

## SB 5563, to provide extra money to school districts for students who have left the system

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### Key Findings

1. **SB 5563 would provide districts “stabilization” funding based on 2019 student enrollment counts.**
2. **Over 41,000 families have withdrawn their children from the public school system since 2019.**
3. **SB 5563 would provide about \$500 million to districts for students who are no longer in the public system.**
4. **K-12 school funding is not unstable, and each year receives \$17.5 billion in total state, federal and local funding, about \$16,800 per student.**
5. **The COVID school shutdown has driven families out of the public schools, and destabilized the learning of students.**
6. **Seventy percent of Washington’s students failed the state math test in November 2021.**
7. **HB 1633, sponsored by Representative James Walsh, would give 100,000 families \$10,000 to educate their children at a private school or in a homeschool.**
8. **Lawmakers should direct education funding to students, not to a system with declining enrollment.**

### Introduction

SB 5563 would provide so-called “stabilization” funding to school districts in Washington based not on the current need to educate students but on the pre-COVID level of “2019 enrollment numbers.” The bill

would require the state to spend extra money on students who are no longer in the public system. Official numbers show over 41,000 families have withdrawn their children from the public schools since 2019.<sup>1</sup>

SB 5563 has no fiscal note, and provides no hard spending figures, but state superintendent Chris Reykdal, says his office will seek a minimum of \$500 million in extra funding for districts that are no longer educating students who have withdrawn from the schools.<sup>2</sup>

### School district funding is stable and ample

Public schools have plenty of money. The education budget is \$17.5 billion a year, the highest level ever. Teacher pay and benefits now average \$120,000 a year, and schools receive \$16,800 per enrolled student, more than the tuition at most private schools.<sup>3</sup>

In addition to current ample funding, in 2020 the public schools in Washington state received \$2.894 billion in federal COVID relief funding.<sup>4</sup> According to Governor Inslee, about

1 “Kindergarten through grade 12 (K-12) enrollment, K-12 Enrollment,” Office of Financial Management, at <https://ofm.wa.gov/washington-data-research/statewide-data/washington-trends/budget-drivers/kindergarten-through-grade-12-k-12-enrollment>.

2 “As Washington state public schools lost students during pandemic, home-schooled population has boomed,” by Dahlia Bazzaz, *The Seattle Times*, November 26, 2021, at <https://www.spokesman.com/stories/2021/nov/26/as-washington-state-public-schools-lost-students-d/>.

3 “Public education spending--Where does the money go? Trends in teacher salary and benefit costs in Washington public schools, 2015-2021,” by Liv Finne, Washington Policy Center, January 6, 2022, at: <https://www.washingtonpolicy.org/publications/detail/public-education-spending-where-does-the-money-go>.

4 “Washington’s public K-12 schools will receive \$1.853 billion from ARP Act (on top of \$1.042 billion previously appropriated by Congress,” Emily Makings, *Washington State Wire*, March 15, 2021, at <https://washingtonstatewire.com/washingtons-public-k-12-schools-will-receive-1-853-billion-from-arp-act-on-top-of-1-042-billion-previously-appropriated-by-congress/>.

\$1.3 billion of these funds have not yet been spent.<sup>5</sup>

Districts also have ample funds in reserve. In 2020-21, school districts held \$1.49 billion in reserve funds, larger than the endowment at most private universities.<sup>6</sup>

### Closing public schools delayed child development and drove families away

On March 12, 2020, Governor Inslee ordered all the schools in Washington state to be shut down. Unlike leaders in other states and other countries, Washington’s public schools were closed for a full 13 months, creating large delays in child education and development. Meanwhile, private schools and charter public schools opened to personal instruction much sooner, yet are not slated to receive extra funding under the proposed bill.

The long-term shuttering of schools cuts in-person instruction and the shift to online learning imposed a difficult burden on families. Young children, in particular, did not adapt well to isolated computer instruction. Socialization, healthy personal interaction with trusted adults, and other important child developmental stages were halted or delayed.

Falling academic standards (see chart) and divisive CRT mandates caused further frictions, incentivizing families to seek learning alternatives outside the traditional public system.

### Academic test scores have plummeted; 70% of students fail state math test

The public schools administered state tests in reading and math in the Fall of 2021, the first statewide tests to measure student COVID learning losses. These tests show that all Washington students, in every demographic and income group, have fallen behind the state’s academic standards in their learning:

## Smarter Balanced Assessment Results, Fall 2021

### Math - Students Met Standard:

	Spring '19	Fall '21
All	47%	30%
White	55.7%	35%
Asian	73.9%	58%
Hispanic	31.4%	15%
Black	27.9%	13%
Native American	25.8%	10%
Low Income	32.2%	15%
Special Ed	15.9%	8%

### English – Students Met Standard:

	Spring '19	Fall '21
All	60%	47%
White	67%	54%
Asian	77.9%	67%
Hispanic	42.4%	31%
Black	41.6%	31%
Native American	35.9%	23%
Low Income	43.1%	31%
Special Ed	20.8%	16%

### Closed schools destabilized the lives of students and families

Students and families, not school districts, have suffered most from closed schools. Families have pulled their children out of the public schools because of their inconsistent and unpredictable responses to the COVID challenge. Families are discouraged for many reasons, including:

1. State data shows dramatic learning losses in reading and math.
2. The mental health of many students has been harmed by the lack of a

<sup>5</sup> “Proposed 2022 Supplemental Budget and Policy Highlights,” Office of Governor Jay Inslee, page 2, December 2021: [https://www.governor.wa.gov/sites/default/files/2022\\_Supplemental\\_Budget\\_wBudgetSummaryTable\\_12-15.pdf](https://www.governor.wa.gov/sites/default/files/2022_Supplemental_Budget_wBudgetSummaryTable_12-15.pdf).

<sup>6</sup> “Workload/Staffing/Finance, Statewide Report, 2020-21,” by Washington State [fiscal.wa.gov](http://fiscal.wa.gov), K-12 School District Finance Data, at: <http://fiscal.wa.gov/K12.aspx>.

predictable and structured school environment.

3. Harmful and divisive concepts related to Critical Race theory, teaching children a negative self-image because of the color of their skin.

In response, 41,482 families in Washington state have withdrawn their children. They have taken on the burden of educating their children themselves, assuming a double burden. They pay property taxes and other taxes to support the public schools, and they pay the added cost of homeschooling or private school tuition because of the poor response of the state to the COVID challenge.

### **Traditional funding approaches have failed**

For decades legislatures have funded programs intended to help children catch up in school. This approach has failed, despite spending millions of dollars on these programs each year. The achievement/opportunity gap between low-income, minority children and their peers remains stubbornly large, and public schools continue to have a high drop-out rate.

The impact of closing schools during the pandemic has made matters worse. Test scores show that low income, minority children have been hardest hit by having their schools closed. Experience shows the public schools cannot be relied upon to help this vulnerable population of children catch up in school.

### **Policy recommendation: funding should follow the child**

Amid the COVID crisis, lawmakers in forward-looking states are providing flexible funding that follows the child. There are pioneering bills in Washington that would do the same thing – putting the focus on helping children learn, no matter where they are.

The state should provide direct aid to families for student learning loss during the pandemic, in the form of scholarships and grants to help cover the cost of private tutoring and private school tuition. Lawmakers should

direct education funding to students, not to a system with declining enrollment.

The best bill offered by the state legislature this year for this purpose is HB 1633, sponsored by Representative James Walsh. This bill would give 100,000 families \$10,000 to educate their children at a private school or in a homeschool.

### **Conclusion**

SB 5563 would fund public school district budgets for a pre-COVID system that no longer exists. The bill would spend as much as \$500 million to fund the education of students who are no longer there. The legislature should not decouple school funding from student enrollment, and it should certainly not devote extra tax money to a system with declining budget needs.

Given high funding levels, it doesn't make sense to give school districts extra money for students who have left. With looming inflation and the tax burden at record highs, state officials should not provide funding for empty classroom seats. The public wants to provide funding for students, not for idle desks, vacant classrooms and empty hallways. Washington lawmakers should direct education funding to the students, not to systems with declining enrollment.

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