

## Essential Ingredients of a *McCleary* Solution

1. Provide Ample Funding
  - a. The Prototypical School Funding Model is the basis for the state's defense in *McCleary*. It derives an average per student amount based on the actual elements of providing basic education. The problem with the model is it has never been fully funded.
  - b. By contrast, there is no program or cost basis behind the Senate's per student funding model, which represents little more than a number pulled out of the air.
  - c. The Court has ruled that both the *source* and *amount* of basic education funding are unconstitutional. Merely converting local levies to a state tax does not provide ample funding.
  - d. In 2016, local levies equaled nearly \$2.4 billion, most of which currently funds elements of basic education. If the basic education portion represents 75% of local levy expenditures, \$3.6 billion per biennium is need just to cover those costs.
2. Maintain the Salary Allocation Model (SAM) and Staff Mix Formula
  - a. Those parts of the current system that have been working well shouldn't be thrown out.
  - b. While the current SAM may be too complex, some type of salary allocation model is needed to provide statewide consistency with teacher salaries.
  - c. The staff mix formula ensures the state covers the added district costs of hiring more senior and highly trained staff.
3. Place Limitations on Locally-Funded Salaries
  - a. At a minimum, statutory limitations must be in place for future collective bargaining agreements that prohibit bargaining of local levy resources for basic education duties and responsibilities.
  - b. Without such limitations, we have not addressed a central element of the *McCleary* decision.
  - c. Placing a cap on the portion of expenditures represented by salaries and benefits isn't the way to do this. Nearly 40% of districts are already above the 80% cap proposed by the Senate.
4. Hold Districts and Staff Harmless During a Reasonable Transition
  - a. During the transition and upon completion of full funding, all districts require greater resources than are currently available. At no time during the transition can any district lose resources compared to 2016–17 funding levels due to funding formula changes.
  - b. Until the ample funding is provided, school districts need local levies to backfill inadequate state allocations for essential programs such as special education and transportation.
  - c. It will take time to unravel the current practice of district TRI pay covering basic education costs. During that transition, current teacher salary levels should be held harmless while state rates catch up to that level.
5. Ample Funding Requires New Revenue
  - a. Full funding of basic education should not occur at the expense of other essential state services.
  - b. The scale of the problem is larger than can be addressed by revenue growth and/or cuts to other programs.