Seattle SD classified funding
  - ☑ The story behind Federal Way funding levels

# The impact of LEAP Document 2

- ☑ Negatively impacts all school districts – no single district is advantaged by this irrational system
- ☑ The ripple effect on other funding formulas
- ☑ Impact for Federal Way:
  - ☑ \$6.8 million in staff funding
  - ☑ \$10.9 million in total funding, including levy capacity

# The 2007-08 state budget

- ✓ Reduces the cert instructional gap from 6.3% to 5.0% over 2 years. Impacts 283 districts.
- ✓ Reduces the cert administrative gap from 67.6% to 45.5% (\$25,973 per unit) over two years. Impacts 89 districts.
- ✓ Reduces the classified gap from 51.3% to 15.4% (\$4,837 per unit) over two years. Impacts 224 districts.

# The 2007-08 state budget

- ☑ The result of using percentage increases: the dollar gap between some districts still grows even if the percentage difference decreases.
- ☑ The larger number of districts addressed in the cert instructional formula means many districts will have increased costs for teachers without additional funding to pay for them.
- ☑ Equal funding could be 20 or more years away at this rate.

# Five Original Legal Theories

- A. Article IX, Section 1 – Paramount Duty/Amples Funding
- B. Article IX, Section 2 – General and Uniform School System
- C. Article I, Section 12 – Privileges & Immunities
- D. Article I, Section 12 – Equal Protection
- E. Article I, Section 3 – Substantive Due Process

# Judge Heavey's decision

- ☑ Does not violate Article 9, Section 1
- ☑ Does violate Article 9, Section 2
- ☑ Does violate Article 1, Section 12 – equal protection

# The general and uniform holding

“[W]ithin a ‘general and uniform system of public schools’ the legislature could constitutionally and rationally create different funding levels **that stem from differences in educational costs**. However, the disparities in the current system are not based on the cost of providing educational opportunity in any district. . . . The plaintiffs have shown proof beyond a reasonable doubt that school districts are funded at disparate levels; that the different levels are based upon a discredited and unconstitutionally funded system of 30 years ago. There is no rational reason to continue this. **This violates the general and uniform requirement of our constitution.**”

# The equal protection holding

“Because of the vested interests in the *status quo*, these disparate, irrational and inequitable salary allocations will continue if not found unconstitutional. This court finds that basing funding levels on salary levels of 30 years ago is arbitrary and wholly irrelevant to the achievement of legitimate state objectives. . . . [T]hey violate the equal protection rights of Federal Way students, teachers and taxpayers.”

# Lessons from the decision

- ☑ If there are differences in funding levels, they must have a rational basis
  - ☑ A legitimate state objective
  - ☑ The means chosen to pursue that objective must be rationally related to the objective
- ☑ If there are differences in funding levels, they must be based on educational reasons – they must support the general and uniform system

# Substitute Senate Bill 5135

- ☑ Equalizes salary allocations over 6 years— $1/6^{\text{th}}$  of difference is added each year. Impacts all 295 districts.
- ☑ Addresses all three formulas at the same time.
- ☑ Immediately increases levy base to include the difference between current and top funding level for staff salaries.

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