

## SB 5063, the Kids First Act Prioritizing State Revenue Growth for Education Programs

Testimony before the Senate Ways and Means Committee, January 13, 2015

By Paul Guppy, Vice President for Research

### Introduction

Senate Bill 5063, the Kids First Act, is sponsored by Senator Andy Hill (R-Redmond) and seeks to reverse the thirty-year trend in the state General Fund budget of increases in non-education spending growing at a faster rate than increases in education spending.

The bill would place a priority on funding K-12 public schools, early learning programs and higher education by devoting two-thirds of future increases in spending to these programs and one-third of future spending increases to other programs in the budget.

More specifically, this plan would prioritize K-12 education spending in a manner designed to best improve student outcomes, make college more affordable while increasing bachelor and graduate degrees in science, technology, engineering and mathematics. Additionally, the bill would raise the rate of spending increase on state preschool and early learning programs.

If passed by the legislature the bill would be sent to voters and, if approved at the ballot box, would be in effect for 10 years.

### Overview of education spending in Washington state

State revenue for 2015-17 is forecast to reach \$36.8 billion, an increase of nearly \$3 billion (8.6 percent) over the last biennium, providing sufficient revenue

for maintenance-level funding for state programs, including significant increases in spending on public education.<sup>1</sup>

Washington public schools enroll just over one million students, who attend 2,212 public schools in 295 school districts that employ 103,000 teachers and other workers. Public school teachers must join the WEA union as a condition of employment. When union executives inform district officials that a teacher is not in good standing with the union, the teacher must be fired.

In addition, 10 charter schools are scheduled to open in Washington. Charter schools are tuition-free public schools in which children are enrolled by parents on a voluntary basis, rather than children being assigned to a school by district administrators. Teachers at charter schools are not required to join a union as a condition of employment.

State spending on public education is \$15.26 billion in the 2013-15 budget, an increase of 12.7 percent over the previous budget. Average public education spending in 2015 from all sources is \$11,300 per student, more than the tuition at many private schools.<sup>2</sup>

- 1 "State projects modest revenue increase as economic recovery continues," Ralph Thomas, press release, Office of Financial Management, November 19, 2014, at [www.ofm.wa.gov/news/release/2014/141119.asp](http://www.ofm.wa.gov/news/release/2014/141119.asp).
- 2 E-mail from Michael Mann, Managing Consultant, Legislative Evaluation and Accountability Program (LEAP), January 13, 2015, copy available on request.

Enrollment in public community colleges, technical colleges and four-year universities is about 400,000 students.<sup>3</sup> State spending for higher education is \$3.09 billion in 2013-15.<sup>4</sup>

On January 13th the Senate Ways and Means Committee held a hearing on SB 5063. The following is the testimony Washington Policy Center provided.<sup>5</sup>

### Paul Guppy

“My name is Paul Guppy and I am the Research Director for the Washington Policy Center. I appreciate the opportunity to be here. We support this idea because it does make funding education the top priority.

The irony from a policy point of view is that, if it were not for the *McCleary* decision, we would not support this policy. We would support full flexibility on the part of the people’s elected representatives to fund education. But it has been three years now that the supreme court has pretty aggressively sent a signal to the legislature that lawmakers are not meeting the paramount duty for funding education.

What we like about this proposal is that this bill puts that question to rest. It says to the courts we are making funding education the paramount duty, the top priority for lawmakers, and that other parts of the budget, which is what you are hearing about today, that debate going on, will be considered **after** education has been funded because it is the paramount

duty. That is what the courts said under *McCleary*.

That is the divisive debate that has gone on in the state for over three years and we think that this bill deals with that. The additional points are that it continues to allow reforms in education in the way money is spent to get those outcomes that Stand for Children is concerned about, that parents are concerned about. The bill only addresses revenue increases in the future, so there are no cuts in existing programs and, as the staff briefing showed, there would be significant increases in every area of the budget, but the priority would go to education.

And finally, it helps assure the public that the legislature is re-asserting the role of elected representatives over education policy, and also putting in context any new taxes that are proposed in the future would not be for education because it is already funded. The bill makes clear that new tax initiatives would be for other programs within the government. Thank you.”

### Senator Hewitt

“Thank you Mr. Chair. Paul, I am going to remind people that we also get initiatives that come to us without funding, this last one is a two billion dollar hit. But I would also like to have you speak if you could to some of the concerns that others have that this money would be shifting to education and it would be up to legislators to figure out how to do mental health and the incidentals that we have, parks, corrections and so on. If you could, maybe quickly talk about that because I think that is a legitimate concern for a lot of people.”

### Paul Guppy

“Sure, and that makes sense. The proposal would first have to go to the voters, so this would be an initiative passed by the entire state. It would set the priority of funding education, but again it only

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3 “Key Facts about Higher Education in Washington State, 2012,” Washington Higher Education Coordinating Board, page vii, at [wsac.wa.gov/sites/default/files/KeyFacts2012.pdf](http://wsac.wa.gov/sites/default/files/KeyFacts2012.pdf).

4 “2013-15 Omnibus Budget – 2014 Supplemental, Operating Budget, Near General Fund-State and Opportunity Pathways,” Washington State Fiscal Information, at [fiscal.wa.gov/BudgetO.aspx](http://fiscal.wa.gov/BudgetO.aspx).

5 TVW, [tvw.org/index.php?option=com\\_tvplayer&eventID=2015010081](http://tvw.org/index.php?option=com_tvplayer&eventID=2015010081), at 1:27:33.

addresses revenue increases in the future and, as you know, the good news for the legislature right now is an 8.6 percent increase in revenue over the past budget. That gives plenty of cushion and lee-way to fund all aspects of the government that need to be funded.

Then there are the caveats that were described earlier, if there is an extraordinary increase in caseloads, those are in the proposal now. But again, as lawmakers know, even an initiative that is passed by the voters can be amended after two years, and this is a ten-year proposal. So if there are budget cycles in the future

in which even the two-thirds/one-third formula [to fund education] is not working for whatever reason, the legislature can amend it at that time, after the two-year window has passed.”

More information on the bill is available at WPC’s [www.washingtonvotes.org](http://www.washingtonvotes.org). The full January 13th Senate Ways and Means Committee hearing is available at [TVW.org](http://TVW.org).

*Paul Guppy is  
Washington Policy Center’s  
Vice President for Research.*

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