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January 18, 2019

Honorable 12th District Legislative Representatives

Brad Hawkins, Mike Steele, Keith Goehner

Dear Legislators,

As leaders governing the Wenatchee School District we are reaching out to you regarding the looming financial crisis that we are experiencing in Wenatchee as a result of the implementation of HB 2242 and E2SSB 6362. We believe that we are not alone in our concerns, and that school districts across our region and throughout the state are experiencing the same financial shortfalls.

The Legislature has provided significant increases in K-12 education funding to comply with the McCleary decision and we greatly appreciate the major financial investment that has been provided to our school district; however, the Legislature must provide equitable funding to all school districts and we feel that portions of the new education funding model need to be addressed and revised.

The following areas within the new funding model are contributing to the budget shortfalls in Wenatchee:

- The cap on local levies will reduce our collection from \$2.91 to \$1.50 per \$1,000 of assessed property value, resulting in a loss of \$5.6 million in revenues. When combined with the anticipated loss of Local Effort Assistance (LEA) of \$1.2 million, we will experience a combined loss of \$6.8 million.
- The state funding increase to offset the loss of our Levy/LEA revenue did not keep pace with the escalation in costs.
- The eventual loss of Wenatchee's 1.06 Regionalization allocation will result in a loss of \$3.2 million over time. Please consider changing to a fixed allocation model.
- Implementation of the School Employees Benefit Board (SEBB) is expected to significantly increase the use of local district revenues due to the increase in cost per employee and decrease in number of minimum work hours to qualify for benefits. We respectfully asked for reconsideration of SEBB funding rules to fully fund all state funded positions and to research how to better control costs within SEBB prior to implementation. Consider delaying implementation of (SEBB) in the event the Legislature is not able to ensure there will be no additional financial impact.

In addition to the above factors we would also like you to consider the following:

- Consider returning the Mix Factor for funding certificated positions to help match staff costs to funding and restore greater certainty in budgeting of staffing costs.
- Consider delaying K-3 class size compliance for one to two years to allow districts to adjust to the new funding model impacts. Potential impact of compliance is estimated to be \$500 thousand dollars for Wenatchee.
- Consider enhancement to state-funded staff allocations for school nurses, psychologists, social workers, guidance counselors and School Resource Officers. The loss of levy funding, combined with the current staffing allocations from the state, will make it very difficult to maintain the current level of services to meet the needs of students in our district.

The Wenatchee School District is currently in the process of reducing \$5.2 million from our 2019-2020 budget. These reductions will have a detrimental impact on our districts ability to maintain the current level of quality educational programs and services to our students.

On behalf of the Wenatchee school board, students, and staff we ask for your immediate attention to these matters, and we greatly appreciate your continued support and advocacy for the education of students in the 12th District.

Sincerely,

Sunny Hemphill
Board President