



# SOLVING MCCLEARY AND FUNDING PUBLIC SCHOOLS

In 2012, the Washington state Supreme Court made a historic ruling—often known as “McCleary” – that said public schools weren’t receiving adequate funding, and many schools relied too heavily on local levy dollars to fund basic education.

In response, lawmakers have increased K-12 funding each year since 2012 and have implemented numerous policy improvements to help all students and teachers within our state.

This year, the final piece to the “McCleary Solution” was approved when Democratic and Republican lawmakers adopted House Bill 2242.

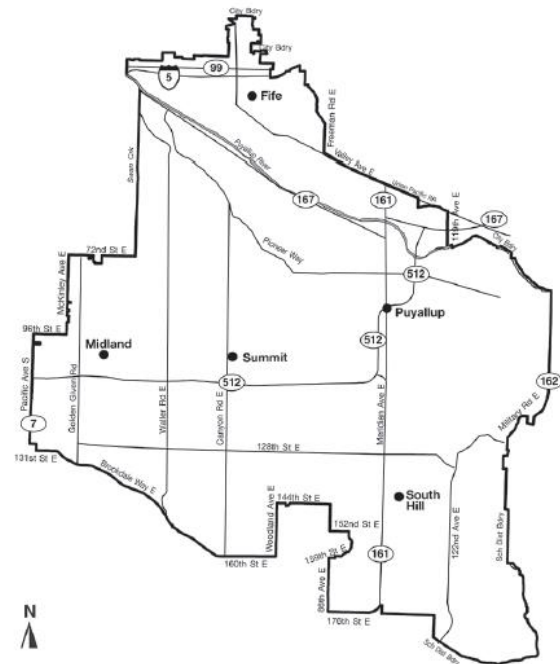
House Bill 2242 makes historic investments in education by sending \$7.3 billion to public schools over the next four years. It does so by specifically restructuring the statewide property tax rate to eliminate an overreliance on local levy dollars to fund basic education.

# Understanding your 2019 property tax rates

As stated in the McCleary ruling, many schools in our state rely too heavily on local levies to fund basic education. Under this regressive system, homeowners that live in school districts with lower property valuations pay some of the highest property taxes in the state – all while schools in that district continue to receive inadequate funding.

This overreliance on local levies to fund basic education has created a cycle of underfunded school districts and underpaid teachers.

Beginning in 2019, House Bill 2242 will cap local levy rates at either \$1.50 per \$1,000 in assessed value or \$2,500 per student, whichever is lower. Those districts with higher property valuations may see small increases in property tax without exceeding the statewide cap. Ultimately, this reform will deliver long-overdue tax relief to property owners who need it most, while also sending \$7.3 billion of new state funding to schools over the next four years.



25th Legislative District

The 25th District is considered a “net-winner” under this plan, meaning most taxpayers will see a net reduction in their property tax rates while our local schools will receive a significant increase in funding.

In the 25th, the following property tax changes are estimated:

## **Bethel School District**

Beginning in 2019, annual property tax payments will decrease by \$160 for the average homeowner. Bethel schools will receive an additional \$10 million in 2018, \$22 million in 2019, and \$24.7 million in 2020.

## **Fife School District**

Beginning in 2019, annual property tax payments will increase by \$30 for the average homeowner. Fife Schools will receive an additional \$5 million in 2018, \$8 million in 2019, and \$8.4 million in 2020.

### **Franklin Pierce School District**

Beginning in 2019, annual property tax payments will decrease by \$280 for the average homeowners. Franklin Pierce schools will receive an additional \$7.8 million in 2018, \$12.8 million in 2019, and \$14 million in 2020.

### **Orting School District**

Beginning in 2019, annual property tax payments will decrease by \$130 for the average homeowner. Orting schools will receive an additional \$2.3 million in 2018, \$4.2 million in 2019, and \$4.5 million in 2020.

### **Puyallup School District**

In 2019, annual property tax payments will decrease by \$100 for the average homeowner. Puyallup schools will receive an additional \$15.7 million in 2018, \$31.2 million in 2019, and \$34 million in 2020.

### **Sumner School District**

Beginning in 2019, annual property tax payments will increase by \$60 for the average homeowner. Sumner schools will receive an additional \$10.7 million in 2018, \$18 million in 2019, and \$19.4 million in 2020.

### **Tacoma School District**

Beginning in 2019, annual property tax payments will decrease by \$220 for the average homeowner. Tacoma schools will receive an additional \$18.8 million in 2018, \$28.6 million in 2019, and \$33 million in 2020.

## **Transparency and accountability – the state's role**

In addition to a new means of funding public education, critical reforms to our education policies will help teachers and students alike.

A \$5.3 billion increase in state salary allocations will equip all school districts with the resources to recruit and retain high-quality educators. Starting teacher pay will be increased with a new set minimum of \$40,000 per year, and additional funds will be provided to accommodate for the unique regional needs of a district. Additionally, teachers will transition out of their current health system, which unfairly punishes working families, and into a modern system modeled after the state employee health benefit system.

Finally, House Bill 2242 provides mechanisms for local control, transparency and accountability. School districts will now directly handle contract and salary bargaining, state funding will be expressed in a per student amount to increase transparency, and a rigorous reporting system will provide accountability to taxpayers by ensuring funds are being used for their intended purpose.

## Final thoughts

While there will certainly be more opportunities for improvement to our education system in the coming years, I believe this solution addresses the most pressing issues facing K12 funding today.

Under House Bill 2242, all students, regardless of social class, will have equal access to a quality education; many teachers will receive a pay raise; and, two-thirds of Washington property owners will see property tax relief.

Ultimately, I believe this was a true bipartisan compromise that will greatly benefit our district and state. I look forward to hearing from you and answering any questions you may have.

As always, it is a pleasure to serve you.

