



2017 Legislative Platform Talking Points

COMPLY WITH THE PARAMOUNT DUTY

- Legislators boast that funding for K–12 education has increased by \$4.5 billion in the last four years; however, they neglect to note much of that increase comes from backfilling previous cuts and required Maintenance Level increases. (Note: “Maintenance Level” refers to the funding of currently authorized services, adjusted for increasing or decreasing caseloads/enrollment or other mandatory expenses.)
- The \$2.3 billion in *McCleary*-related increases that have been provided is positive, but is far less than the Joint Task Force on Education Funding (2012) recommended and substantially less than the state promised the Court it would provide.
- The effort to fully implement 2010’s HB 2776 is commendable, but ignores additional funding promised (and required) by 2009’s HB 2261. While the Supreme Court has clarified the state has until September 1, 2018, to fully implement the program of basic education, they also noted the funding sources and the necessary appropriations to comply with the paramount duty must be in place by the final adjournment of the 2017 Session. In other words, 2017 is the last session to take action to determine and appropriate the necessary ample funding for basic education to meet the Court’s—and the constitution’s—requirements.

EXPAND AVAILABLE STATE RESOURCES

- Before accounting for substantial increases in basic education investments (including at least \$3.5 billion for education compensation), the state’s own Economic & Revenue Forecast Council’s Four-year Budget Outlook projects a negative unrestricted ending fund balance in 2017–19. In simple terms, there are three options: capture “excess” revenue growth and divert it to K–12; reduce non-K–12 portions of the budget; and/or increase available revenue.
- The state’s economy continues to rebound; however, increases in state expenses continue to outpace revenue growth. Simply siphoning excess revenue growth to K–12 will not meet the HB 2261/HB 2776 funding requirements and, at the same time, all non-education budget items will be starved.
- Cutting the budget is a very limited option. Fully 70 percent of the state budget is constitutionally or federally protected. Even dramatically reducing items in the portion of the budget available to cut would not provide the necessary resources to adequately fund K–12—or other required areas of the budget.
- The state currently provides almost 700 tax exemptions, tax preferences, or tax deferrals. Eliminating all of these preferences or exemptions would free up over \$30 billion in new revenue. Repealing all current tax exemptions may be somewhat irrational (for example, the current property tax exemption for low-income seniors is commendable and seems worthy to maintain); however, eliminating—or at least reducing—select preferences that are deemed to have less merit (including those that have no clear purpose or have failed to achieve public goals) could still make available considerable new revenue.
- Increasing revenue—usually via increasing taxes—is politically unpopular. It is, however, the only viable way to fully fund basic education with “stable, reliable, and dependable” funding and prevent drastic reductions of areas of the budget that have direct impacts on K–12 education.

ENSURE COMPETITIVE PUBLIC SCHOOL EMPLOYEE COMPENSATION

- Many legislators reject that school employee compensation is an integral part of basic education; however, their own legislation calls it out as an area of concern to address. HB 2261 (2009), clearly states the Legislature's intent to "enhance the current salary allocation model" and clearly notes that "continuing to attract and retain the highest quality educators will require increased investments."
- The Supreme Court has stated "nothing could be more basic than adequate pay" and has repeatedly reminded the Legislature that a major component of the state's deficiency in meeting its constitutional obligation is its consistent underfunding of the actual cost of recruiting and retaining competent teachers, administrators, and staff.
- The continued failure to address the state's obligation to adequately fund educator salaries continues to force an unconstitutional overreliance on local levies. The actual cost of current basic education labor costs must be fully funded first, prior to any potential reduction of local levy authority. If local levy capacity and LEA funding is decreased before a corresponding increase in state funding, many school districts will go over the "levy cliff" and will have difficulty meeting financial obligations, forcing deep budget cuts and substantial employee layoffs.
- While the state transitions to full state funding of K–12 compensation, the Legislature needs to take action to limit local compensation to work time outside of the program of basic education, protecting districts at the bargaining table and moving towards a more equitable compensation system.

ENHANCE SCHOOL CONSTRUCTION ASSISTANCE

- Regardless of the state's investment in school facilities, it is expected that a local contribution will be required to access most state construction assistance. If that is the case, many districts need additional assistance—in the form of a reduction in the current, outdated supermajority bond passage requirement to a simple majority (constitutional amendment) and/or funding that does not require a local "match."
- The Legislature has consistently provided sufficient resources to cover expected School Construction Assistance Program (SCAP) requests. Unfortunately, this "full funding" falls well-short of school district needs because SCAP formulas are outdated and do not reflect school district education specifications or actual school construction costs. The Student Space Allocation (SSA) needs to at least meet national averages and the Construction Cost Allowance (CCA) needs to reflect actual construction costs.
- In 2015 and 2016, the Legislature provided additional assistance beyond the "base" Capital Budget specifically to fund additional classrooms for all-day kindergarten and smaller class sizes. The \$235 million provided, however, barely makes a dent in the expected cost of over \$2.0 billion to fund the necessary additional classrooms.
- The Supreme Court has clarified that enhanced funding of all-day kindergarten and class size reduction is essential, but "the state must account for the actual costs to schools of providing these components of basic education," noting that the duty to amply fund education "must be borne by the state, not local districts." It is vital that school districts receive an influx in capital funds for additional space to accommodate all-day kindergarten and a drastic reduction in K–3 class sizes.