

# House Finance Committee Work Session: School Funding

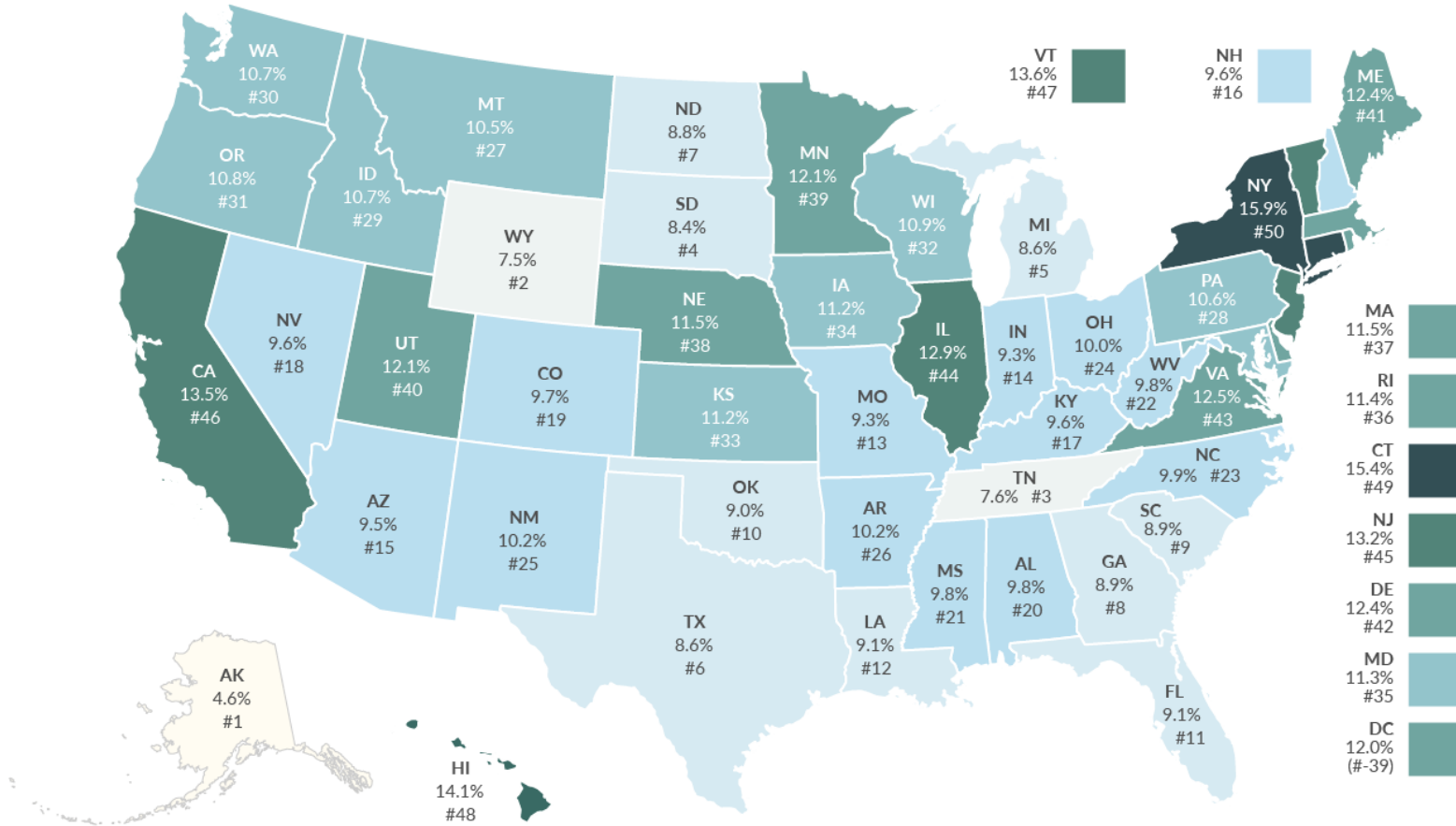
January 11, 2024

Superintendent Chris Reykdal



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

# State-Local Tax Burdens by State, Calendar Year 2022

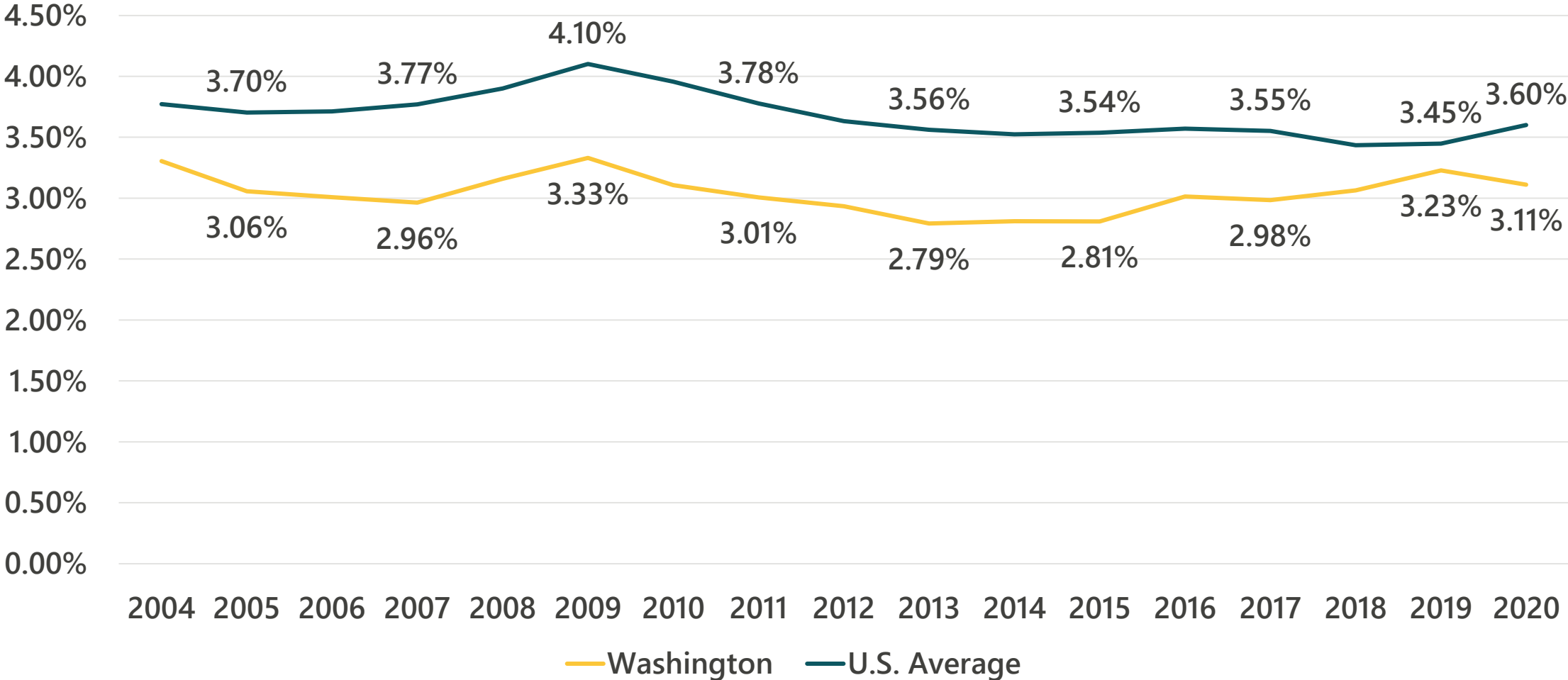


Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.  
 Source: Tax Foundation calculations.

State-Local Tax Burden by State, Calendar Year 2022

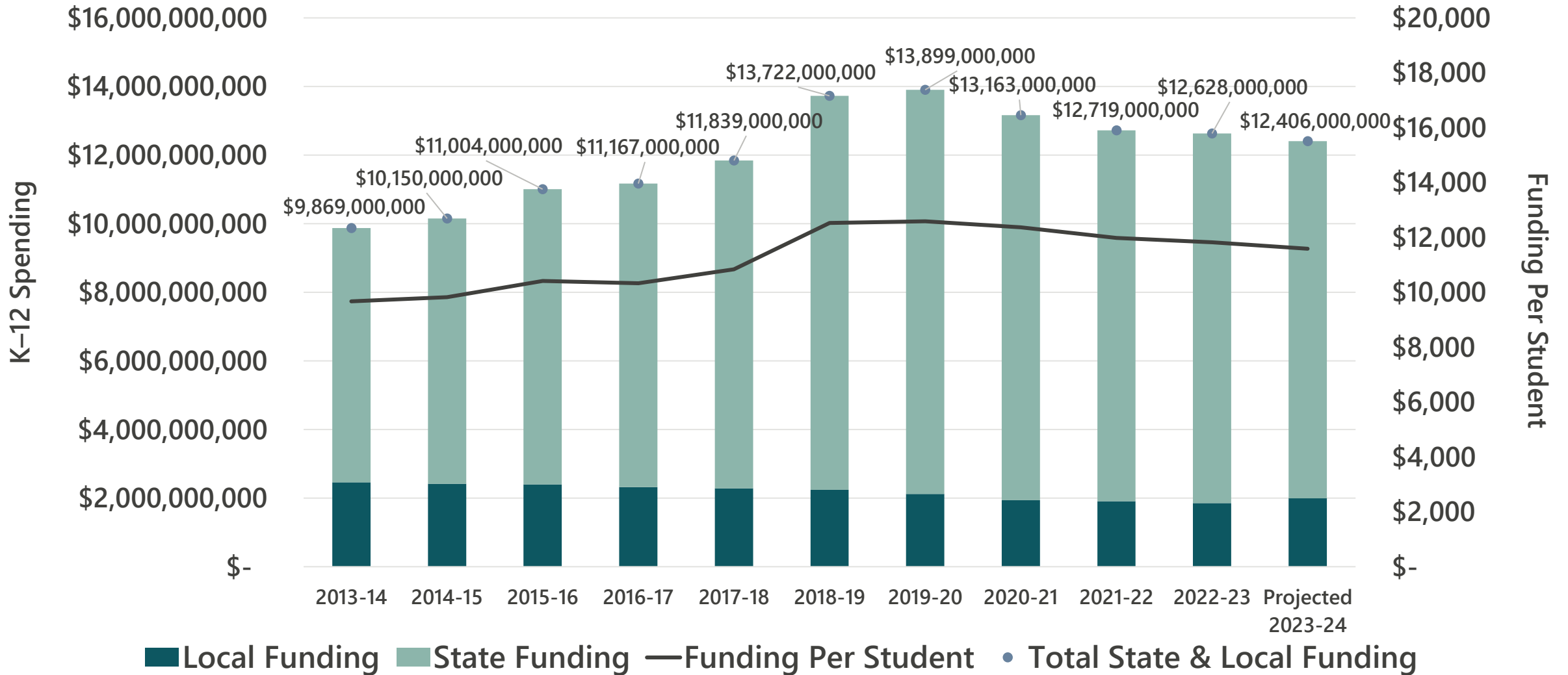


# Investment in K–12 Education as a Percentage of Gross State Product

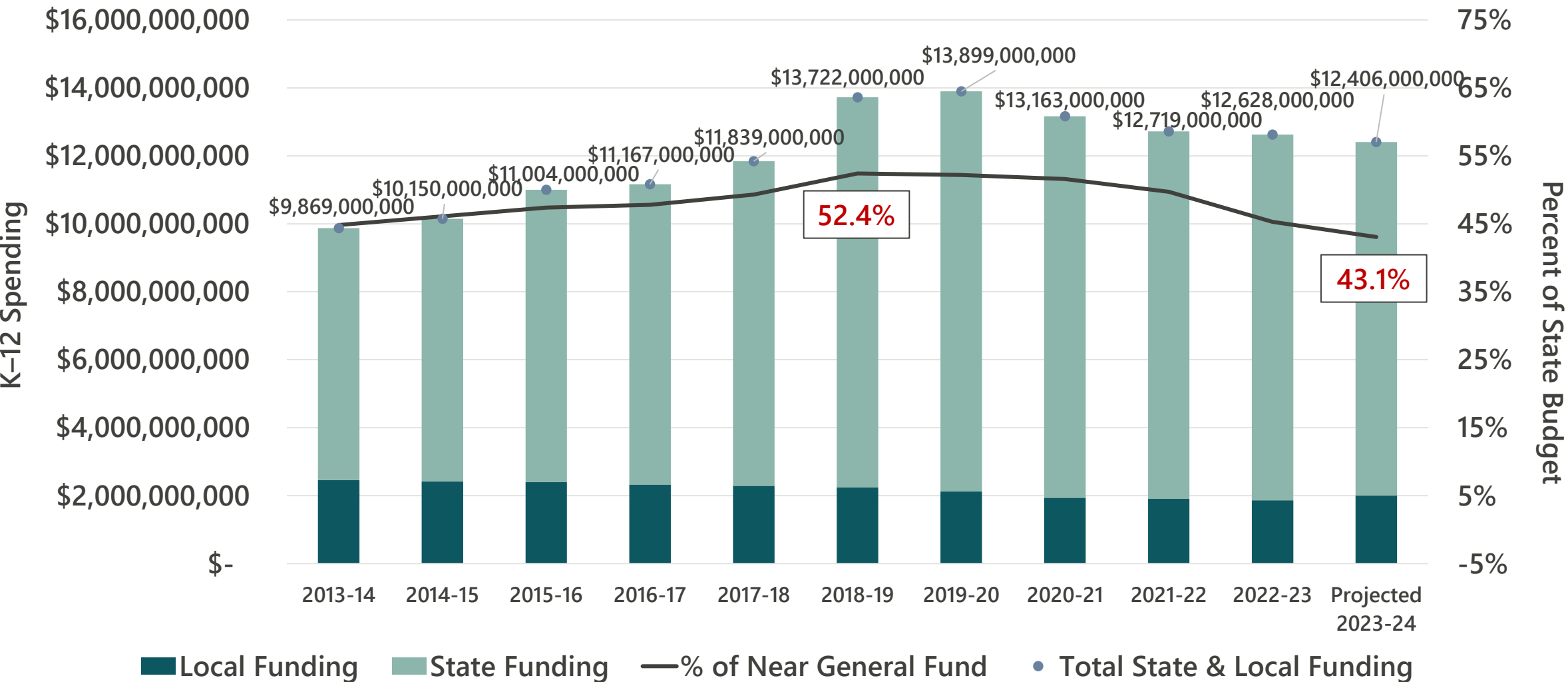


Source: School Finance Indicators Database

# Inflation Adjusted K-12 Spending & Funding Per Student



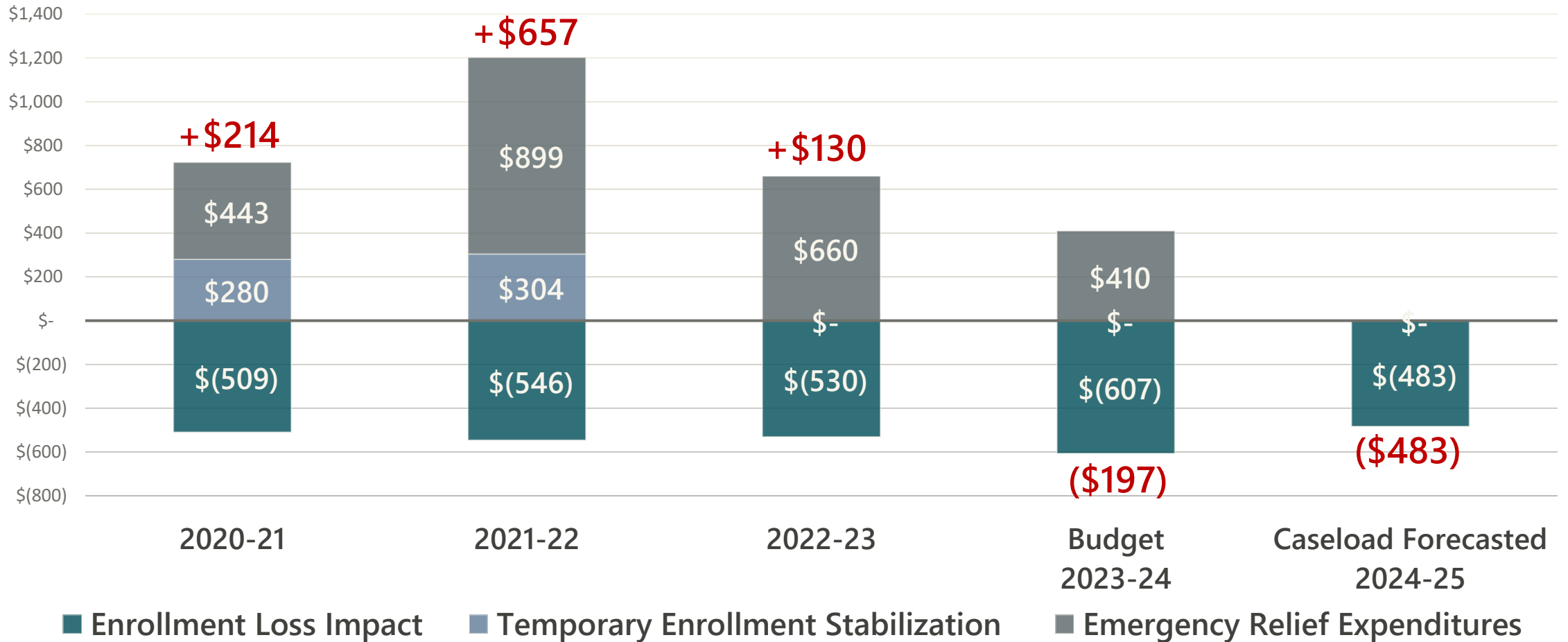
# Inflation Adjusted K-12 Spending & Share of State Budget



Source: Office of Superintendent of Public Instruction  
 Source: House Appropriations Committee, January 19, 2023

# Net Impact of Temporary Emergency Relief Funds

*Dollars in Millions*



Source: Office of Superintendent of Public Instruction

# 2022 National Assessment of Educational Progress Results by State

State	4th Reading	4th Math	8th Reading	8th Math	Aggregate Rank Average
New Jersey	223	239	270	281	1.00
Massachusetts	227	242	269	284	1.00
Utah	221	240	265	282	1.00
New Hampshire	223	239	263	279	1.00
Wisconsin	217	240	262	281	1.20
South Dakota	218	239	262	281	1.20
Wyoming	225	243	261	281	1.30
Nebraska	219	242	259	279	1.30
Connecticut	219	236	264	276	1.50
Colorado	223	236	263	275	1.50
Ohio	219	238	262	276	1.50
Indiana	217	239	261	279	1.50
Idaho	215	236	264	282	1.60
Montana	219	239	261	277	1.60
Minnesota	215	239	260	280	1.70
Washington	217	235	262	276	1.70
Illinois	218	237	262	279	1.70
North Dakota	218	240	258	278	1.80
Iowa	218	240	260	277	1.80
Pennsylvania	219	238	259	274	1.80
Vermont	217	234	264	276	1.90
Florida	225	241	260	271	1.90
Virginia	214	236	260	279	1.90
Hawaii	219	237	259	270	2.10
Georgia	216	235	260	271	2.30
North Carolina	216	236	256	274	2.30
Texas	214	239	255	273	2.30
New York	214	227	262	274	2.30
Rhode Island	217	234	259	270	2.50
Michigan	212	232	259	273	2.60
Arizona	215	232	259	271	2.70
California	214	230	259	270	2.70
Maine	213	233	257	273	2.70
Tennessee	214	236	258	272	2.80
Kansas	215	235	256	272	2.80
Missouri	213	232	258	272	3.00
Kentucky	217	234	258	269	3.10
Oregon	210	228	257	270	3.40
Maryland	212	229	259	269	3.40
Nevada	212	229	259	269	3.40
South Carolina	216	234	254	269	3.40
Mississippi	217	234	253	266	3.40
Alabama	213	230	251	264	3.60
Alaska	204	226	253	270	3.70
Louisiana	212	229	257	266	3.70
Arkansas	212	228	255	267	3.70
Delaware	208	226	253	264	4.00
Oklahoma	208	229	251	264	4.00
District of Columbia	207	223	250	260	4.00
West Virginia	205	226	249	260	4.00
New Mexico	202	221	248	259	4.00

## Levy System was Never Regionalized and is Now Bifurcated

- Though higher cost of living was recognized in various parts of the state that resulted in regionalization of state funds, that same logic was not embedded in the post-McCleary levy logic.
- Two districts with exactly the same number of students and both of them losing 3% of their enrollments may be treated very differently in the levy authority: The district that is tied to the “2.50/\$1,000” AV model is not impacted by enrollment losses. The district that is tied to the \$3,200/student model will lose levy funds (net of inflation) in their next levy cycle.



## Summary

- Washington taxes at a lower rate than the national average (*Tax Foundation*).
- K–12 Spending as a share of state GDP is lower than the national average (*Rutgers Research*).
- K–12 Spending in Washington peaked in 2019, it is now falling adjusted for inflation, adjusted for inflation per pupil (even with a 3.5% enrollment decline), and it is declining as a share of our state NGF budget.
- Federal ESSER funds netted about a 1% budget benefit after state-funded enrollment losses, and ESSER funds are now going away.
- Levy cuts were not ordered by the Supreme Court, they were never regionalized, and there is now a two-tiered system of inequity.



# A Greater Vision

- Washington state should set an aspirational K–12 investment target as a share of GDP and as a share of the state budget to ensure public education is growing and changing with our economy.
- Existing funding formulas, including regionalization are only adequate if they truly get adjusted for inflation. It's about keeping talent in public education, and not losing buying power over time.
- You can drive more programmatic supports to students, schools, and high poverty districts with earmarked funds for student intervention with staffing and program compliance (LAP or any other program that is based on poverty census data).
- Restore more levy opportunities for communities to fund the enrichments they want. The funds are not basic education and Olympia should not dictate local community choices. Levy changes were not directed by the court, it was a legislative budget compromise.
- If the Legislature values more equitable levy funding for enrichments, enhance LEA and do not forcibly lower it over short intervals. LEA was also not a mandate of the court but is a great equity tool for enrichment activities.



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