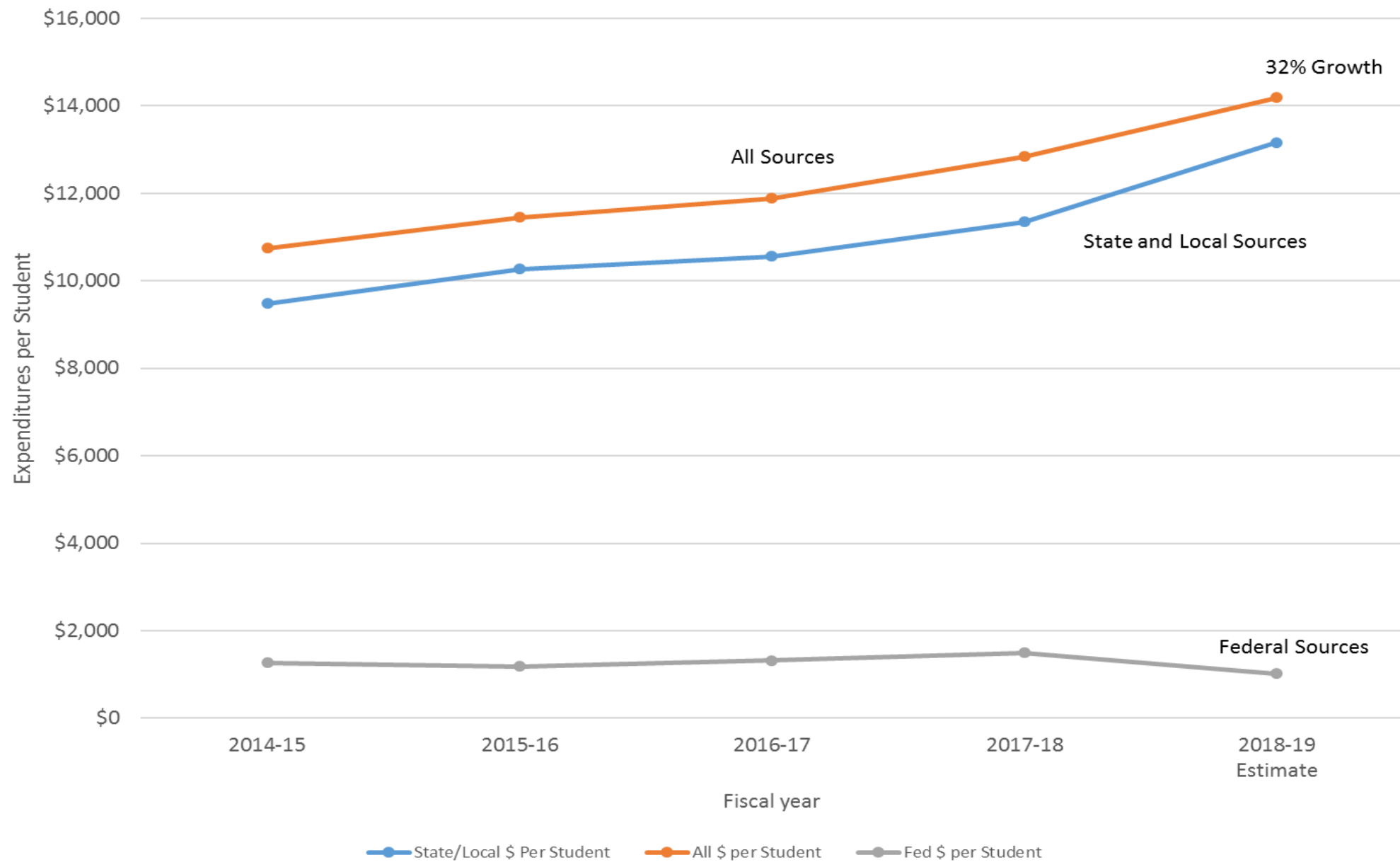


McCleary Fiscal Transformation

Chris Reykdal
Superintendent of Public Instruction
Washington State



Expenditures per Student Washington State



Washington Compared to the U.S. Average

State Name

Fiscal effort: Education expenditures on education as a percent of capacity (GSP or income).

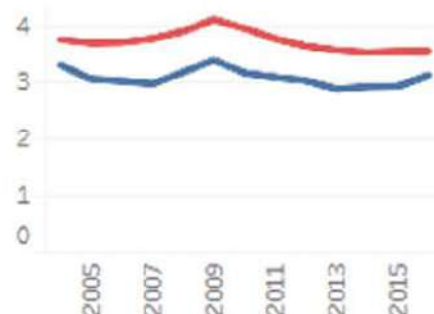
Adequacy: Spending by poverty, adjusted for district/area characteristics.

Progressivity: Ratio of revenue in higher-poverty districts to zero poverty districts (values above 1 indicate progressive funding).

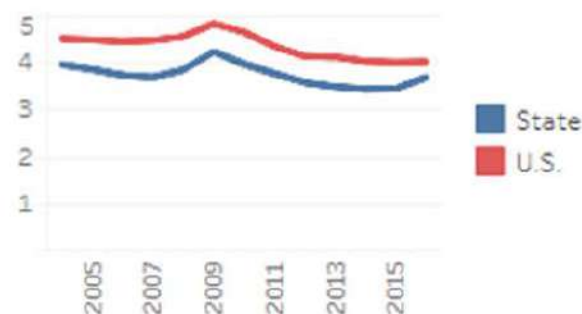
Data from the School Finance Indicators Database <http://schoolfinancedata.org>

FISCAL EFFORT

% of Gross State Product

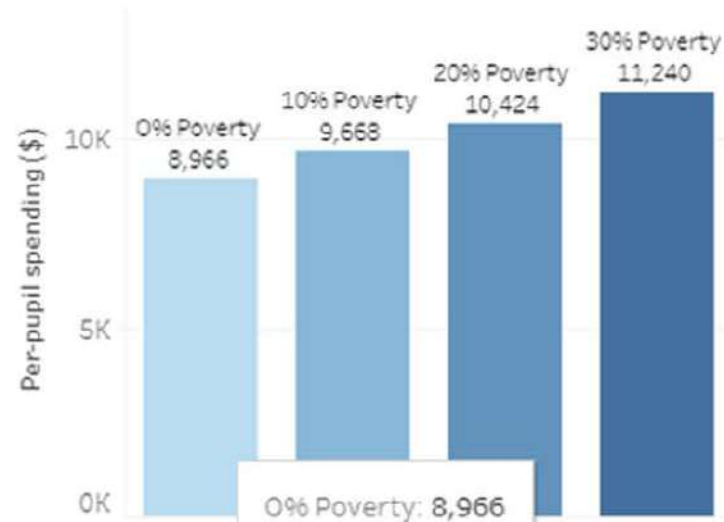


% of Personal Income



ADEQUACY (EQUATED SPENDING)

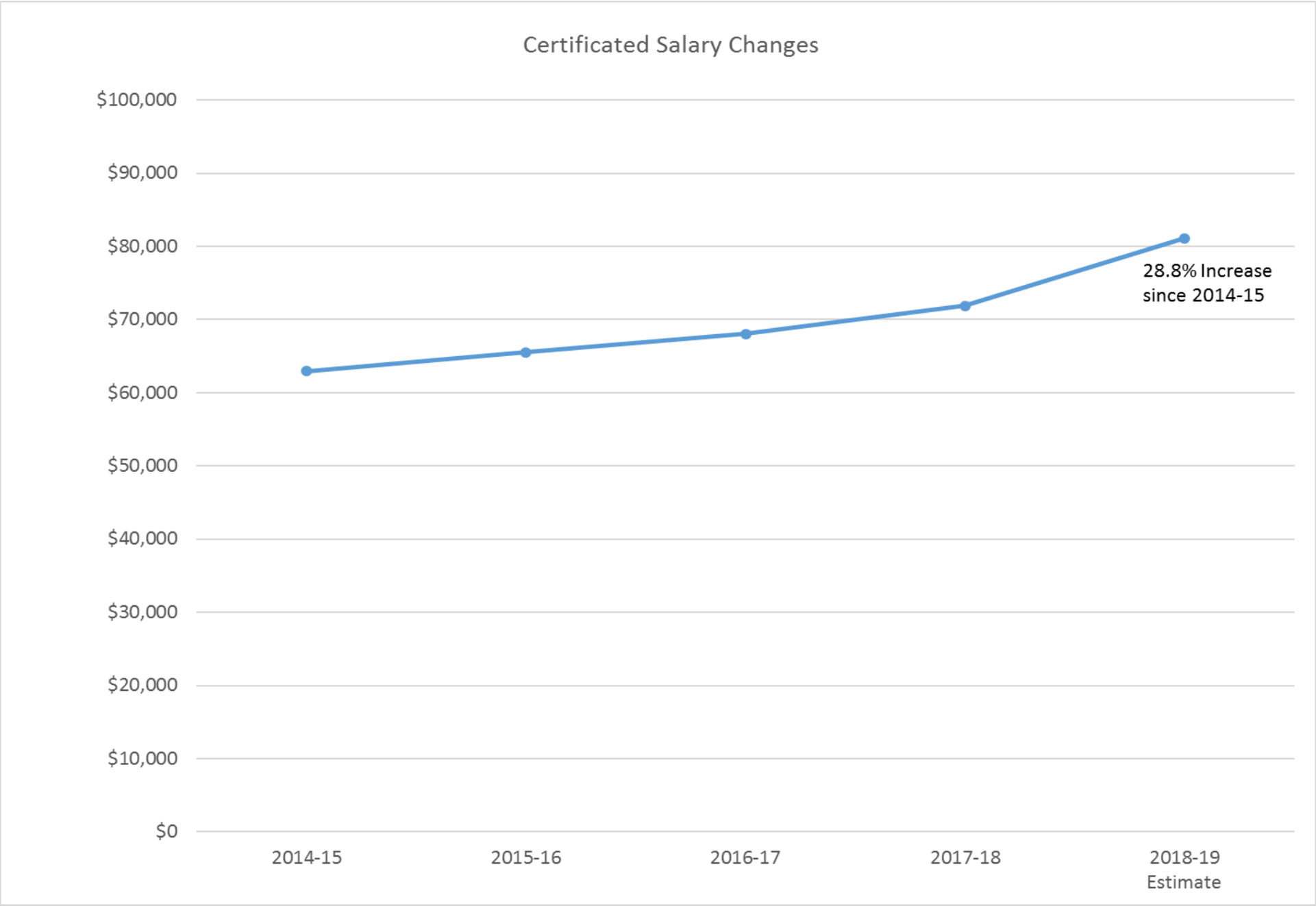
Year



PROGRESSIVITY

Year



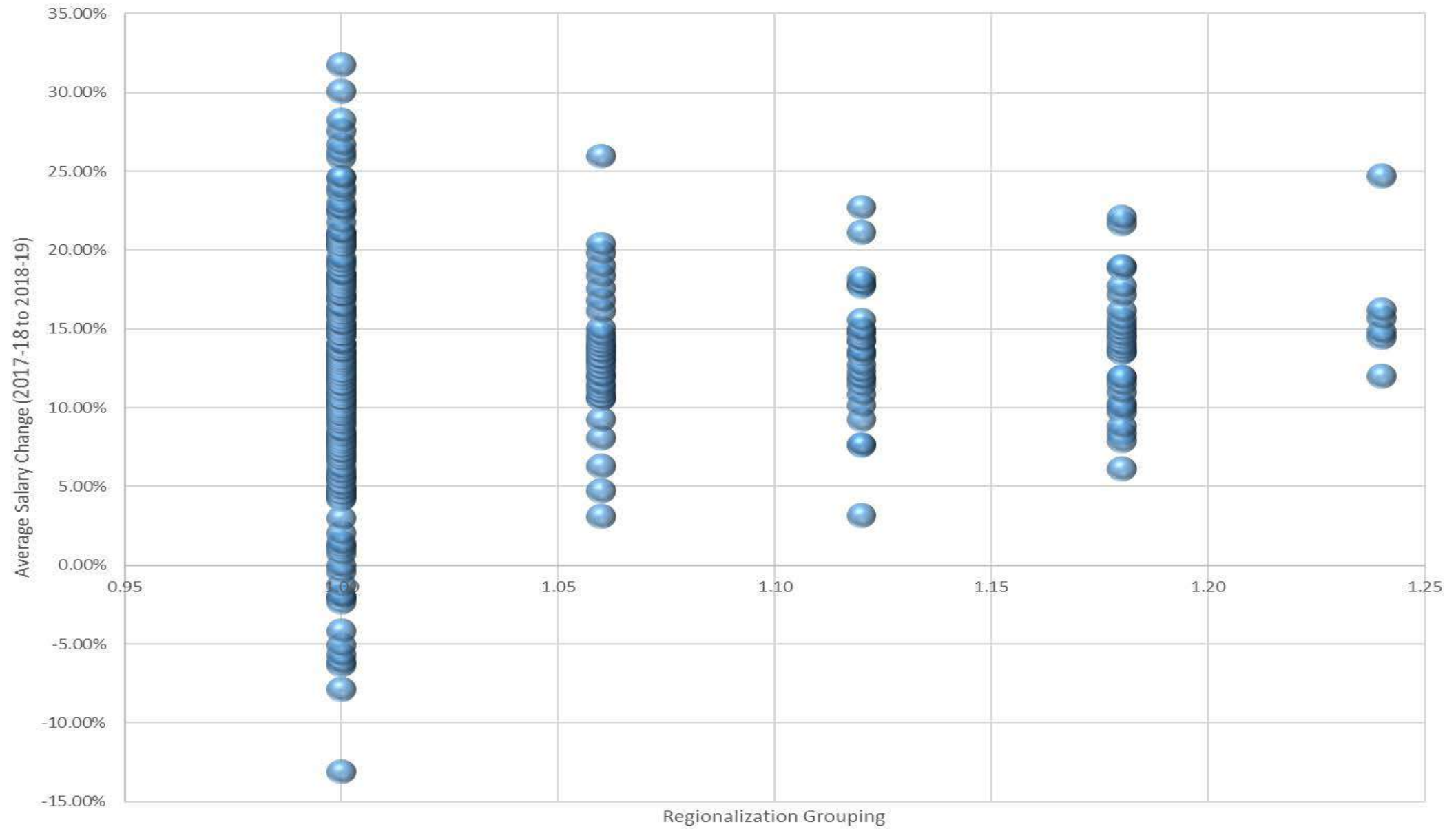


| Regionalization | Before ESSB 6362 Base Salary 2017-18 | | | After ESSB 6362 Base Salary 2018-19 | | | Percent Year over Year Increase | | |
|-------------------|---|------------|----------------|--|------------|----------------|---------------------------------|------------|----------------|
| | Certificated | Classified | Administrative | Certificated | Classified | Administrative | Certificated | Classified | Administrative |
| Statewide Average | \$ 56,085 | \$ 47,153 | \$ 120,909 | \$ 73,620 | \$ 50,091 | \$ 126,579 | 31% | 6% | 5% |
| 1.24 | \$ 58,538 | \$ 52,285 | \$ 140,601 | \$ 81,634 | \$ 54,976 | \$ 146,318 | 39% | 5% | 4% |
| 1.18 | \$ 55,653 | \$ 52,374 | \$ 131,631 | \$ 76,125 | \$ 56,088 | \$ 137,904 | 37% | 7% | 5% |
| 1.12 | \$ 56,183 | \$ 48,944 | \$ 123,737 | \$ 76,620 | \$ 52,289 | \$ 128,375 | 36% | 7% | 4% |
| 1.06 | \$ 56,466 | \$ 46,317 | \$ 119,895 | \$ 73,433 | \$ 48,935 | \$ 124,676 | 30% | 6% | 4% |
| 1.00 | \$ 55,720 | \$ 41,078 | \$ 107,067 | \$ 67,911 | \$ 43,379 | \$ 113,061 | 22% | 6% | 6% |

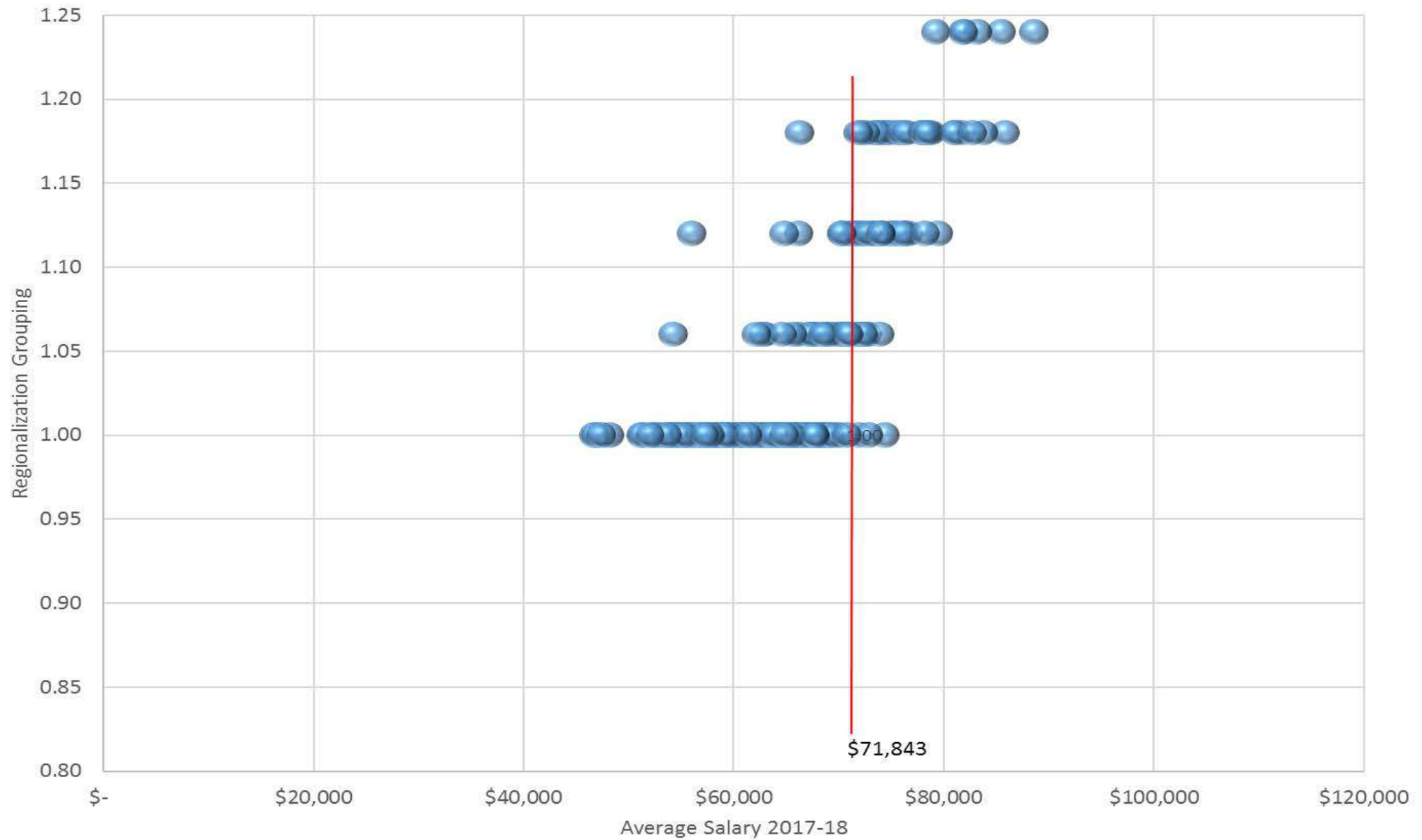
| Regionalization | Before ESSB 6362 Supplemental Pay 2017-18 | | | After ESSB 6362 Supplemental Pay 2018-19 | | | Percent Year over Year Increase / (Decrease) | | |
|-------------------|--|------------|----------------|---|------------|----------------|--|------------|----------------|
| | Certificated | Classified | Administrative | Certificated | Classified | Administrative | Certificated | Classified | Administrative |
| Statewide Average | \$ 15,758 | \$ 768 | \$ 3,835 | \$ 7,468 | \$ 554 | \$ 2,793 | -53% | -28% | -27% |
| 1.24 | \$ 26,516 | \$ 802 | \$ 3,135 | \$ 16,555 | \$ 854 | \$ 3,138 | -38% | 6% | 0% |
| 1.18 | \$ 20,930 | \$ 1,719 | \$ 4,337 | \$ 10,410 | \$ 1,020 | \$ 2,969 | -50% | -41% | -32% |
| 1.12 | \$ 16,469 | \$ 635 | \$ 3,445 | \$ 6,992 | \$ 579 | \$ 2,821 | -58% | -9% | -18% |
| 1.06 | \$ 13,940 | \$ 866 | \$ 4,860 | \$ 6,055 | \$ 653 | \$ 4,707 | -57% | -25% | -3% |
| 1.00 | \$ 9,151 | \$ 1,064 | \$ 5,252 | \$ 3,814 | \$ 305 | \$ 2,219 | -58% | -71% | -58% |

| Regionalization | Before ESSB 6362 Total Salary 2017-18 | | | After ESSB 6362 Total Salary 2018-19 | | | Percent Year over Year Increase | | |
|-------------------|--|------------|----------------|---|------------|----------------|---------------------------------|------------|----------------|
| | Certificated | Classified | Administrative | Certificated | Classified | Administrative | Certificated | Classified | Administrative |
| Statewide Average | \$ 71,843 | \$ 47,921 | \$ 124,744 | \$ 81,088 | \$ 50,645 | \$ 129,372 | 13% | 6% | 4% |
| 1.24 | \$ 85,054 | \$ 53,087 | \$ 143,736 | \$ 98,189 | \$ 55,830 | \$ 149,456 | 15% | 5% | 4% |
| 1.18 | \$ 76,582 | \$ 54,093 | \$ 135,968 | \$ 86,535 | \$ 57,108 | \$ 140,873 | 13% | 6% | 4% |
| 1.12 | \$ 72,652 | \$ 49,580 | \$ 127,181 | \$ 83,612 | \$ 52,868 | \$ 131,196 | 15% | 7% | 3% |
| 1.06 | \$ 70,406 | \$ 47,183 | \$ 124,755 | \$ 79,488 | \$ 49,588 | \$ 129,383 | 13% | 5% | 4% |
| 1.00 | \$ 64,870 | \$ 42,142 | \$ 112,319 | \$ 71,726 | \$ 43,684 | \$ 115,281 | 11% | 4% | 3% |

Distribution of Total Cert Salary Changes (all sources) 2017-18 to 2018-19



Salary Spreads (all sources) Before 2242/6362



Salary Spreads (all sources) After 2242/6362

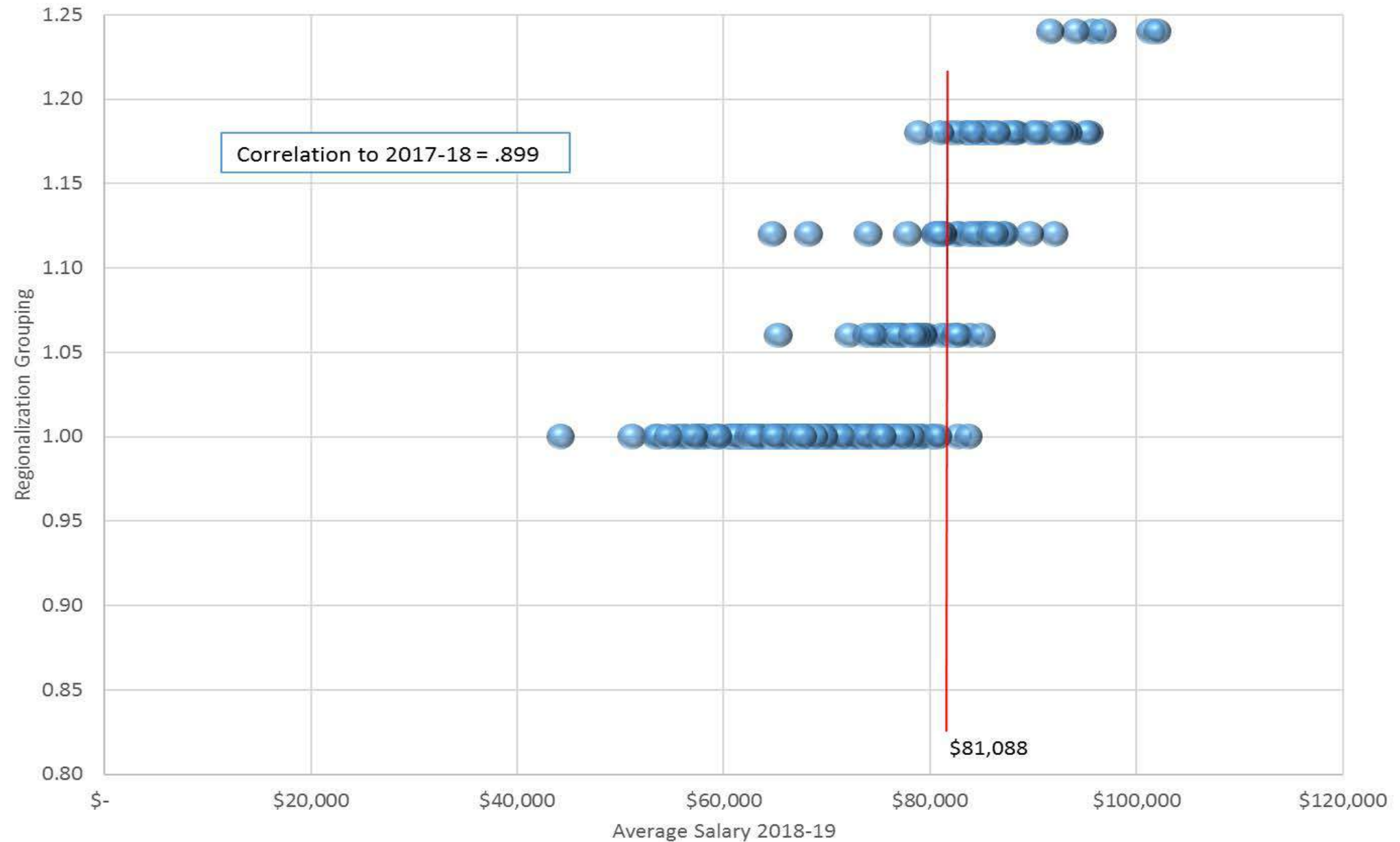
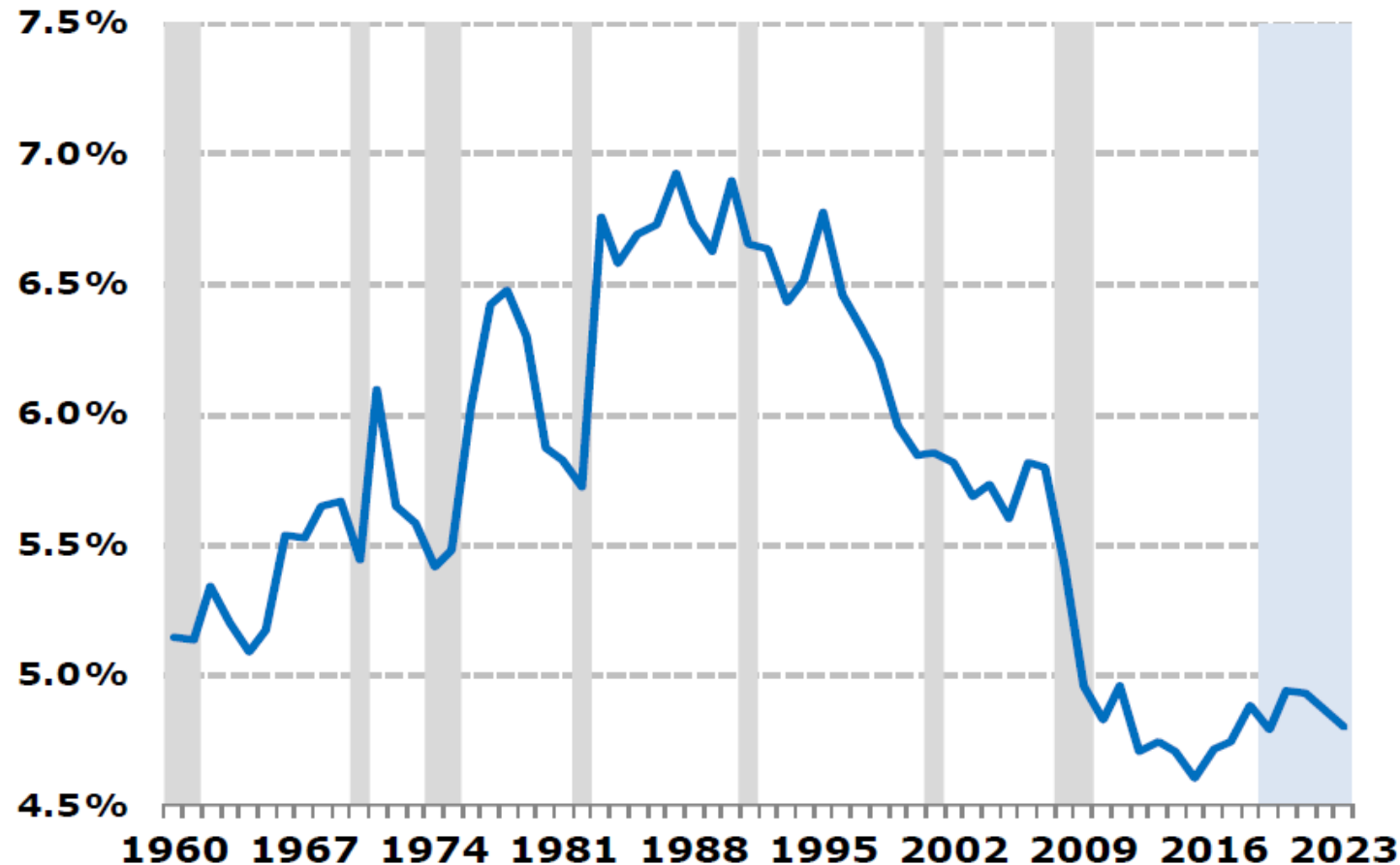


Figure 3.1: GF-S Revenue as a Percentage of State Personal Income (Fiscal Years)

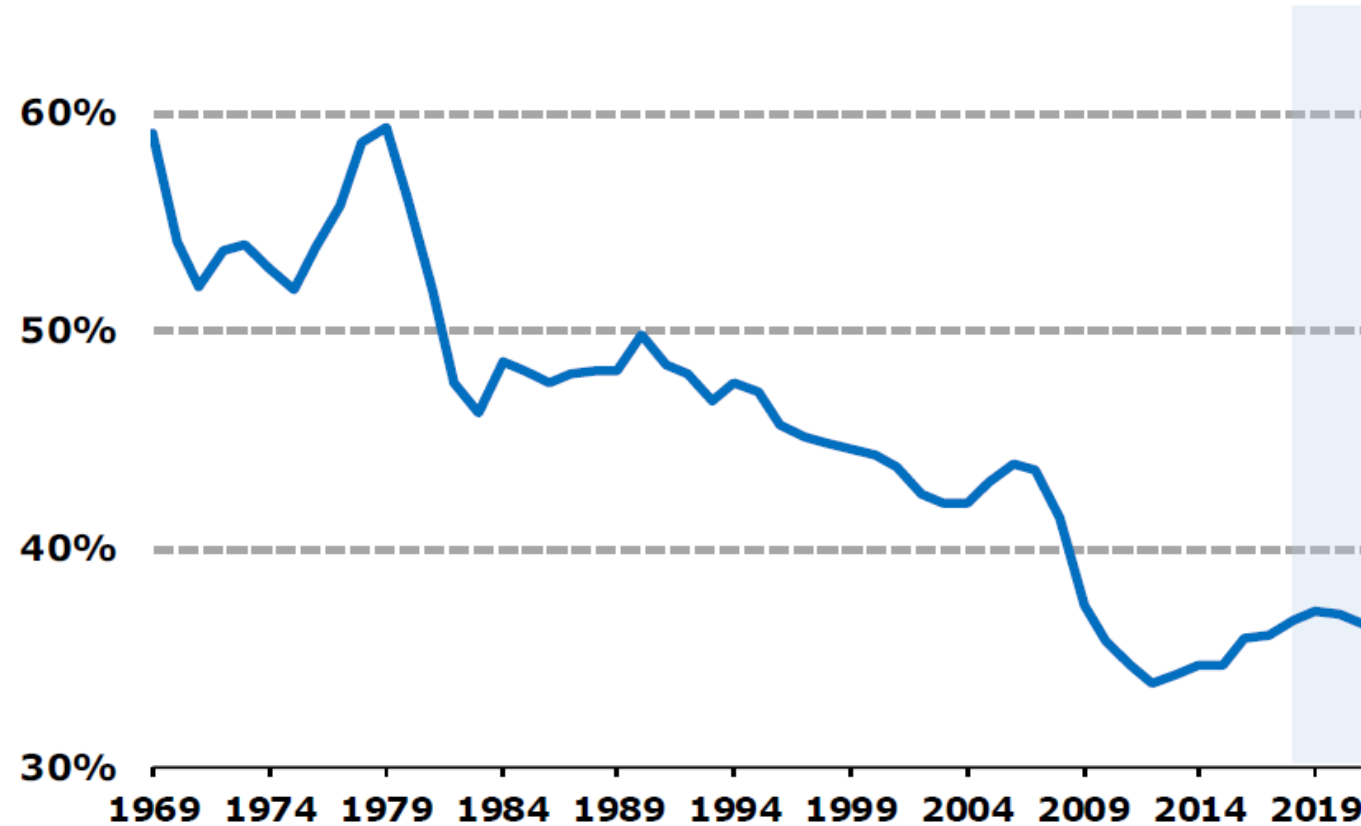
GF-S revenue relative to state personal income has been on a declining trend since 1995



Source: ERFC, data through fiscal year 2018. Gray shaded area indicates recession; blue shaded area indicates forecast.

Figure 3.4: Taxable Sales* as Percentage of State Personal Income

The ratio of taxable sales to state personal income is on a declining trend



*Past tax base adjusted to represent current base. Shaded area indicates forecast

Source: ERFC; Data through FY 2018, forecast through FY 2023

Washington K–12 Public Schools Performance

- Record statewide four-year graduation rate 81+%
 - African American, Native American, Hispanic, low-income, and students with disabilities graduation rates are increasing faster than state average
- Record high credits at graduation
- #6 in the nation in 8th grade NAEP math scores
- #7 in the nation in 8th grade NAEP ELA scores
- Statewide SAT participation and average score has increased four straight years
- Kindergarten Readiness in all six domains has increased from 37% to 46% over the past four years



Our Shared Future

- To close achievement gaps we will have to focus resources
 - Targeted dollars by poverty, EL, special needs, and race
 - Grow support services faster than instructional services (Staffing Enrichment Workgroup)
 - Counselors
 - Nurses
 - Mental health
 - Administrators/attendance/discipline/data
 - Will need to enhance the prototypical model at first
- Overall investment in K–12 must continue to exceed private economy (we are still an underfunded state, but growing rapidly)
- Compensation now at market (Legislature needs to maintain)
- Pathways – We will be judged by equal opportunity to postsecondary options
- Dual Credit expansion – We are part of the debt bubble solution
- Dual Language expansion – Globalization compels us to be multilingual/multicultural



Major Conclusions

- K–12 net revenues have increased by more than \$3 billion/year
 - Record investment level
 - Record funding/student
 - Record high compensation
- We are approaching the national average for K–12 spending as a percent of GSP
- Salary variance for certificated staff is most pronounced for the 1.0 districts
- Regionalization replaced much of the local levy funded TRI – high correlation
- Sustaining this with our current tax code will be very challenging
- Student achievement continues to rise and gaps are closing
- To grow investments further and increase student achievement, we will need to focus on enhancing basic education, most specifically in support services
- To contribute most to the economy, we need to further improve graduation rates and help reduce student loan debt burden





Thank you!