

The logo for the Washington Association of School Administrators (WASA) features the word "wasa" in a white, lowercase, cursive font on a dark red background.

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WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

Finding a Solution to “Hold Harmless”

BACKGROUND

In the fall of 2018, the Washington Association of School Administrators (WASA) convened a workgroup of superintendents, business managers, and chief financial officers to analyze the impact of the State Supreme Court’s *McCleary* decision, specifically on small school districts. What they discovered was that approximately one third of districts in the state—small, medium, and large districts—were losing funding under the new structure.

While changes to the way the state funds schools included a specific provision (E2SSB 6362) that districts shall not lose funding under this legislation—a “hold harmless” provision—data show that 93 school districts, including small, medium, and large districts, are incurring funding losses as a result of legislative changes; another 22 saw only negligible funding increases.

WHAT IS CAUSING THE SHORTFALL?

Funding losses are being incurred by districts because additional state funding did not offset the reduction in local levies, which were reduced by \$1.1 billion. These changes have resulted in the need for many school districts to dip deep into their reserves and consider deep cuts to staff and programming to maintain financial sustainability.

Additionally, many school districts are facing the challenge of transitioning from a variable teacher salary allocation model to the new fixed state salary allocation of \$65,216. The previous state funding allocation structure recognized that professional educator staff are paid on the basis of education and experience. The current model utilizes a one-size-fits-all state allocation for teacher salaries, which only funds a portion of the actual salaries of

educators with training and years of experience above the state average. School districts must bridge the funding gap for the new and increased amount not covered by the state under the current structure.

THE SOLUTION

The WASA workgroup spent significant time researching and drafting a solution designed to serve as a short-term bridge to a future legislative funding fix. The proposed solution would:

- Increase state funding for 115 districts negatively impacted by legislative changes (93 incurring funding losses and another 22 that saw negligible funding increases) to get them to a financial break-even point, plus add an increase in basic education operating revenue based on the Annual Implicit Price Deflator (IPD), which accounts for inflation.
- Expand the state's experience factor eligibility criteria to include districts that exceed the statewide average for teacher years of experience by 15%.

The proposed solution, including the "hold harmless" provision, the IPD increase to basic education operating revenue, and an increase in the state's "experience factor" criteria would cost approximately \$123 million.

This cost is negligible when compared to the \$1.1 billion lost in local levy funding under changes to the way education is funded in the state of Washington.

FOR MORE INFORMATION

- [Executive Summary](#)
- [List of Affected Districts](#)
- [Frequently Asked Questions](#)
- [Background and Talking Points](#)
- [Detail Analysis by District \(Excel Document\)](#)

CONTACT

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