

“It is incumbent upon the State to demonstrate, through immediate, concrete action, that it is making real and measurable progress, not simply promises.”

Washington State Supreme Court in *McCleary v. State*



Meeting Our Court-Mandated Basic Education Obligation

In recent years, the state has made strides toward building a kindergarten-through-12th grade school system that meets the needs of all students.

Despite these efforts, the state Supreme Court reminded us earlier this month that “the actual costs of meeting the education rights of Washington students remain unfunded.” It cautioned that this “places an unsustainable burden on school districts.”

This lack of adequate state funding is keeping us from achieving a goal we all share: that each and every student graduates on time and ready to succeed in employment and additional education or training.

In 2009 and 2010, the Legislature made statutory commitments to address needed reforms and

significantly increase basic education spending. To meet those commitments and keep pace with caseload and cost-of-living adjustments, the state will need to increase K-12 spending by nearly \$2 billion each year by 2018.

Last year, Governor Inslee proposed making a \$1.2 billion “down payment” in the 2013–15 budget toward meeting the state’s basic education obligation. He proposed closing tax breaks that are inefficient, outdated or simply not as high a priority as educating our students. In the end, the Legislature approved almost \$1 billion in additional K-12 spending.

The court this month said the state continues to fall short in meeting its constitutional “paramount duty” to adequately fund basic education. The court called for “immediate, concrete action . . . not simply promises.”

To address these concerns, Governor Inslee proposes additional funding in the 2013–15 budget to meet two key needs:

- » Making sure classrooms are properly equipped with materials, supplies and curricula
- » Restoring voter-mandated teacher cost-of-living salary increases

His plan will provide districts with about \$200 million in additional state support per school year, starting in the 2014–15 school year. And he is once again calling on the Legislature to increase education funding by closing several tax breaks that are a lower priority than educating our children.

“Even more troubling is the apparent lack of progress toward fully funding essential materials, supplies and operations costs.”

Washington State Supreme Court

Making sure classrooms are properly equipped to implement reforms

We’ve made great strides in recent years by adopting more rigorous instructional standards and assessments in English, math and science. But we need to do more to fund those reforms. We have not equipped our classrooms with the necessary tools — books, computers, scientific equipment and other basic education supplies.

Under SHB 2776, the Legislature committed to fully phasing in funding levels for new materials, supplies and operating costs by

the 2015–16 school year. While the 2013–15 budget takes a step toward meeting this target, we need additional investments to make sure our classrooms have adequate supplies and are equipped with modern teaching tools. Our funding must match our expectations.

Governor Inslee proposes increasing basic materials, supplies and operations funding by \$130 million — \$118 per student — starting in the 2014–15 school year.

“Nothing could be more basic than adequate pay. The inescapable fact is that salaries for education in Washington are no better than when this case went to trial.”

Washington State Supreme Court

Restoring voter-mandated cost-of-living salary increases for teachers

Providing competitive teacher pay will help the state attract and retain the best and brightest educators. Nothing is more important in a classroom than a highly qualified teacher.

Washington voters in 2000 overwhelmingly approved Initiative 732, which required the state to fund annual cost-of-living salary adjustments for teachers. But the state has not provided that funding since 2008. Under the state’s current

salary grid for teachers, the state allocation for starting teacher pay is less today (\$34,048) than it was five years ago (\$34,426).

Governor Inslee proposes restoring voter-mandated teacher COLAs. A 1.3 percent COLA in the 2014–15 school year will cost the state \$74 million and bring the state’s starting teacher allocation to \$34,491. It’s a first step in meeting our long-overdue teacher pay obligations.

Closing Tax Breaks to Provide Additional Basic Education Funding

Washington has hundreds of tax breaks in statute that save taxpayers tens of billions of dollars each year. Many of these tax breaks serve a valuable purpose. But some are outdated or ineffective. Others are simply not as high a priority as providing adequate funding for our schools.

Governor Inslee proposes closing seven current tax breaks this year to pay for the additional K-12

investments outlined above and to keep the state on a path toward meeting its basic education obligation.

The termination or amendment of the tax breaks listed below would generate \$200 million over the remainder of the current biennium and \$414 million during the 2015–17 biennium.

- » Repeal sales tax exemption for trade-ins valued over \$10,000
- » Repeal public utility tax deduction for in-state portion of interstate transportation
- » Repeal use tax exemption for extracted fuel (except hog fuel)
- » Refund state portion of sales tax to nonresidents
- » Repeal sales tax exemption on bottled water
- » Repeal sales tax exemption for janitorial services
- » Repeal preferential business and occupation tax rate for resellers of prescription drugs

More information on each of these tax breaks is available at ofm.wa.gov/budget14/k12revenue.pdf