

2017 LEGISLATIVE REPORT

A PUBLICATION OF THE WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

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Table of Contents

2017 Session Overview.....	1
Special Focus: EHB 2242.....	8
2017–19 Operating Budget:	
SSB 5883.....	30
Budget Details: K–12 Enhancements.....	34
Budget Details: K–12 Reductions or “Savings”.....	38
Additional Details.....	39
Budget Details: State Agency Adjustments.....	43
2017–19 Capital Budget:	
ESSB 5965.....	45
Education-Related Bills	
that Passed—Titles.....	48
Education-Related Bills	
that Passed.....	49
Education-Related Bills	
that Died—Titles.....	78
Education-Related Bills	
that Died.....	81
Heath Care, Pensions, Financials, and	
Other Issues.....	101
Alliance of Educational	
Associations.....	106
WASA’s 2017 Legislative	
Platform.....	114

2017 Session Overview

Dan Steele, Assistant Executive Director, Government Relations, WASA

The 2017 Legislative Session was a wild ride. How can it be described? Here’s a start: Long. Partisan. Contentious. Opaque.

Long. Sessions in the odd-numbered years are considered budget sessions, wherein the two-year Operating, Capital, and Transportation Budgets are written and adopted. They are also known as the “long” session, limited to 105 days, whereas the even-numbered, “short” sessions are limited to 60 days. Unfortunately, “long” does not adequately describe the 2017 Session. Convened on January 9, the first session of the 65th Biennial Legislature did not adjourn until July 23 (and technically their business is not yet done; more on that later). That is a full Regular Session and three 30-day Special Sessions lasting a record-breaking 193 days. (Note: because the end of the First Special Session overlapped the start of the Second Special Session and the end of the Second Special Session overlapped beginning of the Third Special Session, two days were shaved off the schedule.) The 193-day session shattered the previous record for longest session: 176 days, just two years ago in 2015. Let’s hope this record lasts longer than the previous one.

Partisan. Once again, Washington had a split Legislature, with thin majorities in each house. It was status quo in the House, with Democrats continuing to control with 50 members to the Republican’s 48 members. In the Senate, the Republicans lost their numerical majority to the Democrats. Following the November election, Republicans held 24 seats, while Democrats held 25 seats. One dissident Democrat continues to caucus with Republicans, however, so the Republican-led “Majority Coalition Caucus” continued to reign, with 25 members to the minority Democrat’s 24 members.

Split control set up a series of partisan political spats; however, each side dug in their heels more than ever before. For example, Senate and House budgets were adopted in late March, but negotiations did not begin in earnest until the end of the First Special Session. And even then, legislators in both houses spent considerable energy playing the blame game in the media. Perhaps the biggest example is the partisan power struggle that killed the Capital Budget. An unrelated water rights issue (*Hirst*) was a priority of Senate Republicans and they publicly stated they were going to hold the Capital Budget hostage and use the issue as leverage against the Democrats. Neither side has backed down, resulting in an

interim with no Capital Budget. Over \$1.0 billion in new K–12 projects have been held up—along with a series of other projects from previous biennia. (For more details, see the Capital Budget section later in this Report.)

Contentious. You can expect some partisan bickering during any legislative session, regardless of who is in control; however, the level of antagonism towards the opposite party was at an all-time high. PR machines in all four caucuses (and the governor’s office) were working overtime pumping out ammunition to attack “the other side.” Issuing a press release about the bill you just advanced is one thing, but pushing out, rapid-fire, Tweets and Facebook messages to belittle your opponents does little to engender compromise, goodwill, or cooperation. For example, during the latter part of the session (and even continuing in the interim) *Hirst*-related messages from all sides filled the Internet. Someone would Tweet, “Thousands of projects at risk because Republicans are holding up \$4 billion Capital Budget!” And an immediate counterpunch would be posted, “Thousands of homeowners without water because Democrats are holding up *Hirst* fix!” Round and round, it would go.

The 2017 Session was perhaps the most partisan and contentious session this writer has ever seen. The next time a legislator boasts that the Washington Legislature does not play politics like “the other Washington,” they should look in the mirror and remember 193 bitter days in 2017.

Opaque. The Open Public Meetings Act (OPMA) and the Public Records Act (PRA) are considered sacrosanct in Washington. OPMA and PRA requires state and local government (including school districts) to conduct their business in full view of the citizens they represent. The underlying issue is transparency.

It is interesting that the Legislature is exempt from most facets of OPMA and PRA. There may be legitimate reasons for those exemptions; however, the issue again is transparency. In an effort to force transparency, Joint Rules (Rule 17) of the Senate and House of Representatives require all Conference Committee meetings to provide notice of times and locations and those meetings are open to the public. Unfortunately, in recent years legislators have circumvented this rule by simply negotiating bills behind-closed-doors without ever forming a formal Conference Committee.

This year, negotiations on the 2017–19 Operating Budget were driven so far underground no one—lobbyists, the press, other legislators, or the public—knew when or if negotiations were even occurring. We had to rely on cryptic, half-answers in semi-regular media availabilities. And when it became clear negotiations had begun, there was NO clarity on what issues were even being discussed, let alone what issues were being agreed upon or what issues continued to be major disputes.

The privacy of the Education Funding Plan negotiations was even more disconcerting. Eight legislators were locked in a room negotiating on a once-in-a-generation overhaul of K–12 education. Superintendents and business managers

pleaded with legislators to be used as a resource, but educators (and everyone else) were shut out of the process. And the result is a piece of legislation that is bursting with inconsistencies, unanswered questions, and errors.

The fact that the final budget was released on the final day of the fiscal biennium and was rushed through the process without allowing the public or the press (or even legislators) to read and review the document is alarming. And releasing a monumental transformation of education funding (40 years in the making) with 24 hours to review is just as alarming—if not more so.

2017: The Year of *McCleary*

The 2016 Legislature convened under a cloud of a Contempt of Court Order—accompanied by a \$100,000 per day sanction—issued by the Supreme Court for failing (repeatedly) to submit an ordered funding plan to comply with the 2012 *McCleary* decision. Legislation declared to embody the required *McCleary* plan was introduced early in the session. That bill, E2SSB 6195, turned out to be more of a “plan to plan,” requiring further study, instead of a proposal that established any specific plan. The bill was adopted by both houses and signed by the governor. The new law established a new Education Funding Task Force and charged them with providing a series of recommendations to implement the state’s program of basic education. Recommendations from the Task Force, along with any supporting legislation, were to be submitted to the Legislature by January 9, 2017—the first day of session.

Following the 2016 Session, the state’s required post-budget *McCleary* progress report was submitted to the Supreme Court on May 18, 2016. The first sentence of the report declared, “The State has complied with the Court’s orders to submit a plan for achieving compliance with Article IX, Section 1 of the Washington Constitution.” The remainder of the report provided arguments why the Contempt Order should be dissolved and the imposition of sanctions should be terminated. Rather than consenting to the State’s request, the Court responded by summoning the parties to appear before the Court on September 7, 2016, for oral arguments to address: “(1) what remains to be done to timely achieve constitutional compliance, (2) how much it is expected to cost, (3) how the State intends to fund it, and (4) what significance, if any, the Court should attach to E2SSB 6195 in determining compliance with the Court’s order to provide a complete plan.”

After the hearing, on October 6, the Court released a new Order. The Court stated that E2SSB 6195’s “call for further study and recommendations does not constitute a plan demonstrating how the State will meet its constitutional obligation.” At the same time, the Court acknowledged the Legislature’s adopted commitment to meet its paramount duty by the end of the 2017 Session, but firmly stated: “A pledge, regardless of good intentions, is still not a plan.” Ultimately, the Court ordered that the Contempt Order against the state and the \$100,000 per day sanctions continue until a “complete legislative plan demonstrating how [the State] will fully comply” with the constitutional

paramount duty is adopted. Additionally, they clarified the sanctions must be specifically “paid into a segregated account for the benefit of basic education.”

The Court also clarified the “2018” deadline to fully comply with the Court’s decision. Justices clarified: “The State has until September 1, 2018, to fully implement its program of basic education.” While this clarification was a bit of a loss, the Court’s further clarification was a big win. September 1, 2018 is the ultimate deadline; however, the Court noted the remaining details of the basic education program “must be in place by the final adjournment of the 2017 Legislative Session.” Those details must include “funding sources and the necessary appropriations for the 2017–19 biennium.” This means the 2017 session was the Legislature’s last opportunity to solve the *McCleary* problem.

Unfortunately, the 2017 Session started roughly. On the first day of the session, the Education Funding Task Force met to discuss its required recommendations, but due to partisan bickering, no recommendations were adopted. After eight months of work, the Task Force had nothing to show for it. The Task Force was set to provide the Legislature with some guidance, but the failure to provide recommendations made the effort to reach a final *McCleary* solution more difficult.

Rather than starting from a set of bi-partisan recommendations, the four caucuses were left to fend for themselves. And the Education Funding Plans that came forward were purely partisan proposals. The Senate Republicans introduced SB 5607 (later revised by SB 5875) and pushed it hard. The House and Senate Democrats introduced HB 1843/SB 5623 (later replaced by HB 2185). The two plans were so far apart there was no apparent way to meld them together into one final plan. A group of moderate Democrats in the Senate introduced another plan, SB 5825, in an effort to find a “middle way” and influence a final package. The House Republicans also drafted a plan; however, it was never officially introduced or otherwise released. House GOP Leadership was scheduled to publicly unveil their proposal, but after briefing their Senate colleagues, a public release never occurred. It was clear that Senate Leadership did not want their colleagues introducing a plan that veered from their own.

With multiple legislative plans on the table (including a proposal introduced by Governor Inslee as a part of his 2017–19 budget request), the Local Funding Workgroup stepped up its advocacy efforts. The Workgroup, established by WASBO and WASA in 2014, expanded last year to include school directors (WSSDA), HR directors (WSPA), school principals (AWSP), and maintenance officials and nutrition staff (AEA), and now represents nearly 8,000 school district leaders. Workgroup members analyzed each proposal and developed a common set of recommendations which were disseminated to each of our memberships. Collectively and individually, we pushed the recommendations to as many legislators as possible.

When the final Education Funding Plan was released, it was clear there were issues which we positively influenced (maintenance of the Prototypical School

Funding Model, for example); and areas in which we lost (elimination of the Salary Allocation Model and staff mix, for example). Now that the plan has been adopted and is law, the Local Funding Workgroup is continuing to engage to fully analyze EHB 2242 to offer assistance to school districts, as well as develop a comprehensive list of issues which need to be “fixed” in the 2018 Session.

Other Issues

The Operating Budget and the *McCleary* Funding Plan were the main focus of WASA this session; however, there were other issues which we addressed, including some success stories.

High School Assessments. The issue of High School graduation requirements continued to be hotly debated this session. In simple terms, there were two camps: those that supported a full decoupling of all three High School assessments (English Language Arts, Mathematics, and Biology) from the graduation requirement; and those that only supported a delay in the Biology assessment. Most House Democrats and Republicans supported the full de-link, while Senate Republicans supported the Biology delay only option.

Eight different bills were introduced that took several different approaches to the current graduation requirement. The full de-link and the Biology delay, however, were the two issues that gained the most attention and action. Towards the end of the Second Special Session, Superintendent Reykdal proposed a “third way.” Working with legislators behind-the-scenes, ESHB 2224 was able to garner the necessary support to pass both houses (with no dissenting votes). The bill delays the Biology/Science assessment until 2021; and allows students who fail to meet standard on the ELA and/or Mathematics assessment to appeal to have the requirements waived. Amendments are made to the current assessment system as well: assessments are moved from the 11th to the 10th grade; the Collection of Evidence alternative is eliminated; and additional details are added to the currently required High School and Beyond Plan.

Public Records Act. WASA continues to be a member of a Local Government Coalition comprised of associations representing Cities, Counties, Ports, Public Utilities Districts, Libraries, Fire Commissioners, and others. The Coalition collectively advocates on behalf of issues of common interest, including public works and bid laws, elections, the Open Public Meetings Act, and the Public Records Act (PRA). For several years, the Coalition has been strongly focused on legislation to reduce the burden of Public Records Act requests on local governments. While we have had some minor success, and brought attention to the issue, we have been unable to push a bill through the entire process. This year, two bills were passed. HB 1594 is an attempt to improve the administration of public records. The Attorney General is directed to establish a consultation program to assist local governments with best practices for managing public records requests; and the Division of Archives and Records Management is required to provide training to local agencies on records retention practices.

The second bill, HB 1595, addresses the growing costs to local governments responding to public records requests. The bill amends PRA and authorizes local governments and agencies to charge for providing copies of electronically produced public records. It also makes changes to PRA to help eliminate harassing requests.

School Siting. The long journey to authorize schools to be sited outside of an Urban Growth Area (UGA) under the Growth Management Act (GMA) may finally be ending. After several years, legislation (ESHB 1017) was finally adopted to allow additional siting options. Unfortunately, Governor Inslee vetoed a section of the bill which would have expanded its provisions to all school districts in all counties. Following the veto, ESHB 1017 was limited to assisting school districts in Pierce County only.

As the Special Sessions continued, efforts continued to secure a second bill. Governor Inslee had a specific set of requests in any future bill; however, he struck a deal to secure one of his priorities—creation of a new Department of Children, Youth, and Families—and backed off his demands on a school siting bill. HB 2243 was adopted, ensuring that all school districts in all counties could site schools outside designated UGAs under certain circumstances. Language in the bill requires counties and cities to concur with a school district's request, so this may not be a fix for some school districts; however, adopting not just one, but two bills on school siting is a huge accomplishment.

Next Steps

Capital Budget. As noted above, the 2017 Legislature's job is not yet complete. A 2017–19 Capital Budget failed to be adopted, leaving over \$1.0 billion for school facilities on the table. (More details are available in the Capital Budget section later in this Report.) Negotiators continue to meet on a *Hirst* fix; however, it appears there has been little progress. We are hoping that negotiators quickly come to a resolution, allowing a Capital Budget to be adopted—or that legislators ultimately decide to break the link between water rights and capital construction.

WASA has joined with WSSDA and the Construction Services Group at ESD 112 to provide material about the current Capital Budget delay. We developed a one-pager to provide some quick information about the current situation and what it means to school construction. We encourage you to share this with your school board, your constituents, and your legislators. We also encourage you to provide your questions or concerns about the impacts on your district at a website our three organizations have created: www.WASchoolConstruction.org. The website is a place you can find the Capital Budget delay document, submit your questions, and gather additional information.

McCleary. The State has filed its required post-budget compliance report with the Supreme Court. In short, they claim that EHB 2242, coupled with funding in the 2017–19 Operating Budget, fully complies with the Court's directives, fully funds basic education, and complies with the constitutional paramount duty.

Editor's Note:

My thanks to Bill Keim, Helene Paroff, John Dekker, Andy Wolf, Mike Brophy (Legislation & Finance Committee Chair), Lois Davies (WASA President), Steve Webb (WASA President-elect), Fred Yancey (Pensions/Health Benefits Consultant), Mitch Denning (AEA), Jim Shoemaker & Melissa Gombosky (AESD), the ESD Superintendents, and members of WASA's Legislation & Finance Committee (see page 114) for participating in the weekly conference calls, and to WASA members for participating in our advocacy efforts by reading *TWIO*, contacting legislators, and engaging with your communities in support of Washington's students and public schools. Together, we can—and did—make a difference!

Thank you also to our WASBO colleagues, retiring WASBO Executive Director Nancy Moffatt and Legislative Affairs Committee Co-Chairs Corine Pennington and Linda McDermott. A special thank you to Stephen Nielsen for continuing to guide the work of the Local Funding Workgroup. Our joint efforts again proved to be useful—and will continue to be necessary as we continue to unpack EHB 2242.

Additional thanks go to my WASA staff colleagues for their support, in particular Sheila Chard for her steadfast and ever-reliable assistance, good humor, humility, and friendship.

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They request the Court to relinquish jurisdiction of the case, remove the current Contempt Order, and eliminate the \$100,000 per day sanctions.

The Network for Excellence in Washington Schools (NEWS), the plaintiffs in the case, will respond to the State's claims on August 30. You can be sure NEWS will have a different opinion about whether the case is finished or not. The State then has an opportunity to reply to the NEWS brief on September 8. After that it is up to the Court to act; they have no schedule or deadline. In simple terms, it appears they have two options: determine the Legislature has complied with *McCleary* and relinquish jurisdiction in the case, thus ending *McCleary*; or determine the Legislature has not yet fully complied with *McCleary* and continue jurisdiction in the case. If the Court takes the second path, further sanctions or other Orders would likely be forthcoming. It is assumed if the Court does not immediately relinquish jurisdiction, they would hold a hearing to hear arguments from the parties about next steps.

Advocacy. Advocacy is a year-round effort and the end of the Legislative Session (even when it lasts until mid-July) should not mean the end of school administrators' advocacy activities. Advocacy does not have to be hard—or intimidating. Contact your legislators now (and often) and continue to build good relationships with them. Establish trust and credibility so they will come to you for information and advice.

The new Education Funding Plan will need “adjustments” and much of the 2018 Session (at least for educators) will be about “fixing” EHB 2242. We encourage you to understand what the bill will do—and its impacts on your district. We strongly encourage you to work with your business managers and/or ESD fiscal staff to thoroughly analyze the financial impacts of EHB 2242 on your district. Do not rely on the numbers provided by legislators and be cautious about the numbers provided by OSPI. You know your district's situation better than they do and their assumptions may not comport with your circumstances.

Many (most) legislators believe *McCleary* is “done.” Whether the Supreme Court ends the case or not, the impacts of *McCleary* will continue and it is incumbent on administrators to lead the charge in advocating for necessary corrections. This road has been long and bumpy, but it appears we still have a long way to go. Together, we can find our way “home.”

Special Focus: *McCleary* Education Funding Plan (EHB 2242)

The 2017 Legislature adopted EHB 2242 as its funding plan necessary to comply with the Supreme Court's 2012 *McCleary* decision. The bill is intended to establish an education finance system that ensures the state is fulfilling its constitutional paramount duty by fully funding the actual costs of providing all students with the opportunity to learn, thereby reducing local school districts' overreliance on local levy funding to support the costs of basic education. EHB 2242: revises and increases state salary allocations for education staff; reforms state and local education funding contributions; and increases transparency and accountability of education funding.

The Background

In 2012, when the Supreme Court ruled in the *McCleary* decision that the state was failing to provide ample funding of its constitutional "paramount duty" and, in addition, was forcing an unconstitutional overreliance on school district levies, it set up a protracted fight over education funding—with an ultimate deadline of 2018 (the very same deadline which the Legislature had given itself in adopting ESHB 2261 in 2009, by the way). Having been through this scenario before with *Seattle School District*, the education funding lawsuit which resulted in the Doran decision in the late 70's (and the Legislature's adoption of the Basic Education Act of 1977), the Supreme Court was reluctant to let the case go. Instead, they took the very unique step of retaining jurisdiction in the case to monitor the state's progress in solving the problem. In a follow-up ruling, the Court Ordered annual compliance reports from the state following the adoption of each state budget through 2018.

When the *McCleary* decision was handed down in January of 2012, the Legislature was a bit perplexed about how to comply with the decision—even though many legislators had been assuming a loss in the case and had already been laying the groundwork for a new education funding system with the adoption of ESHB 2261 (2009) and SHB 2776 (2010). These two bills were the roadmap to an updated definition of basic education, along with the necessary new education finance system to ensure implementation. In fact, the Court essentially told the Legislature to simply fully implement ESHB 2261 and SHB 2776 by the deadline they had already established and the state would be well on its way to solving the *McCleary* riddle.

Things were rocky from the start, however. The *McCleary* ruling made by Judge John Erlick in King County Superior Court (in 2010), ordered the state to engage in a study to determine what was needed to amply fund basic education. When the case reached the Supreme Court, both the state and the plaintiffs agreed no more studies were necessary—and the Court struck that part of the decision. Immediately after the Supreme Court issued its decision, however, legislators

determined their first course of action was to do another study and established the Joint Task Force on Education Funding to make recommendations for how the Legislature could meet the requirements of ESHB 2261 and SHB 2776.

The Court was less than impressed and, following the submission of the state's first *McCleary* compliance report, Ordered the next compliance report to "set out the state's plan" for "achieving the state's mandate to fully fund education."

In 2013, the state's required compliance report was silent on the Court's directive to submit a plan, so the Court Ordered it again. In 2014, the state's report acknowledged the Legislature's failure to comply with the Court's 2012 and 2014 Orders; however, they provided a series of excuses why they were unable to comply. In frustration, the Court summoned the parties to a "Show Cause" hearing, wherein the state was supposed explain why they should not be held in Contempt of Court. Following the hearing, justices unanimously found the state to be in contempt; however, the state had promised the Legislature would comply in the 2015 Session. The Court accepted the state's promise and delayed issuing any sanctions.

The 2015 Legislature also failed to adopt the Court-required plan, but rather than hide behind more excuses in its 2015 report, the state took a different tack and tried to explain why a plan was unnecessary. The Court was not swayed and responded with a \$100,000 per day sanction until a complete plan is adopted. The Court, lacking power to force the Legislature back into session to adopt the necessary plan, turned to the governor and encouraged him to "aid in resolving this matter by calling a Special Session."

Governor Inslee declined to call a Special Session and instead convened a "*McCleary* Workgroup" in August 2015 and charged them with coming up with the required plan. Comprised of two members from each of the four legislative political caucuses, the Workgroup met through the end of the year and unveiled its "plan" just prior to the start of the 2016 Session. The Workgroup's plan turned out to be yet another study conducted by a new Education Funding Task Force, which was charged with providing recommendations for the 2017 Session. This so-called plan was adopted as E2SSB 6195. In its 2016 report, the state argued the bill comprised "the plan that complies with the Court's orders."

The Court responded by again summoning the parties to appear before them and explain what significance the Court should attach to E2SSB 6195 in determining compliance with the order to provide a complete plan. Following the hearing, the Court stated that E2SSB 6195's "call for further study and recommendations does not constitute a plan demonstrating how the State will meet its constitutional obligation." The Court did acknowledge the Legislature's adopted commitment to meet its paramount duty by the end of the 2017 Session, but stated: "A pledge, regardless of good intentions, is still not a plan." The Court's October 2016 Order maintained the contempt order and the \$100,000 per day sanctions and specifically clarified the state's deadline to fully implement its program of basic education and comply with the Court's *McCleary* decision is September 1, 2018.

The Court explained, however, that the details of full funding of basic education “must be in place by the final adjournment of the 2017 Legislative Session.” This included “funding sources and the necessary appropriations for the 2017–19 biennium.” This meant 2017 was the last opportunity to solve the *McCleary* problem and setting stage for the 2017 Session.

The 2017 Session

The Education Funding Task Force (EFTF) met regularly from September 2016 until the end of the year in an effort to produce a set of recommendations as required by E2SSB 6195. The recommendations were due on January 9, the first day of the 2017 Session. At the EFTF’s penultimate meeting, plans were laid to release a bi-cameral, bi-partisan set of preliminary recommendations. Unfortunately, Democrats and Republicans ended up introducing independent, partisan proposals. The Democrats unveiled a set of recommendations and a preliminary cost estimate, while the Republicans simply released a set of “guiding principles.”

At the EFTF’s final meeting on January 9, wherein its final report with required recommendations was to be adopted, Republicans introduced a draft report, consisting of a short description of the Task Force’s authorizing legislation, a list of Task Force members, and a list of Task Force meetings. The draft report contained no recommendations—neither the Republican guiding principles, nor the Democrat’s previously introduced recommendations. Democrats attempted to amend the report by adding their recommendations, but that effort failed. Democrats then introduced a similar draft report, which included their recommendations and the Republican’s guiding principles. The motion to accept this report also failed.

So, after eight months of work, the Education Funding Task Force failed to introduce ANY recommendations as required by E2SSB 6195—which the state had used as evidence of the Legislature’s adopted “plan” ordered by the Court. The recommendations were supposed to be a guide for the Legislature as they attempted to fully comply with the *McCleary* decision and the constitution; instead, the final, dreadful Task Force meeting was a foreshadowing of the next 173 days of session.

Throughout the course of the session, multiple Education Funding Plans were introduced. First, the Senate Republicans released SB 5607, later modified by SB 5875. Next the House Democrats presented HB 1843, later replaced by HB 2185. A third legislative proposal, SB 5825, was introduced by a group of moderate Senate Democrats in an effort to present a “middle way.” House Republicans never released a formal proposal or a specific bill. It was clear they had developed their own Education Funding Plan; however, they chose to keep it close to the vest to use as negotiating piece. They were prepared to unveil it until they met with Senate Republicans, who apparently urged them not to publicly release it. (Full details of each proposal are available in *TWIO* [wasa-oly.org/TWIO], so we won’t rehash each package here.)

After each house had adopted its major proposal, overt public action on the bills ceased and negotiations went underground. A reconstituted Education Funding Task Force (with two new members) began to meet regularly behind-the-scenes to negotiate a final, compromise *McCleary* solution. After months of regular negotiating sessions with fits and starts, Task Force members reached a compromise on June 28, near the same time as Operating Budget negotiators completed their compromise efforts (which is not a coincidence, as the two plans are intricately connected).

Below are comprehensive details of Engrossed House Bill 2242, the final, compromise *McCleary* solution, as adopted by the Legislature and signed by Governor Inslee. Next stop: the Supreme Court.

EHB 2242—THE DETAILS

EHB 2242 begins with a simple “intent” section which describes the purpose of the legislation. It reiterates the constitutional—and Supreme Court—directive that “the state must provide education funding that corresponds to the cost of providing all students with the opportunity to learn...”. The bill declares the purpose of EHB 2242 is to “realize the promise” of the reforms embodied in previous education finance reform legislation, ESHB 2261 (2009) and SHB 2776 (2010). The bill is divided into ten distinct, but interrelated, sections which overhaul Washington’s basic education funding system.

Part I: Salary Allocations

The current salary allocation process is maintained through the 2017–18 school year (see [LEAP Document 1](#) and [LEAP Document 2](#)); however, beginning with the 2018–19 school year, the current Salary Allocation Model and the “staff mix” are eliminated. Instead of providing funding based on education attainment and years of service, the state will allocate salary funding to school districts based on minimum statewide average salaries for all three state-funding staffing categories (Certificated Instructional Staff (CIS), Certificated Administrative Staff (CAS), and Classified Staff (CLS)). Salary allocations (as outlined below) are considered sufficient to “hire and retain qualified staff” and are expressly included as an element of the state’s basic education program.

Current average state allocations (School Year 2016–17) are as follows: \$54,062 for CIS; \$61,752 for CAS; and \$33,299 for CLS. Beginning in the 2018–19 school year, the minimum allocated salaries must be increased in equal increments to the following amounts by the 2019–20 school year, adjusted for inflation in the 2017–18 school year: \$64,000 for CIS; \$95,000 for CAS; and \$45,912 for CLS. These minimum allocated salaries are regionalized to reflect regional differences in the cost to recruit and retain staff (as discussed below) and are annually adjusted for inflation. “Inflationary” increases, formerly referred to as Cost of Living Adjustments (COLAs), are to be calculated using the Implicit Price Deflator (IPD) for that Fiscal Year, rather than the previous calendar year’s annual average

Consumer Price Index (CPI) for Seattle, as utilized in current law. For School Year 2017–18 through School Year 2019–20, the inflationary adjustment is built into the incremental phase-in of the specified minimum average salaries.

In order to fully implement the new minimum salary allocations as described above, the Legislature is required to fund fifty percent of the increased salary allocation in the 2018–19 school year and the entire increased salary allocation in the 2019–20 school year. For School Year 2018–19, a district's minimum state allocation for salaries is the greater of the district's 2017–18 state salary allocation, adjusted for inflation, or the district's allocation based on the state salary level as described above (that is, \$64,000 for CIS; \$95,000 for CAS; and \$45,912 for CLS). Additional language specifies that no school district may receive less state salary funding from one year to the next as the result of regional adjustments. During the transition period of implementing EHB 2242, this language guarantees no school district will receive less funding than they would have received under the current law, as of January 1, 2017. This "hold harmless" provision is funded (\$5.0 million in Fiscal Year 2019) in the 2017–19 Operating Budget.

Beginning with the 2019–20 school year, school districts may not pay CIS less than \$40,000 or more than \$90,000 (adjusted for regional differences and adjusted annually by inflation); however, salaries for CIS with five years' experience must be at least ten percent more than the minimum salary. The bill clarifies these minimums and maximums apply to salaries for basic education and exclude supplemental contracts for additional Time, Responsibility, or Incentive (TRI). Note: The "Innovation" category has been eliminated. Also beginning with the 2019–20 school year, each school district must annually identify the actual salary paid to each CIS for services rendered as part of the state's program of basic education.

A district may pay a salary over the specified maximum, up to ten percent, for Educational Staff Associates or for teachers that are teaching in hard-to-staff positions, specifically teaching: in the subjects of Science, Technology, Engineering, or Math (STEM); in the Transitional Bilingual Instructional Program; or in Special Education. It should be noted that, while salaries are allowed to be up to ten percent over the maximum in these subject areas, the state will not provide additional salary allocations for those increased contracts.

While EHB 2242 eliminates the SAM and staff mix, the bill requires OSPI to convene a Technical Working Group to develop a model salary grid for school districts. The intent is to provide a resource for school districts as they develop their own locally determined compensation plans for CIS. While intended to provide guidance to districts in hiring staff based on the allocation methodology, regionalization adjustments, and compensation restrictions in the bill, districts are not required to use the model grid in collective bargaining or to determine actual salaries. OSPI must provide an initial model grid to the Legislature for their review by December 1, 2017.

Regionalization. Beginning with the 2018–19 school year, state allocations for each staffing category must be adjusted for regional differences in the cost of hiring staff. Regionalization factors must be specified in the biennial Operating Budget for each school year through at least School Year 2022–23. For the 2018–19 school year through the 2022–23 school year, the school district regionalization factors are based on the median single-family residential value of each school district and “proximate school district” median single-family residential value. “Proximate school districts” are defined as being within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

For school districts with single-family residential values above the statewide median, regional adjustments (enhancements) will be 6, 12 or 18 percent. Additional adjustments are identified in the biennial Operating Budget. (See [LEAP Document 3](#).) These additional adjustments are partially reduced or eliminated by the 2022–23 school year, as follows: adjustments that increase the regionalization factor greater than 18 percent must be reduced by two percentage points each school year beginning with School Year 2020–21 through 2022–23; adjustments that increase the regionalization factor to a value less than or equal to 18 percent must be reduced by one percentage point each school year beginning with School Year 2020–21 through 2022–23.

Rebasing. To ensure that salary allocations continue to reflect market rates and to ensure regionalization factors reflect actual economic differences between school districts, beginning with the 2023–24 school year and every six years after, the Legislature must review and rebase minimum salary allocations and regionalization adjustments.

Supplemental Contracts. School districts are specifically authorized to pay CIS salaries that exceed the specified amounts noted above only by separate supplemental contracts for additional Time, Responsibility, or Incentive. Beginning with the 2019–20 school year, however, a district may enter supplemental contracts only for activities that meet the new definition of enrichment (as discussed in Part II below). Further, the hourly rate under a supplemental contract may not exceed the hourly basic education salary provided to that same CIS employee.

Beginning September 1, 2017, school districts must annually report to OSPI on supplemental contracts entered into for additional Time, Responsibility, or Incentive. OSPI then is required to summarize the district information and submit an annual report to the Legislature.

Professional Learning Days. Beginning with the 2018–19 school year, funding for Professional Learning Days for CIS will be phased in. Funding will be provided for: one Professional Learning Day in the 2018–19 school year; two Professional Learning Days in the 2019–20 school year; and three Professional Learning Days in the 2020–21 school year. School districts have discretion in how the Professional Learning Days are implemented; however, they must meet the

definitions and standards for professional learning as provided in law (RCW 28A.300.600, 28A.300.602, and 28A.300.604—recodified in Chapter 28A.415 RCW).

As adopted by the Legislature, EHB 2242 limited late start or early release days to no more than seven days during the school year, beginning in the 2019–20 school year. Prior to signing the bill, however, Governor Inslee vetoed this section (Section 106). He stated that educators use this time “for job-embedded professional learning and collaboration” and argued that research shows these activities are “linked to student success.” He also stated, “Limiting practices that improve student achievement goes against the intent of this bill and our goals.”

Part II: Enrichment Levies and LEA

EHB 2242 renames current Maintenance & Operations (M&O) Levies as “Enrichment Levies,” and restricts the use of proceeds for enrichment activities only. Additionally, Transportation Vehicle Levies are renamed “Transportation Vehicle Enrichment Levies.” (Note: Capital Project Levies, Debt Service Fund Levies, and Capital Construction Bond Issues are unchanged.)

Levy Lid. Beginning with taxes levied for collection in Calendar Year 2019, school districts may collect Enrichment Levies based on a new levy lid; no longer will the levy lid be a percentage of a school district’s revenues. A district’s maximum Enrichment Levy will be a rate of \$1.50 per \$1,000 of assessed value of property in the school district or \$2,500 per pupil—whichever is less. The per pupil limit is calculated using the prior year’s average student enrollment and, beginning with taxes levied for collection in 2020, is increased by inflation each year.

Transportation Vehicle Enrichment Levies are not subject to the new levy lid.

Local Effort Assistance. EHB 2242 overhauls the Local Effort Assistance (LEA or levy equalization) program and establishes a new formula. The bill clarifies the Legislature’s intent to continue providing LEA funding to school districts; however, the new law explicitly states, “LEA funding is not a part of the state’s statutory program of basic education, nor are allocations for it part of the district’s basic education allocation.” The stated purpose of LEA is to assist property-poor districts with funding to enhance equity in students’ access to extracurricular activities and similar enrichments.

Similar to current law, a school district must pass a levy in order to qualify for LEA. Additionally, to qualify for LEA, a school district must have a maximum Enrichment Levy that is less than \$1,500 per pupil. School districts that are eligible for LEA but are not levying the maximum allowable levy will receive LEA in proportion to their actual levy collection. LEA will be provided on a per-pupil allocation basis so that the sum of the levy funding and LEA is \$1,500 per pupil. The \$1,500 per pupil LEA maximum will be adjusted for inflation, beginning in Calendar Year 2020.

Beginning September 1, 2019, LEA expenditures are restricted to enrichment purposes, as described below.

Local Revenue Restrictions. Effective with taxes levied for collection in Calendar Year 2020, new limitations on enrichment expenditures apply to Enrichment Levies (including Transportation Vehicle Enrichment Levies), and Local Effort Assistance. New expenditure limitations also apply to all other local revenues including, but not limited to grants, donations, and state and federal payments in lieu of taxes. Local revenues, however, does not include other federal revenue.

Beginning September 1, 2019, school districts may use local revenues only for “documented and demonstrated enrichment of the state’s statutory program of basic education.” To constitute enrichment, a school district expenditure must provide a supplement beyond state:

- Minimum instructional offerings;
- Staffing ratios or program components of basic education (including providing additional staff for class size reduction beyond class sizes allocated in the Prototypical School Model and additional staff beyond the staffing ratios allocated in the Prototypical School formula); or
- Professional learning allocations.

Permitted enrichment activities consist of:

- Extracurricular activities, extended school days, or an extended school year;
- Additional course offerings beyond the minimum basic education instructional program;
- Early learning programs;
- Additional salary costs attributable to the provision or administration of allowed enrichment activities (with further clarification in Part V below); and
- Additional activities or enhancements determined to be a documented and demonstrated enrichment of basic education by OSPI as part of the Enrichment Levy pre-ballot approval process (as discussed below).

OSPI may develop recommendations for expanding the list of specifically permitted enrichment activities to include additional discrete forms of local enrichment. The recommendations may consider existing school district enrichment activities. If OSPI submits recommendations (the law does not specifically require it), the Legislature is required to consider the recommendations in the 2018 Legislative Session and may enact legislation to expand the list of permitted enrichment activities.

Pre-Ballot Approval of Levy Expenditure Plans. ESB 5023 (Levy Cliff Delay) included new levy accountability provisions requiring OSPI to approve of school district levy plans—to ensure levy funds will not be used for basic education

purposes—before those propositions are placed on the ballot. EHB 2242 modified these provisions, postponed the effective date, and established a more detailed approval process. As adopted in EHB 2242, beginning with Enrichment Levies and Transportation Vehicle Enrichment Levies for collection in Calendar Year 2020, a district must receive approval from OSPI of an Enrichment Expenditure Plan before the district may submit the proposition to voters.

School districts must submit an Enrichment Expenditure Plan to OSPI, which then has 30 days to notify the school district whether the spending plan is approved. If OSPI rejects the proposed spending plan, the district may submit a revised spending plan, and OSPI must approve or reject the revised submission within 30 days. OSPI may only approve of a spending plan or revised spending plan if it determines that the Enrichment Levy or Transportation Vehicle Enrichment Levy will be used solely for permitted enrichment activities (as detailed above).

After a district has received voter approval for an Enrichment Levy, a school district may change its spending plan by submitting a revised spending plan to OSPI for review and approval. To revise a previously approved spending plan, the district must provide public notice and an opportunity for review and comment at an open meeting of the school board and the board must adopt the revised spending plan by resolution. The board must then submit the revised plan to OSPI, which has 30 days to respond.

The bill clarifies that, if OSPI has approved Enrichment Levy expenditures for specific purposes, a district may change the relative amounts to be spent on those respective purposes for the same levy in subsequent years without having to first receive approval for the change from OSPI—if the district adopts the change as part of its annual budget proposal.

Part III: State Property Tax

The major new revenue component of the 2017–19 Operating Budget is an increase in the State Property Tax (although it is technically referred to as a Second State Property Tax), also known as the State School’s Tax, as the proceeds from this revenue source are constitutionally dedicated to K–12 education. The increase in the State Property Tax is one-half of the “levy swap” being implemented by EHB 2242 (the second-half being the reduction in local school district levies, as described above).

Beginning with taxes levied for collection in Calendar Years 2018 through 2021, the State Property Tax rate is increased to \$2.70 per \$1,000 of assessed valuation. This is an increase of approximately \$0.81 per \$1,000 above the current effective State Property Tax rate of \$1.89 per \$1,000. Revenues from the new tax must be deposited in the State General Fund for the support of K–12 education.

The current statutory revenue growth limit (that is, the so-called “one percent limit,” which caps year-to-year growth of State Property Tax revenue to the lesser of one percent or the annual growth rate of inflation) does not apply in Calendar

Years 2018 through 2021. Beginning with taxes levied for collection in Calendar Year 2022, the revenue growth limit is restored.

EHB 2242 clarifies that current participants in the Senior Citizen Property Tax Exemption program are also fully exempt from additional State Property Tax rate. Eligible senior citizens must meet age or disability, ownership, residency, and income requirements.

Part IV: Program of Basic Education

Categorical Programs. EHB 2242 maintains the existing Prototypical School Funding Model to drive allocations of state funding for K–12. The following enhancements are made—and funded in the 2017–19 Operating Budget:

- **Learning Assistance Program (LAP):** The minimum allocation for LAP is increased from the current 1.5156 hours per week to 2.3975 hours per week in extra instruction with a class size of fifteen LAP students per teacher.

Additionally, a new LAP allocation is provided to fund an additional 1.1 hours of instruction per week for students in high-poverty schools, wherein at least fifty percent of students are eligible for Free and Reduced-Price Meals. The minimum allocation for this additional high poverty-based allocation must provide resources for each level of Prototypical School to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen LAP students per teacher. School districts are required to distribute the high poverty-based allocation to the schools that generated the funding allocation. This funding must supplement and not supplant the district's expenditures on LAP for those school buildings.

Finally, enhanced LAP instructional hours currently funded in the Operating Budget are codified in the Basic Education Act. LAP terminology is also revised to refer to “students who are not meeting academic standards,” rather than “underachieving students.”

- **Transitional Bilingual Instructional Program (TBIP):** Currently, the minimum allocation for TBIP provides resources sufficient for 4.778 hours per week in extra instruction for all students who are eligible for and enrolled in TBIP. EHB 2242 maintains the current instructional hours for students in kindergarten through grade six, with fifteen TBIP students per teacher, and increases funded instructional hours by two hours to 6.778 hours for Middle and High School students, with fifteen TBIP students per teacher.

Additionally, the minimum allocation for exited students will increase, providing resources sufficient for three hours per week in supplemental instruction and services, with fifteen exited students per teacher. Instructional hours for exited students that are currently specified and funded in the Operating Budget are codified in the Basic Education Act.

- **Highly Capable Program:** The funded enrollment percentage for highly capable students is increased from 2.314 to five percent of each school district's full-time equivalent basic education enrollment. New language also clarifies school district practices for identifying the most highly capable students must prioritize equitable identification of low-income students.
- **Special Education:** The funded enrollment percentage for special education programs is increased from the current 12.7 percent to 13.5 percent of the enrollment in the district.

To ensure the special education safety net process results in sufficient funding for school districts with demonstrated needs for funding in excess of state and federal funding otherwise provided, OSPI is required to review the current safety net process. By November 1, 2018, OSPI must make recommendations on possible adjustments to improve the safety net process and to evaluate the appropriate funding level to meet the safety net's purpose. OSPI must consider and make recommendations on the following:

- ▲ Whether fiscal components in addition to or in place of the fiscal components of community impact and high need students should be considered by the Safety Net Committee when making safety net awards, including:
 - Should a school district be able to access the safety net when a school district's enrollment of students with disabilities exceeds the statutory limit of 13.5 percent;
 - Should the definition and the limitation on the amount provided for high need students be adjusted;
 - Should a district have access to the safety net when it has disproportionate concentrations of students with higher than statewide average costs, but the students do not meet the threshold for high need awards; and
 - How the process can be improved, including how OSPI can best provide technical assistance to school districts that file incomplete applications, and how the timeline can be changed to provide sufficient time for a district to resubmit an incomplete application.

By September 1, 2019, OSPI must also review and revise its special education safety net rules to ensure full and complete implementation of the requirements in the safety net statute.

- **Career & Technical Education (CTE):** CTE class sizes are reduced from 26.57 students per classroom to 23 students per classroom and Skills Center class sizes are reduced from 22.76 students per classroom to 20 students per classroom.

Indirect costs that a school district may spend for administration of CTE activities may not exceed the lower of five percent or the cap established

in federal law for federal CTE funding. New statutory language stipulates that districts must spend the portion of CTE funding that exceeds general education funding on CTE. Permitted uses are specified:

Staff salaries and benefits for CTE program delivery;

- ▲ Materials, Supplies, and Operating Costs;
- ▲ Smaller class sizes;
- ▲ Work-based learning programs such as internships and pre-apprenticeship programs, including coordination tied to CTE coursework;
- ▲ New high quality CTE and expanded learning program development in high-demand fields;
- ▲ Certificated work-based learning coordinators and career guidance advisors;
- ▲ School expenses associated with CTE community partnerships with a career discovery focus, including research- or evidence-based mentoring programs and expanded learning opportunities in school, before or after school, and during the summer, and career-focused education programs with private and public K–12 schools and colleges, community-based organizations and nonprofit organizations, industry partners, tribal governments, and workforce development entities;
- ▲ Student fees for national and state industry-recognized certifications; and
- ▲ Course equivalency development to integrate core learning standards into CTE courses.

Additionally, OSPI must establish methodologies for implementing CTE course equivalency crediting on a broader scale across the state and facilitate its implementation including, but not limited to: implementing statewide CTE course equivalency frameworks for High Schools and Skills Centers in Science, Technology, Engineering, and Mathematics; and providing competitive grant funds to school districts to increase the integration and rigor of academic instruction in CTE equivalency courses.

Beginning in the 2017–18 school year, school districts are required to annually report to OSPI: the number of students participating in state-approved equivalency courses; and the annual number of state-approved equivalency credit courses offered in school districts and Skills Centers. OSPI must annually submit a summary of this school district information to the Legislature, beginning December 1, 2017.

EHB 2242 also directs OSPI to establish a competitive grant process for school districts to apply for grants for the purpose of purchasing CTE equipment, subject to funding in the Operating Budget.

General Apportionment. In addition to the numerous changes in funding of categorical programs, EHB 2242 includes a series of enhancements to basic education general apportionment:

- **Class Size Reduction:** EHB 2242 (as well as the 2017–19 Operating Budget) provide additional resources to fully implement class size reductions in grades kindergarten through three to 17 students per teacher. Compliance language from previous budgets is included in EHB 2242 which clarifies that funding allocations for smaller class sizes in grades K–3 are limited to the “actual demonstrated class sizes in each school district.” This K–3 class size compliance is effective beginning September 1, 2018; there is no K–3 class size compliance for the 2017–18 school year. (Note: After introduction, there was only one amendment made to EHB 2242. The original language would have implemented the K–3 class size compliance beginning September 1, 2017. As amended and adopted, K–3 class size compliance was delayed by one year.)
- **Prototypical Model Enhancements:** Funding for guidance counselors and parent involvement coordinators currently provided in the Operating Budget is codified as a part of the Basic Education Act. Minimum allocations for these positions are also increased. Allocations for Middle School Guidance Counselors increase from 1.116 per prototypical Middle School to 1.216 per prototypical Middle School. Allocations for Elementary School parent involvement coordinators increase from zero to 0.0825 per prototypical Elementary School.

MSOC values are also updated, as follows:

- ▲ Technology, from \$113.80 per annual average FTE student to \$130.76 per annual average FTE student
- ▲ Utilities and Insurance, from \$309.21 to \$355.30
- ▲ Curriculum and Textbooks, from \$122.17 to \$140.39
- ▲ Other Supplies and Library Materials, from \$259.39 to \$298.05
- ▲ Instructional Professional Development, from \$18.89 to \$21.71
- ▲ Facilities Maintenance, from \$153.18 to \$176.01
- ▲ Security and Central Office Administration, from \$106.12 to \$121.94

While EHB 2242 maintains the existing Prototypical School Funding Model, to “promote transparency” OSPI is required to report state per-pupil allocations for each school district for general apportionment, special education, LAP, TBIP, highly capable, and CTE programs. OSPI must also report state general apportionment per-pupil allocations by grade for each school district. This information must be reported by OSPI in a user-friendly format on the main page of OSPI’s website and on school district apportionment reports. School districts must include a link to OSPI’s report on the main page of the school district’s website.

Additionally, budget documents published by the Legislature regarding the Operating Budget must report statewide average per-pupil allocations for general apportionment and the categorical programs discussed above.

Part V: Local Enrichment & Accountability

Local Revenue Restrictions. Beginning September 1, 2019, school districts may use local revenues only for “documented and demonstrated enrichment of the state’s statutory program of basic education,” as detailed in Part II above. In addition to those limitations, Part V clarifies if a school district spends local revenues for salary costs attributable to the administration of enrichment programs, the portion of administrator salaries attributable to that purpose may not exceed the proportion of the district’s local revenues to its other revenues. Further, supplemental contracts for TRI are subject to this same limitation.

Auditor Reviews. Beginning with the 2019–20 school year, the State Auditor’s regular financial audits of school districts are required to include: a review of the expenditure of school district local revenues for compliance with the new local revenue restrictions, as detailed in Part II above; and compliance with the spending plan approved by OSPI, as discussed in Part II above. If an audit results in findings that a school district has failed to comply with the new levy restrictions, the auditor must report the findings to OSPI, the Office of Financial Management, and the Legislature within 90 days of completing the audit.

Before the beginning of the 2019–20 school year, every school board is required to adopt a policy for responding to any audit findings resulting from the audits on the use of local revenues. The policy: must require a public hearing by the school board on the issuance of the findings; and may include progressive disciplinary actions for the district superintendent.

Part VI: Reporting, Accounting, and Transparency

Accounting for Local Revenues. By the 2019–20 school year, each school district must establish a local revenue “sub-fund” of its general fund to account for the financial operations of a school district that are paid from local revenues. Local revenues that must be deposited in the sub-fund are Enrichment Levies and Transportation Vehicle Enrichment Levies, Local Effort Assistance funding, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes. Local revenues, however, does not include other federal revenue. School districts will be required to track expenditures from this sub-fund separately to account for the expenditure of each of these streams of revenue by source. (Note: This new sub-fund was required by ESB 5023 [Levy Cliff Delay]. EHB 2242 amended that bill with new language and postponed the required implementation date.) By the 2019–20 school year, OSPI’s rules must be updated to require school districts to use revenue-to-expenditure accounting to separately document expenditures from the respective sources.

Budget Transparency. EHB 2242 requires additional requirements in the school district budgeting process. Beginning in 2018, school districts must develop

four-year budget plans that include enrollment projections and future cost estimates, including supplemental contracts. Budget proposals must also set forth specific information about amounts and sources of each employee's salary, beginning with budgets for the 2019–20 school year.

When budgets are complete, school districts are required to provide public notice of the meeting in which the school board will act. Districts must post the budget electronically along with a copy of a summary of the four-year budget plan, so any person can review the proposals. The notice must indicate any person may appear before the school board and be heard for or against any part of the budget, the four-year plan, or any proposed changes to uses of enrichment funding.

School districts must also submit their budget and four-year budget plan summary to their ESD and OSPI. OSPI must consider the school districts' budgets and four-year plans when ranking each school district by its financial health and provide information to districts to help them avoid potential financial difficulty, insolvency, or binding conditions.

As adopted, EHB 2242 required the Caseload Forecast Council to convene a Technical Working Group to determine the feasibility of developing a generic model to aid school districts in determining the required four-year budget plans, as discussed above. The Technical Working Group was charged with providing a report with recommendations to the governor and the Legislature by September 1, 2018. Prior to signing the bill, Governor Inslee vetoed this requirement (Section 607). He argued that “timely data does not exist to predict school district-level enrollments that factor in business growth and other local factors” and determined “the work required in this section is outside the scope of expertise for the Council.” Unfortunately, school districts are still required to develop four-year budget plans.

Part VII: School District Collective Bargaining and Salaries

Collective Bargaining Agreements. Language in the bill clarifies that nothing in the new law is intended to alter or impair school district Collective Bargaining Agreements currently in effect; however, any CBA executed or modified after the effective date of Part VII must comply with the law. Part VII includes an emergency clause, which made this segment of the bill effective immediately upon the governor's signature (July 6, 2017).

Salary Restrictions. During the 2018–19 transitional period for new salary allocations, a school district's Collective Bargaining Agreement with CIS or CLS may not provide for a total salary increase—including supplemental contracts—with a percentage increase that exceeds the Seattle Consumer Price Index (i.e., inflation). This restriction applies to CBAs that are in effect for the 2018–19 school year and that are executed or modified after the restriction becomes law (July 6, 2017). Similar limits are included for CAS.

Sections dealing with CLS, CIS, and CAS salary restrictions (Sections 701, 702, and 703) expire August 31, 2019, with the new salary system scheduled to be fully implemented in School Year 2019–20.

EHB 2242 explicitly states that “nothing in this chapter grants employers or employees the right to reach agreements regarding salary or compensation increases for the state’s statutory program of basic education in excess of those authorized” in law, as amended by EHB 2242 (and detailed in Part I above). It further clarifies, however, that school districts are “authorized to reach agreements regarding salaries or compensation for enrichment activities” subject to law, as amended by EHB 2242 (and detailed in Part I and Part II above).

Part VIII: School Employees’ Benefits Board

SEBB Established. EHB 2242 creates a School Employees’ Benefits Board (SEBB) as part of a new consolidated health benefits purchasing program for school district and ESD employees. The Health Care Authority (HCA) will administer the program. SEBB will be a nine-member Board, with eight members appointed by the governor. The HCA Director or designee is the ninth member and will serve as the Chair of the Board. The governor is required to appoint the initial eight members—four representing certificated and classified employees and four with expertise in employee health benefits policy and administration—by September 30, 2017.

The SEBB responsibilities include the following:

- Developing school employee benefit plans that include comprehensive, evidence-based health care benefits;
- Authorizing premium contributions, including employee share of the cost for family coverage that does not exceed the required employee share of the cost for employee-only coverage;
- Determining the terms of employee and dependent eligibility criteria and enrollment policies, subject to the condition that employees must work at least 630 hours per year to qualify for coverage;
- Determining the terms for participation in the SEBB plans, and the penalties for failing to comply with participation criteria;
- Participating with the HCA and in coordination with the Public Employees’ Benefits Board (PEBB) in the selection of carriers to provide health and dental plans; and
- Reporting to the Legislature by November 30, 2021, regarding whether the provisions of the act have resulted in cost savings to the state.

The duties of HCA, which currently administers the PEBB, are expanded to include administering health care benefit programs for school employees. Beginning January 1, 2020, all school districts must participate in the SEBB program—including districts and employees which currently participate in the PEBB program. At this time, health benefits for all school district and ESD employees

will be merged into a single, community-rated risk pool separate from the risk pool for PEBB health benefits.

School retirees and state retirees will continue to participate in PEBB health plans; however, by December 15, 2018, HCA, in consultation with the PEBB and the SEBB, must complete and submit to the Legislature an analysis of the most appropriate risk pool for retired school employees. A nonvoting position on the PEBB that represents school employees is eliminated effective December 31, 2019.

Provisions requiring the HCA to contract with PEBB managed care plans for chronic care management within health homes are extended to SEBB plans. Separate SEBB program accounts, similar to accounts currently used for the PEBB program, are established in the custody of the State Treasurer.

Reporting Requirements. Health insurers that provide medical and dental plans to school districts as of December 31, 2017, and districts that have self-funded plans, must provide the HCA with specified data by January 1, 2018, to support the initial procurement of plans for the SEBB program. The required data is similar to the data insurers and districts report to the Office of the Insurance Commissioner (OIC) through December 31, 2019. (Note: HB 1042 eliminated this data-sharing requirement, while EHB 2242 reinstated a similar requirement through December 31, 2019.) After December 31, 2018, school districts must submit data required by the SEBB program to administer the consolidated purchasing of health services.

The current requirement that OIC annually submit a report to the governor, HCA, and the Legislature on school district health insurance benefits was amended by EHB 2242; however, Governor Inslee vetoed this requirement (Section 819). Inslee noted that HB 1042, which he signed, completely eliminated this requirement. Further, he argued that OIC was not provided with any funding to support the requirement, so would be unable to produce the required report.

Collective Bargaining. The scope of the medical, dental, vision, and other basic and optional insurance benefits provided for school employees is removed from local bargaining and current provisions dealing with school district pooling arrangements established by bargaining units are abolished. Beginning January 1, 2020, no basic or optional benefits may be provided by employer contributions if they are not provided by the School Employees' Benefits Board; and school district contributions to employee insurance purchased through HCA must conform to requirements established by HCA statutes and the SEBB.

All collective bargaining agreements executed between school districts and organizations representing certificated or classified school district employees must be consistent with the changes made by the bill. Beginning January 1, 2020, employee bargaining over the dollar amount expended for school employee health care benefits, must be conducted between the governor's office and one coalition of all the exclusive bargaining representatives impacted by benefit purchasing

with the SEBB. Bargaining must be initiated after July 1, 2018. The coalition bargaining must follow the model initially established for state employees in law (RCW 41.80.020). After receiving a finding from the Office of Financial Management that the agreement is feasible financially for the state, the governor may request funds and legislation to implement the agreement when the governor submits his budget request. Similar to collective bargaining for state employee salaries, the Legislature cannot alter the agreement; they must either approve or reject the request for funds.

Part IX: Other Provisions

Absenteeism. The Legislature declares its intent to address chronic student absenteeism with funding in the budget, including funding to facilitate a statewide accountability system to improve graduation rates by, among other things, providing districts with assistance in addressing chronic absenteeism. The 2017–19 Operating Budget provides OSPI with \$600,000 to develop and implement a statewide accountability system to address absenteeism and to improve student graduation rates.

Teacher and Principal Evaluation Program (TPEP). By November 2017, OSPI is required to provide an update to the Legislature on implementation of TPEP. The update must include:

- An overview of the evaluation process including the eight evaluator criteria for teacher and principals, the three approved teacher instructional frameworks, the approved principal leadership frameworks, and how student growth and professional learning plans are used in the evaluation process;
- An update of the school district school employee evaluation survey information that displays the total percentage of teachers and principals in each of the four levels of summative performance ratings; and a comparison of this data to the survey data from the 2014–15 school year;
- Information regarding scoring and the consequences or outcomes of evaluations;
- A review of the state and district programs that are in place to help struggling teachers; and
- Any recommendations for improving the evaluation program.

Staffing Enrichment. EHB 2242 re-establishes the Initiative 1351 school staffing ratios outside the program of basic education as potential future enrichments. The bill clarifies if and to the extent that the Legislature specifically funds any of the enriched staffing ratios in the future, the funded units become part of the Prototypical School formula, and part of the state’s program of basic education. The I-1351 implementation schedule is repealed.

OSPI is required to convene a Technical Work Group to review the staffing enrichments to the program of basic education detailed in Initiative 1351 (and mirrored in Section 904 of EHB 2242). OSPI, together with the Technical Work

Group, are required to make recommendations to the Legislature on a possible phase-in plan of staffing enrichments that prioritizes the enrichments that are research- or evidence-based strategies for reducing the opportunity gap, assisting struggling students, enhancing the educational outcomes for all students, or strengthening support for all school and school district staff. OSPI must report the recommendations to the Legislature by December 1, 2019.

Part X: Miscellaneous Provisions

This part of EHB 2242 includes a couple of technical “conforming” amendments, a section of “repealers,” and a change to the current apportionment schedule. Included in the list of repealers are statutes that govern approved training and continuing education clock hours used to gain credit on the salary schedule. With the elimination of the current Salary Allocation Model (SAM) and the implementation of a new salary system, these statutes are unnecessary—in the future.

Prior to signing EHB 2242, Governor Inslee vetoed the repealers contained in Part X (Section 1003). Because the SAM remains in place in the 2017–18 school year, Inslee argued that these statutes are “essential to compensation in the upcoming school year.”

Apportionment Schedule. EHB 2242 revises the monthly schedule used for apportioning state funding. The current apportionment schedule requires a payment of 20 percent of total state allocations for basic education in the months of July and August. Under the new apportionment schedule that becomes effective September 1, 2019, 12.5 percent of the total state basic education allocation will be paid in July and 10 percent will be paid in August, resulting in savings to the state (estimated to be \$324,595 in the four-year budget outlook) due to the difference in the state and school district fiscal calendars. (There are also slight adjustments to payments in October, November, January, and May). There is no change to the total school year allocations as a result of this policy.

Engrossed House Bill 2242 (2017) Timeline

2017	
September 1, 2017 (2017-18 SY)	<ul style="list-style-type: none"> • Statewide salary allocations necessary to hire and retain qualified staff become part of the state’s statutory program of basic education. § 101. • Per-pupil allocations must be reported by OSPI and the Legislature. § 402(b). • New funding implemented for: <ul style="list-style-type: none"> ○ LAP (High-poverty, school-based allocation: At least 50% of students eligible for free or reduced meals. Provides 1.1 hours). § 402(10)(a), § 405. ○ TBIP (Increase from 4.7780 to 6.7780 hours in grades 7-12). § 402(10)(b). ○ Special Education (12.7% increased to 13%) § 406. ○ Highly Capable (2.314% increased to 5%) § 402(10)(c). ○ CTE/Skills Centers (Class sizes reduced from 26.57 to 23/22.76 to 20). § 402(4)(c)(i). Allowable uses for this funding are specified. § 409. Subject to appropriations, CTE equivalencies and CTE equipment grants. § 410, § 411. • School districts must annually report to SPI on TRI contracts. SPI must report to Governor and Legislature. § 505; Budget § 502. • K-3 class size reduction to 17.0 fully funded. § 402(4)(a)(i). • Cost-of-living adjustment of 2.3%. Budget (§ 504(1)). • Upward adjustment in prototypical school funding model for guidance counselors and parent involvement coordinators. § 402(5). • Increase in MSOC allocations. § 402 (8).
September 30, 2017	<ul style="list-style-type: none"> • Governor appoints the School Employee Benefits Board. § 801(2).
November 1, 2017	<ul style="list-style-type: none"> • SPI must provide an update on TPEP [Teacher and Principal Evaluation Program] to the Legislature. § 902.
December 1, 2017	<ul style="list-style-type: none"> • SPI must convene a stakeholder group and develop an initial salary grid for certificated instructional staff to serve as a resource for school districts. § 107. • SPI must annually report summary of CTE equivalency info. § 410(3).
2018	
Calendar Year 2018	<ul style="list-style-type: none"> • An additional state property tax is imposed bringing the aggregate state property tax rate to a combined rate of \$2.70 per \$1,000 of assessed property value. § 301(2)(a)(i). • The one percent revenue growth limit does not apply to the total combined state property tax for calendar years 2018 through 2021. § 301(2)(a)(ii).
2018 Legislative Session	<ul style="list-style-type: none"> • The Legislature must review and consider recommendations of the SPI to expand the non-exhaustive list of permitted enrichment activities. § 502.
January 1, 2018	<ul style="list-style-type: none"> • School districts budgets must start including a four-year enrollment projection and a four-year budget plan to maintain the continuing costs of programs and services and any existing supplemental contract obligations. § 604, § 608 (effective date).
September 1, 2018 (2018-19 SY)	<ul style="list-style-type: none"> • State salary allocation grid is discontinued. • State salary allocations are increased to specified minimums for CIS, CAS, and CLS: Fifty percent in the 2018-19 SY; (fifty percent in the 2019-20 SY). § 101(8). (Starting 2020-21, annual inflationary increases provided).

	<ul style="list-style-type: none"> • An annual regional adjustment to the salaries based on the average single-family home above the statewide median value is provided. § 101(9). • First of three professional learning days phased in through salaries. § 105(1)(a). • School districts will receive the K-3 class size allocation only to the extent of and proportional to the district's demonstrated actual K-3 class size, up to the average class size of 17 students. § 402(4)(b). • Restrictions on collectively bargained salary increases during 18-19 school year. §§ 701-703.
November 1, 2018	<ul style="list-style-type: none"> • SPI must review and make recommendations to improve the special education safety net process and funding. § 408.
2019	
Calendar Year 2019	<ul style="list-style-type: none"> • The 28% levy lid is replaced with a maximum property tax rate of \$1.50 per \$1,000 of assessed property value. School districts may collect an enrichment levy amount that does not exceed the lesser of the amount generated by a \$1.50 tax rate or \$2,500 per pupil. § 203(1), § 203(2)(b). • Local effort assistance or levy equalization is changed to a per pupil amount of property taxes. If a school district does not generate an enrichment levy of \$1,500 per student then the district is eligible for LEA equal to the difference of \$1,500 and the district's per pupil enrichment levy amount, multiplied by the school district's enrollment. § 206.
September 1, 2019 (2019-20 SY)	<ul style="list-style-type: none"> • Second of three professional learning days phased in through salaries. § 105(1)(b). • Increased state salary allocations are fully implemented (fifty percent in the 2018-19 SY & fifty percent in the 2019-20 SY. § 101(8). • School districts must pay a minimum and adhere to a maximum salary with flexibility to go above the maximum, and must provide an annual inflationary increase. § 103(2)(c). • The minimums and maximums do not apply to supplemental contracts. § 103(c)(4). • School district's may use local levy revenues only for documented and demonstrated enrichment of the state's statutory program of basic education. § 103(a)(iii), § 201(4)(a), § 501. • Supplemental TRI contracts must be for enrichment only and may not exceed the hourly rate of the CIS. § 104(b), § 501. • The state auditor must conduct regular financial audits of school district local levy funds and supplemental contracts. § 503. • SPI must review and revise the safety net rules to achieve full and complete implementation of the requirements in the safety net statute. § 407(3). • School districts must have a local revenue subfund for levy and LEA funds; and provide separate accounting of state and local revenues to expenditures. § 601(1)(b). • State auditor must audit school district expenditures of local revenues and supplemental contracts. § 503. • School districts must have a policy for responding to any audit findings by the auditor on the use of local revenues. The policy must require a public hearing on the findings. § 504.
December 1, 2019	<ul style="list-style-type: none"> • SPI must report recommendations of stakeholder group for prioritization and a possible phase-in plan of the 1351 staffing enrichments to focus on research- or evidence-based strategies for reducing the opportunity gap, assisting struggling

	students, enhancing the educational outcomes for all students or strengthening support for all school and school district staff. § 905 .
2020	
Calendar Year 2020	<ul style="list-style-type: none"> Beginning with enrichment levies collected in 2020, school districts must receive pre-ballot approval by SPI of an enrichment levy expenditure plan before submitting the levy to the voters. § 201(4)(b).
September 1, 2020	<ul style="list-style-type: none"> Third of three professional learning days phased in through salaries. § 105(1)(c). Employees receive annual inflationary increase. School districts provided inflationary adjustment to the state funded salary bases. Adjusted annually by the implicit price deflator. § 102.
January 1, 2020	<ul style="list-style-type: none"> School districts must provide basic and supplemental benefits, including life, health, and liability insurance through the School Employees' Benefit Board. School districts must bargain as one with the Governor over the dollar amount to be contributed for health benefits. § 806(4)(d).
2021	
November 30, 2021	<ul style="list-style-type: none"> The Health Care Authority must report on whether the SEBB results in cost savings to the state. § 801(7).
2022	
Calendar year 2022	<ul style="list-style-type: none"> The one percent revenue growth limit, which was suspended for calendar years 2018-2021 is reinstated. § 301(2).
2023	
September 1, 2023 (2023-24 SY)	<ul style="list-style-type: none"> Beginning with the 2023-24 school year, and every six years thereafter, salaries for CIS, CAS, and CLS, including regionalization, must be reviewed and rebased to ensure the state salary allocations continue to align with the staffing costs for the state's program of basic education. § 101(10).
	<ul style="list-style-type: none">

Courtesy of the Article IX Litigation Committee.

2017–19 Operating Budget: SSB 5883

Legislative sessions held in odd-numbered years are the “long” sessions (limited to 105 days), wherein the state’s two-year Operating Budget is written and approved.

Always the major priority (and often the only real “must do”), it was clear the 2017–19 Operating Budget was going to be a focal point of the 2017 Session, partially due to the fact that adopting a *McCleary* Education Funding Plan was going to be the overriding priority. Any complete *McCleary* plan was going to have major impacts on the final budget; the *McCleary* connection to the 2017–19 Operating Budget was unmistakable. The Supreme Court’s most recent Order (October 2016) clarified the Legislature had until “September 1, 2018, to fully implement its program of basic education.” However, our Court justices understand the state budget process and further clarified that the remaining details of the basic education program “must be in place by the final adjournment of the 2017 Legislative Session.” This included “funding sources and the necessary appropriations for the 2017–19 biennium.”

Even legislators that bristled at the Court’s demands of action to comply with its *McCleary* decision understood it would take billions of dollars to ramp up investments for educator salaries and lessen school districts’ overreliance on local levies. All four caucuses and the governor’s office conceded that a significant enhancement for basic education would be required. As it has since the Supreme Court’s original *McCleary* decision was handed down in 2012, the budget debate centered on two questions: “What size of enhancement is significant enough?” And “Where will the necessary revenues to fund that enhancement come from?”

Last November, the state’s Economic & Revenue Forecast Council released its 2017–19 revenue forecast projecting a \$2.6 billion increase in available spending capacity above the current budget. Unfortunately, while state revenues continue to increase, state expenditures continue to increase at a faster rate. Before any new spending on policy questions were considered, Maintenance Level spending was expected to gobble up the additional revenue—and then some.

(“Maintenance Level” refers to the cost—positive or negative—of mandatory caseload, enrollment, inflation, and other legally unavoidable costs to maintain the current budget. This contrasts with “Policy Level” items, which are discretionary choices made to start or enhance new programs, and reduce or eliminate current programs.) When the 2015–17 budget, plus expected Maintenance Level costs, was compared to projected available revenue in 2017–19, the budget was deep in the “red” by approximately \$1.5 billion.

In December, Governor Inslee submitted his required budget proposal. The centerpiece of his budget plan was a package of *McCleary*-related proposals, including a restructuring of the current Salary Allocation Model and significant increases in educator compensation, and a proposal for levy reform. Inslee’s budget proposal included \$3.85 billion in K–12 enhancements, along with a significant tax package, expected to raise almost \$4.4 billion. Republicans immediately panned the proposal, saying additional revenue was unnecessary. Part of their rationale for opposing additional revenue was the most recent revenue forecast (described above) which indicated there would be almost \$2.6 billion in new revenue. These hardline opponents to revenue enhancements touted the massive increases in projected revenues—and focused exclusively on those estimated revenues. They, of course, failed to put that significant increase in context with the rest of the Forecast Council’s report, which projected a negative \$1.5 billion Ending Fund Balance in 2017–19—even with the anticipated additional \$2.6 billion in available revenue. They also refused to address an exponentially worse projected revenue shortfall in the 2019–21 biennium. Remember, the Legislature is required to not only adopt a “balanced budget,” but a balanced budget over four years. The Forecast Council’s November revenue projections anticipated the Ending Fund Balance in 2019–21 to be negative \$7.4 billion.

The budget battle was fully at hand when the Senate Republicans released their initial budget proposal on March 21. The budget package, which had a heavy focus on K–12

education and funded the Republican Education Funding Plan (SB 5607/SB 5875; for more details, see “Special Focus: *McCleary* Education Funding Plan” earlier in this Report). The full proposed budget would spend approximately \$43.0 billion over the biennium, representing a \$5.0 billion increase over the 2015–17 budget. This was accomplished without specific tax increases; however, it included a series of budget transfers, “redirections,” and spending reductions. It also included a significant revenue increase of \$1.5 billion in 2017–19 and another \$4.0 billion in 2019–21 from a proposed increase in the State Property Tax. Republicans refused to describe this as “tax” increase, however, because it was a part of the “levy swap” proposal, which coupled a statewide property tax increase with local levy reductions. All told, the Republican budget would provide a net increase of \$1.8 billion for K–12 education.

House Democrats released their response to the Republican plan a week later, on March 27. The Democratic proposal would spend \$44.9 billion, approximately \$1.9 billion more than the Senate, but also included \$3.0 billion in new revenue. The omnibus revenue package (HB 2186) would implement a new Capital Gains tax, reform and provide a graduated increase in the Real Estate Excise Tax, increase B&O taxes, implement “Marketplace Fairness” (remote/Internet sales), and end a series of tax preferences. The House budget included a similar \$1.8 billion K–12 enhancement, mostly to implement its Education Funding Plan (HB 1843/HB 2185; for more details, see “Special Focus: *McCleary* Education Funding Plan” earlier in this Report).

Each house quickly adopted its respective budget proposal...and then we waited. Historically, each house will adopt its own budget; hold press conferences and issue press releases with self-congratulatory statements about how fantastic their proposals are—along with dismissive statements about the other house’s budget; then budget negotiators will get down to business and begin to hammer out a final, compromise budget. In 2017, the budget-adoption tradition was holding firm—until it was time to negotiate. The Senate Republicans publicly stated they would refuse to negotiate with the House until they adopted a “complete” budget. The House Democrats had adopted

their budget proposal; however, they delayed taking any action on its revenue package. Senate Leadership complained the House proposal was a “pretend” budget. Senator Mark Schoesler (R-Ritzville), Senate Majority Leader, derided the House and its budget, saying it was paid for with “unicorn gold.” (Props are due for the creativity, but that kind of ongoing ridicule certainly was not very productive or conducive to compromise.)

House Democrats, for their part, responded that the Senate budget, which contained a new statewide property tax (via a “levy swap”), never got a vote in the House—and it would not be any different with a Democratic tax bill in the Senate. Representative Pat Sullivan (D-Covington), House Majority Leader, flatly stated, “A vote on the revenue bill is a political red herring that distracts from the votes that fundamentally matter: Can the Senate budget as it stands now pass in the House; and can the House proposal pass in the Senate? The answer is ‘no’ to both.” Other legislators argued that negotiating a final budget should come first to determine how much new funding, if any, is needed. Representative Larry Springer (D-Kirkland) spoke for many of his caucus colleagues when he explained his position: “The content of a final budget agreement will dictate what the final version of a tax package looks like.”

The budget battle continued to be waged via press releases, press conferences, and social media (legislators in all four caucuses regularly used 140-character Tweets to poke their colleagues in the eye). Actual negotiations between budget-writers in the House and Senate, however, were non-existent. As the Regular Session was coming to a close—the time for reconciliation and final compromise—both sides were hardening their own positions and were further digging in.

The 30-day First Special Session opened and closed with no evidence of budget negotiations, although word was spreading that negotiators were at least beginning to communicate with one another. It appeared these talks were informal at best—and were more about relationship building and maintaining connections between the parties. Certainly, they were not anything one would normally describe as “negotiations.”

As the Legislature moved into its Second Special Session, budget negotiators' informal discussions became more regular and a series of exchanges of budget offers were occurring. Apparently, those initial offers were on specific pieces of the budget, as opposed to full budget offers and did not appear to include any major compromises. These baby-steps toward full-blown negotiations, however, were a positive sign, which was a long time in coming.

As budget-writers were negotiating (or not, as the case may be), members of the reconstituted Education Funding Task Force (EFTF) were meeting regularly to hammer out a compromise *McCleary* Education Funding Plan that could pass muster with the Supreme Court, but first be able to be adopted by both houses and be signed by the governor. While different members were negotiating the budget and the *McCleary* plan, there were overlaps. Several EFTF members were directly or indirectly involved in budget negotiations and, as discussed above, there were clear connections between any *McCleary* plan and the Operating Budget. It was no coincidence that a deal on a final, compromise 2017–19 Operating Budget was announced within hours of an announcement that Education Funding Plan negotiators had completed their work.

Everyone was relieved deals had been struck; however, the final pieces of the budget and the *McCleary* plan were put together just two days before the end of the biennium. In order to avoid a partial government shut-down both final bills were fast-tracked through the process. We received details of the Education Funding Plan about 24 hours before it was voted on—and budget details were only available about 12 hours before legislators debated and adopted that package. Obviously, we had little time to read or digest the information—and definitely no opportunity to provide any input into either final product.

The final, compromise 2017–19 Operating Budget, SSB 5883, appropriates \$43.7 billion, an increase of approximately \$5.3 billion above the current 2015–17 budget. \$3.2 billion of this total increase is due to mandatory Maintenance Level spending; the remaining \$2.1 billion is for Policy Level changes. As noted above, revenues for 2017–19 are forecasted to increase by \$2.6 billion, leaving a

\$2.7 billion hole. Unlike the federal government, Washington's budget must be balanced (over four years), so the final budget also includes a \$2.07 billion revenue package (one of the major sticking points that forced this Legislature into three overtime sessions), along with a series of budget transfers. \$1.6 billion of the total new revenue comes from an increase in the State Property Tax. Under HB 2242 (*McCleary* Education Funding Plan), the State Property Tax will increase from the current \$1.88 per \$1,000 of Assessed Valuation to \$2.70 per \$1,000 of Assessed Valuation (an increase of \$0.82 per \$1,000). An increase of \$456.4 million comes from HB 2163. HB 2163: implements Marketplace Fairness and requires remote/ Internet sellers to collect and remit sales tax; repeals the current sales tax exemption on bottled water; repeals the current self-produced fuel exemption; and applies a B&O tax economic nexus standard to out-of-state retailers. In addition to these revenue increases, a third revenue bill, SB 5977, actually reduces revenue. The bill creates, modifies, or extends a series of current tax preferences.

The new two-year budget provides approximately \$23.91 billion to K–12 Education. This includes almost \$2.0 billion (\$1.99 billion) in mandatory Maintenance Level costs and an increase of \$1.8 billion in Policy Level changes. The lion's share of the policy increases will fund EHB 2242, the Legislature's proposed *McCleary* fix (for details, see "Special Focus: *McCleary* Education Funding Plan" earlier in this Report). Due to the Legislature's four-year balanced budget requirement, most of the budget discussion includes funding over a four-year period. The total projected four-year increase in K–12 spending due to EHB 2242 is \$7.3 billion. Certainly positive—and legislators in all four caucuses are proud of themselves—however, it should be noted that \$7.3 billion is less than was proposed by the governor, and is less than originally proposed by both the Senate and House. Funny how a negotiated compromise ended with the state's paramount duty getting less money than anyone had previously proposed.

Complete details of the K–12 portion of the budget, as adopted by the 2017 Legislature and signed by Governor Inslee follow.

For additional budget information, please use the following links:

- 2017–19 Operating Budget: [SSB 5883](#)
- Legislative Evaluation & Accountability Program (LEAP) Committee:
Budget Overview—[Senate/House](#) and Agency Detail—[Senate/House](#)
- LEAP Documents:
 - [Staff Mix & Base Salaries](#) (for SY 2017–18 only),
 - [Salary Allocations](#) (by district—for SY 2017–18 only)
 - [Regionalization Factors](#) (by district—beginning SY 2018–19)
- [OSPI Pivot Tables](#)
- [OSPI Multi-Year Budget Comparison Tool](#)
- OSPI Budget Driver Summary: [John Jenft Rate Sheet](#)
- OSPI Budget Updates: [School Apportionment & Financial Services](#)

BUDGET DETAILS: K–12 ENHANCEMENTS

COMPENSATION-RELATED ALLOCATIONS

The 2017–19 Operating Budget provides just over \$1.2 billion for three compensation-related allocations to implement the state’s *McCleary* solution, EHB 2242: salary allocations utilizing the new school employee funding structure; state-funded professional learning days; and health benefit allocations as school employees transition to a new School Employees’ Benefits Board. Under EHB 2242, compensation-related allocations are projected to increase by approximately \$5.95 billion over the next four years (from Fiscal Year 2018 to Fiscal Year 2021).

Salary Allocations – \$1.1 billion

Funding is provided to support increased K–12 basic education salary allocations (as required by EHB 2242) for all state-funded staff types (Certificated Instructional Staff, Certificated Administrative Staff, and Classified Staff). Salary allocations are considered sufficient to hire and retain qualified staff for the state’s statutory program of basic education and are deemed (by the Legislature) to comply with the paramount duty. State funding allocations to school districts continue to be based on staffing ratios in the Prototypical School Funding Model and categorical programs; however, the method for allocating state salary funding is revised.

Beginning with the 2018–19 school year, the current Salary Allocation Model (SAM) and the “staff mix” (based on CIS education and years of experience) is eliminated. Instead, the state will allocate salary funding to school districts based on minimum statewide average salaries for each staff type and are phased in over two years. \$93.1 million is provided in Fiscal Year 2018 and another \$1.0 billion is provided in Fiscal Year 2019 (for a total of \$1.1 billion in 2017–19 and a four-year total of \$5.3 billion). Beginning in School Year 2018–19, the minimum allocated salaries must be increased in equal increments to the following amounts for School Year 2019–20, adjusted for inflation from the 2017–18 school year: the CIS salary allocation is increased to a minimum of \$64,000; the CAS salary allocation is increased to \$95,000; and the CLS salary allocation is increased to \$45,912. These allocations are also adjusted and increased for a regionalization factor, addressing differences in the cost to hire and retain staff throughout the state.

Additionally, a 2.3 percent Cost-of-Living Adjustment (including the continuation of the temporary COLA from 2015–17) is added to the SAM for the 2017–18 school year.

Professional Learning Days – \$26.4 million

As required by EHB 2242, a total of three professional learning days will be phased in over three years. Funding is provided in the 2017–19 Operating Budget for one day of professional learning for each state-funded full-time equivalent Certificated Instructional Staff unit in School Year 2018–19. Additional allocations will be provided to increase professional learning days to two in School Year 2019–20 and three days in School Year 2020–21. School districts are provided discretion in how the professional learning days are implemented, so long as they are targeted, sustained, relevant professional learning opportunities that are aligned to state and district goals, and meet the definition and standards as provided in law (RCW 28A.300.600, 28A.300.602, 28A.300.604—Note: EHB 2242 recodifies these RCWs in Chapter 28A.415 RCW).

Health Benefit Allocation – \$110.4 million

EHB 2242 establishes a new School Employees’ Benefits Board (SEBB) as part of a consolidated school district employees’ health benefits purchasing program in the Health Care Authority. All school employees must transition to the new SEBB in School Year 2019–20. In the meantime, the 2017–19 Operating Budget provides for an increase in health benefit allocations. Allocations increase from the current \$780 per month per employee to \$820 per month per employee for School Year 2017–18 and to \$840 per month per employee for School Year 2018–19. When the SEBB is fully implemented in School Year 2019–20, health benefit allocations are projected to be \$973 per month per employee.

The intent is to align the state-funded benefit rate for school employees in the new SEBB with the rate for other state employees in the Public Employees’ Benefits Board; however, rates will ultimately be subject to collective bargaining with the governor’s office, followed by approval or rejection by the Legislature.

CATEGORICAL AND PROGRAMMATIC FUNDING

The final major component of ESHB 2261 (2009), SHB 2776 (2010), and the *McCleary* decision which the Legislature was required to address was to ensure state funding provided for the actual cost of recruiting and retaining competent teachers, administrators, and staff. The compensation-related enhancements noted above comprise the lion's share of the *McCleary*-related increases in the 2017–19 Operating Budget (\$1.2 billion of the total \$1.8 billion increase). The remaining \$575.9 million is for necessary enhancements in categorical and programmatic funding. Four-year funding (from Fiscal Year 2018 to Fiscal Year 2021) for *McCleary*-related categorical and programmatic investments totals approximately \$1.3 billion.

Learning Assistance Program – \$222.5 million

Beginning with the 2017–18 school year, state funding for the Learning Assistance Program is increased. Allocations are sufficient to support: additional instruction of 2.3975 hours per week per funded LAP student for the 2017–18 and 2018–19 school years; additional instruction of 1.1 hours per week per funded LAP student for the 2017–18 and 2018–19 school years in qualifying high-poverty school buildings; class sizes of 15 LAP students per teacher; 36 instructional weeks per year; 900 instructional hours per teacher; and the compensation rates as provided earlier in the budget (as described above). Language clarifies that the High Poverty-Based Learning Assistance Program funding allocations are required to be distributed to the school building that generates the funding and may not supplant the broader Learning Assistance Program funding.

Local Effort Assistance – \$165.3 million

Local Effort Assistance (LEA or “levy equalization”) funding is provided to support implementation of ESB 5023 (Levy Cliff Delay) which delayed revisions to the levy lid and LEA by one year from 2018 to 2019, as well as to implement increased allocations resulting from revisions to levies and LEA as a part of the *McCleary* solution, EHB 2242. For School Year 2017–18, the Per Pupil Inflator (PPI) is 5.85 percent.

Beginning with Calendar Year 2019, LEA is revised pursuant to EHB 2242. Allocations will be provided in proportion to the ratio of a school district's actual

“enrichment” (formerly “M&O”) levy compared to the maximum enrichment levy. To qualify for LEA, a school district must have a maximum enrichment levy that is less than \$1,500 per pupil. Local Effort Assistance will be provided on a per-pupil allocation basis so that the sum of levy funding and LEA for a qualifying district levying the maximum rate is \$1,500 per pupil. The \$1,500 threshold will be adjusted for inflation beginning in Calendar Year 2020.

Class Size—CTE and Skills Centers – \$82.0 million

Funding is provided to support smaller class sizes in Career & Technical Education (CTE) and Skills Center programs, beginning in School Year 2017–18. The CTE class size is reduced from 26.58 students to 23.0 students. The Skills Center program class size is reduced from 22.76 students to 20 students.

Transitional Bilingual Instructional Program – \$26.9 million

Beginning with the 2017–18 school year, funding is provided to increase instructional hours for Middle and High School transitional bilingual students by two hours from the current 4.778 hours of instruction per week to 6.778 hours of instruction per week.

Highly Capable Program – \$26.6 million

Funding is provided to increase state-funded Highly Capable program enrollment from the current three percent of the most highly capable students in a district to five percent. School districts are required to prioritize equitable identification of low-income students in identifying the mostly highly capable students.

Special Education – \$22.7 million

Beginning with the 2017–18 school year, funding is provided to support an expansion of the state's special education program, increasing maximum state-funded enrollment from 12.7 percent to 13.5 percent.

NOTE: While the 22-year old cap has been raised, the current individual student “multiplier” (also 22-years old) remains unchanged. Even with increased special education funding, it is likely many school districts will still need to spend local levy dollars to make up for a shortfall in state funding. It is an open question, however, whether school districts will have sufficient levy capacity to backfill special education short falls—or if they will be allowed to continue

to expend local levy dollars on special education—a basic education expense. In an attempt to address this potential problem, EHB 2242 (without funding in this budget) requires OSPI to review the current safety net process “to ensure that the special education safety net process results in sufficient funding for school districts with demonstrated needs for funding in excess of state and federal funding.”

Basic Education Implementation – \$11.0 million

Funding is provided for OSPI to implement K–12 basic education funding revisions, including implementation of new reporting requirements and the staffing and reporting costs specified in EHB 2242.

Hold Harmless – \$5.0 million

During the transition period of implementing EHB 2242, funding is provided to guarantee school districts receive no less than the funding they would have received under the current law as of January 1, 2017. The \$5.0 million appropriated for Fiscal Year 2019 is expected to fund any necessary hold harmless payments. The four-year total of expected payments is \$9.0 million.

MSOC—CTE – \$1.9 million

Funding for Materials, Supplies, and Operating Costs (MSOC) in Skills Center programs is increased to align with the allocations for Career & Technical Education MSOC. In School Year 2017–18 the Skills Center program MSOC allocation is increased by \$163.14 to \$1,472.01 per full-time equivalent student. In School Year 2018–19 the allocation is increased by \$165.75 to \$1,495.56 per full-time equivalent student.

ADDITIONAL ENHANCEMENTS

Mentoring – \$10.0 million

Funding is provided to support expansion of the Beginning Educator Support Team (BEST) program, providing mentoring for beginning teachers.

Low Achieving Schools – \$5.0 million

Funding is provided in Fiscal Year 2019 to increase support for low-achieving schools through an increased allocation for schools that are low achieving and schools that are in Required Action District status. By January 15, 2018, OSPI is required to submit a plan to the Legislature outlining additional school accountability supports that will be implemented as a result of the increased funding.

The increased allocations are contingent on legislative approval of OSPI’s implementation plan. OSPI is prohibited from spending this allocation until Legislative approval is received.

Federal Forest Revenues – \$2.0 million

Under current law, timber revenues collected by school districts from most federal lands are deducted from general apportionment allocations provided by the state. Under legislation adopted in 2014, the forest revenue “deduction” was partially eliminated. The 2015–17 Operating Budget provided a one-time allocation allowing school districts that receive federal forest revenues to retain those revenues—without a corresponding reduction in their general apportionment—during the 2015–17 biennium.

The 2017–19 Operating Budget eliminates the reduction in school district basic education allocations due to receipt of federal forest revenues.

Paraeducators – \$1.9 million

\$1.9 million is provided to implement ESHB 1115, which creates a Paraeducator Board and requires the development of specialty certificates in special education and English language learners that paraeducators may obtain.

Additional funding is provided to the State Board for Community and Technical Colleges (\$163,000) to incorporate the state paraeducator standards of practice into the Paraeducator Associate of Arts, apprenticeship, and certificate programs, pursuant to ESHB 1115.

Additionally, the Washington State Institute for Public Policy is provided with \$62,000 to conduct a study on the effectiveness of paraeducators in improving student outcomes in Washington, and nationally, as required by ESHB 1115. A final report is due by December 15, 2017.

Foster Care Youth Services – \$1.4 million

To improve graduation rates and post-secondary educational outcomes, contracted educational planning and coaching services are expanded, increasing support in the state foster care system by approximately 120 youth.

Children’s Mental Health – \$816,000

Funding is provided to implement E2SHB 1713. The bill implements the recommendations from the Children’s Mental Health Work Group. Included is a requirement that

OSPI establish pilot projects in two ESDs to deliver and coordinate children’s mental health and substance use disorder services.

IB Pipeline Program – \$600,000

Funding is provided for one-time grants to Middle and High Schools to support International Baccalaureate (IB) programs in high poverty schools. Of the total annual allocation, \$200,000 each year is provided for grants to qualifying High Schools and \$100,000 each year is provided for qualifying Middle Schools. To qualify for the grant, the High School must have an existing IB program and have enrollments of 70 percent or more students eligible for free or reduced-price meals in the prior school year and the Middle School must enroll students that will attend a qualifying high-poverty High School.

Dual Language – \$400,000

Funding is provided to implement SHB 1445, which: creates grant programs to expand capacity for K–12 Dual Language programs; and directs the Professional Educator Standards Board to administer and oversee the Bilingual Educator Initiative to prepare High School students to become future bilingual teachers and counselors.

Another \$486,000 is provided to the Department of Early Learning (DEL) to work with community partners to support outreach and education for parents and families around the benefits of native language development and retention. (Note: DEL is provided \$267,000 in Fiscal Year 2018 to implement the bill. The remaining \$219,000 is provided to the new Department of Children, Youth, and Families in Fiscal Year 2019 to complete the work.)

Truancy Reduction – \$364,000

Funding is provided to implement 2SHB 1170, which makes changes to the school and court processes regarding truancy. Funding is expected to be sufficient for staffing at OSPI to provide support to school districts.

AIM Community Grants – \$357,000

The 2015–17 Operating Budget provides funding for a pilot grant program for Academic, Innovation, and Mentoring (AIM) in five communities statewide. OSPI submitted a report on the AIM program in January 2017, which led to the introduction and ultimate adoption of 2SSB 5258. Funding is provided in the 2017–19 Operating Budget to implement 2SSB 5258, providing grants to enable eligible

neighborhood youth development entities to provide out-of-school time programs for youth ages 6 to 18 that include educational services, social-emotional learning, mentoring, and linkages to positive, prosocial, and recreational activities.

FIRST Robotics Program – \$250,000

Funding is provided to increase support of the FIRST Robotics Program. Appropriations must be equally matched by private donations.

Student Mentoring – \$250,000

Funding is provided to support student mentoring programs through the Big Brother/Sister program.

Mobile Planetarium – \$240,000

Funding is provided on a one-time basis for the Pacific Science Center to purchase and outfit three mobile planetarium units and to update three computer systems for its Science on Wheels program.

Social-Emotional Learning Work Group – \$200,000

Funding is provided on a one-time basis for OSPI to convene a Work Group to build on the work of the 2015 Social-Emotional Learning Work Group. The Work Group must identify and articulate developmental indicators for each grade level for each of the social-emotional learning benchmarks, solicit feedback from stakeholders, and develop a model of best practices or guidance for schools on implementing the benchmarks and indicators. The Work Group’s report is due to the Legislature by June 30, 2019.

Community Leadership Program – \$180,000

Increased funding support is provided for a non-violence and ethical leadership training and professional development program provided by the Institute for Community Leadership.

Pupil Transportation Formula Study – \$100,000

Funding is provided for OSPI to contract with a consultant for a study of the current state pupil transportation funding formula to evaluate the extent to which the formula corresponds to the actual costs of providing pupil transportation to and from school, including local school district characteristics such as unique geographic constraints, and transportation for students who are identified as homeless under the McKinney-Vento Act. Based on the results of this evaluation, OSPI is required to

make recommendations for any necessary revisions to the state’s pupil transportation formula, taking into account the statutory program of basic education, promotion of the efficient use of state and local resources, and continued local district control over the management of pupil transportation systems. Additionally, recommendations must be made to clarify the sources of funding that districts can use to transport homeless students to and from school.

Project Citizen – \$50,000

Funding is provided to continue and increase Project Citizen (including the We the People program), a program sponsored by the National Conference of State Legislatures and the Center for Civic Education to promote participation in government by Middle School students.

Education Opportunity Gap – \$22,000

Funding to support the Education Opportunity Gap and Oversight Accountability Committee is increased by \$11,000 per year.

Suicide Prevention Support – \$16,000

Funding is provided to increase support for youth suicide prevention activities.

BUDGET DETAILS: K–12 REDUCTIONS OR “SAVINGS”

Initiative 1351 – (\$1.91 billion)

Initiative 1351, adopted by the voters in November 2014, amended the state’s funding requirements for class size and staffing formulas, with a phase-in schedule estimated at \$2.0 billion in 2015–17 and full implementation (an additional \$2.7 billion), effective September 1, 2018. The 2015 Legislature delayed the implementation of I-1351, requiring initial funding to begin in the 2019–21 biennium, with full implementation required by the end of the 2021–23 biennium.

As part of revisions to the basic education program in 2017 legislation (EHB 2242), the smaller class sizes and increased staffing allocations specified in I-1351 are reestablished as enrichments beyond the state’s program of basic education. Legislation clarifies that if I-1351 components are specifically funded in the future, they become part of the state’s statutory program of basic education. OSPI is directed to convene a technical work group to review and prioritize the enrichments that are

research- or evidence-based strategies for reducing the opportunity gap, assisting struggling students, enhancing the educational outcomes for all students, or strengthening support for all schools and school district staff.

Recommendations must be presented to the Legislature by December 1, 2019. EHB 2242 repeals the date by which the I-1351 values must be implemented, “saving” \$1.91 billion in the four-year budget outlook.

High School Assessments – (\$12.7 million)

Savings are “booked” in the budget as a result of implementation of ESHB 2224, which reforms the current High School Assessment system, providing flexibility in High School graduation requirements. A savings of approximately \$12.7 million is assumed, partially due to the elimination of the Collection of Evidence as an alternative assessment.

Building Bridges Program – (\$1.3 million)

Initiative 502, passed by voters in 2012, authorizes the regulation, sale, and taxation of marijuana for adults over the age of 21. Under provisions of the Initiative, a portion of the taxes collected on the sale of marijuana (“up to three-tenths of one percent”) must be used to fund grants to the Building Bridges program. The 2017–19 Operating Budget provides required—albeit reduced—funding from the Dedicated Marijuana Account to provide grants to Building Bridges, a statewide dropout prevention, intervention, and reengagement program.

Teacher Evaluation Training – (\$1.0 million)

Teachers are evaluated using the Teacher and Principal Evaluation Program. Grant funding has been provided for teachers to attend training to learn about the new evaluation system during the implementation phase. Funding for this program is reduced beginning with Fiscal Year 2019.

WaKIDS – (\$394,000)

Funding for the Washington Kindergarten Inventory of Developing Skills (WaKIDS), a kindergarten readiness program, is adjusted to reflect savings related to updated estimates of the cost to administer the program.

McCleary Implementation Schedule – (\$324,595)

The payment schedule for K–12 public schools is revised as part of the implementation of the state’s *McCleary* solution (EHB 2242). The current apportionment schedule

requires a payment of 20 percent of total state allocations for basic education in the months of July and August. Under the new apportionment schedule that begins September 1, 2019, 12.5 percent of the total state basic education allocation will be paid in July and 10 percent will be paid in August, resulting in savings to the state (in the four-year budget outlook) due to the difference in the state and school district fiscal calendars. There is no change to the total school year allocations as a result of this policy, however.

Bullying Prevention – (\$86,000)

Budget savings are assumed following completion of the Anti-Harassment, Intimidation, and Bullying Work Group.

ADDITIONAL DETAILS

Tax Structure Study

Revenue was a hot issue during this session, with multiple options on the table, including a new Capital Gains Tax and a Carbon Tax. Ultimately, the Legislature increased the State Property Tax, extended the sales tax to online purchases, repealed two tax preferences (bottled water sales tax preference and the state tax preference for self-produced fuels), and extended a series of current tax preferences. The discussion of Washington’s tax structure will continue with the formal adoption of proviso language in the 2017–19 Operating Budget.

One House member from each political caucus will be appointed by the Speaker of the House to serve as a Work Group and facilitate public discussions throughout the state regarding Washington’s tax structure. As part of this effort, the Work Group may hold up to seven public meetings in geographically dispersed areas of the state throughout the 2017–19 fiscal biennium. These discussions may include, but are not limited to the advantages and disadvantages of the state’s current tax structure and potential options to improve the current structure for the benefit of individuals, families, and businesses in Washington state. The House’s Office of Program Research will staff the Work Group. The Work Group is not required to issue any formal report; however, they may report to the House of Representatives Finance Committee and other House of Representatives Committees upon request of Committee Chairs.

Public Records

WASA, along with partners in the Local Government Coalition, have strongly advocated for changes to assist agencies and local governments, including school districts, to comply with the Public Records Act, while also assisting them to manage costs. ESHB 1594 will improve public records administration and funding is provided in the 2017–19 Operating Budget to implement the bill.

The Joint Legislative Audit & Review Committee (JLARC) is provided with \$308,000 to report on the effectiveness of the competitive grant program, the consultation program, and the records retention training services, as established by the bill (for details, see ESHB 1594, Bills Passed, later in this Summary). JLARC must also provide recommendations on whether these services should continue beyond 2020.

The Office of the Secretary of State is provided with \$2.3 million to administer a grant program for local governments regarding public records requests, as required by ESHB 1594. The funding is expected to be sufficient to hire staff and administer the program. The funding will also be used to conduct a study on the feasibility of a state-wide, online public records portal. Proviso language also requires the Office of the Secretary of State to enter into an agreement with the Office of the Attorney General to reimburse costs associated with the requirements of ESHB 1594.

Finally, the Office of the Attorney General is provided with \$1.0 million to establish a consultation program and provide legal support for local agencies that request assistance with public records requests, as required by ESHB 1594.

A second public records bill, EHB 1595 authorizes agencies and local governments, including school districts, to charge for providing copies of electronically produced public records. Additionally, the bill allows a customized service charge for locating and preparing public records for exceptionally complex requests. The 2017–19 Operating Budget includes proviso language which requires the Consolidated Technology Services Agency to work with customer agencies using the Washington State Electronic Records Vault (WASERV) to identify opportunities to, among other things, assess a customized service charge,

as defined in EHB 1595, for costs of using WASERV to prepare date compilations in response to public records requests.

K–3 Class Size Reduction

The 2017–19 Operating Budget (as part of Maintenance Level) provides the final increment of class size reduction, bringing state-funded class sizes to 17 students in grades kindergarten through third.

There is no K–3 class size compliance for the 2017–18 school year; however, effective September 1, 2018, funding allocations for smaller class sizes in grades K–3 are limited “to the actual demonstrated class sizes in each school district.”

School Employees’ Benefits Board

\$8.0 million is provided to the Washington State Health Care Authority for the initial implementation costs of the School Employees’ Benefits Board (SEBB) program, which will provide insurance benefits to public school employees statewide beginning January 1, 2020 (pursuant to EHB 2242). Consistent with the SEBB authorizing law, the Health Care Authority Administrative Account will be reimbursed from the new School Employees’ Insurance Administrative Account after January 1, 2020, as the new program begins providing benefits during the 2019–21 biennium.

School Mapping

The Washington State Criminal Justice Training Commission is provided with additional funding (\$234,000) for the First Responder Building Mapping Information System (previously referred to as School Mapping) to map the design of new school facilities and remap the design of school facilities to be remodeled.

Charter School Audit

Legislation was adopted last session to authorize publicly funded charter schools (E2SSB 6194). The new law added a requirement for charter schools to contract for independent performance audits after the second year following the first school year of full operation and every three years thereafter. The performance audit must be conducted in accordance with United States General Accounting Office Government Auditing Standards.

The final budget provides \$667,000 to the State Auditor’s

Office to conduct a performance audit of Washington charter public schools. Proviso language explicitly clarifies the performance audit conducted by the State Auditor will satisfy the requirement to contract for an independent performance audit.

The final report of the performance audit must be submitted to the Legislature by June 30, 2018. The audit must include eight schools currently in their first year of operation and, subject to the availability of data, must address the following specific questions:

- Whether the charter school has a charter contract that includes performance provisions based on a performance framework that sets forth academic and operational performance indicators, measures, and metrics;
- Whether the charter school performance framework includes indicators, measures, and metrics for student academic proficiency, student academic growth, achievement gaps in both proficiency and growth between major student subgroups, attendance, recurrent enrollment from year to year, financial performance and sustainability, and charter school board compliance with applicable laws, rules, and terms of the charter contract; and
- Whether the charter school performance framework includes a disaggregation of student performance data by major student subgroups, including gender, race and ethnicity, poverty status, special education status, English language learner status, and highly capable status.

Educator Preparation Data

The Office of Financial Management (OFM) is provided with funding (\$293,000) and staff to implement SHB 1741, which, among other provisions, requires the Education Research and Data Center (housed in OFM) to enter into data sharing agreements with all state-approved educator preparation programs to collect educator and program data required by the Professional Educator Standards Board.

School Health Rules

As in previous biennial budgets, the 2017–19 Operating Budget includes proviso language explicitly prohibiting the Department of Health and the State Board of Health from implementing any new or amended rules pertaining to

primary and secondary school facilities until the rules and a final cost estimate have been presented to the Legislature and the Legislature has formally funded implementation of the rules through the state budget or statute.

The Board of Health adopted the new rules in August 2009; however, in compliance with budget directives, they have extended the effective date of the rules several times. Currently, the effective date of the new rules is delayed until August 1, 2019.

Lead Testing

One-time funding of \$3.0 million is provided to the Department of Health (DOH) to sample and test drinking water and water fixtures for lead contamination in public schools. DOH, in collaboration with ESDs, must prioritize testing within Elementary Schools where drinking water and water fixtures have not been tested for contaminants at any time, and Elementary Schools where drinking water and water fixtures have not been tested within the past three years. The funding will also be used for increased screening, case management, and an electronic data reporting system to identify and track children who are at the highest risk of having elevated levels of lead in their blood.

DOH is required to develop guidance and testing protocols for the lead action level for drinking water and for testing drinking water and drinking water fixtures in public and private schools. The guidance must be consistent with the United States Environmental Protection Agency’s manual, “3Ts for Reducing Lead in Drinking Water in Schools—Revised Technical Guidance.” The guidance must include:

- Actions to take if test results exceed the federal action level or public drinking water standard;
- Recommendations to schools on prioritizing fixture replacement, and options for further reducing lead, including replacement of fixtures, or use of certified filters when results are below the federal action level for schools, but exceed the maximum level recommended by the American Academy of Pediatrics; and
- Recommendations for communicating test results and risk to parents and the community, including that there is no safe level of lead in water and that action may be warranted even if levels are below the action level.

While some minimal, one-time funding has been provided for lead testing, it should be noted the Legislature has provided NO funding to assist school districts with remediation if lead contaminants are found.

Health Insurance Report

In 2012, the Legislature debated the establishment of a School Employees’ Benefits Board (SEBB). Ultimately, legislation was adopted to require the issue to be studied. As part of the review, school districts and their health insurance benefit providers were required to annually submit various health insurance data to the Office of the Insurance Commissioner (OIC). In turn, OIC was required to provide an annual K–12 School District Health Benefits Information and Data Collection Project report summarizing the information to the governor, the Health Care Authority, and the Legislature.

EHB 2242 establishes a new SEBB (as discussed above). With the coming implementation of a new SEBB, it was determined the previously required reports were no longer necessary. HB 1042 repeals the requirement that school districts and their benefit providers annually submit health insurance benefit data to OIC. (It should be noted that, while school districts no longer need to submit data to OIC, EHB 2242 requires similar information to be provided to the new SEBB.) Additionally, the requirement for an OIC annual report is repealed.

The 2017–19 Operating Budget includes an expected savings of \$527,000 in the Office of the Insurance Commissioner due to the elimination of the required annual reports.

Family and Medical Leave

SSB 5975 creates and implements a paid Family and Medical Leave Insurance Program (FMLI) to be funded by premiums paid by employers and employees. The 2017–19 Operating Budget provides the Employment Security Department with \$82.0 million to establish and administer the program and pay benefits as specified in the bill. The Department must also develop and implement an outreach program to ensure that employees who may be qualified to receive Family and Medical Leave benefits are made aware of these benefits.

Teacher Preparation Programs

Proviso language in the Higher Education section of the 2017–19 Operating Budget requires all teacher preparation programs to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by OSPI into existing programs or courses. Higher Education institutions may modify the curriculum in order to incorporate elements that have a regionally specific focus. No additional funding is provided to the public institutions of Higher Education for this purpose; they are expected to comply within the funds appropriated to each institution.

National Board Certification

The Washington State Institute for Public Policy is provided with \$115,000 to update its previous meta-analysis on the effect of the National Board for Professional Teaching Standards certification on student outcomes. The analysis is due by December 15, 2018.

The report must address these additional questions:

- Does the certification improve teacher retention in Washington state?
- Has the additional bonus provided certificated instructional staff who have attained National Board certification to work in high poverty schools acted as an incentive for such teachers to actually work in high poverty schools?
- Have other states provided similar incentives to achieve a more equitable distribution of staff with National Board certification?

Juvenile Gang & Firearm Data

The Juvenile Rehabilitation Program, a division of the Department of Social and Health Services, is provided with \$75,000 to coordinate a review of all available data regarding juvenile gang and firearm offenses. The review of data must include information from the Administrative Office of the Courts, the Office of Financial Management—Education Research Data Center, the Washington Association of Sheriffs and Police Chiefs, the Caseload Forecast Council, the Department of Corrections, and OSPI. A report with recommendations to increase public safety must be submitted to the Legislature by February 1, 2018.

Intergenerational Poverty—VETOED

\$44,000 in one-time funding was provided to the Economic Services Administration division of the Department of Social and Health Services to create a Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force with the primary goal of reducing the overall percentage of families and individuals living in poverty. The Task Force would have included diverse, statewide representation, reflecting regional, racial, and cultural diversity. One of the members would have been a governor-appointed representative of OSPI.

Prior to signing the Budget, Governor Inslee vetoed this provision. In his veto message, he stated he agreed with the primary goal of the proposed Task Force; however, he argued the oversight is “beyond the scope and authority necessary to develop a comprehensive poverty reduction plan.” Although he vetoed this requirement, he directed the Department of Social and Health Services to form a workgroup that includes “members of the Legislature and appropriate state agencies” to develop a plan to address intergenerational poverty.

Outdoor Education

In the 2015–17 Operating Budget, the State Parks & Recreation Commission received \$1.0 million to restart the No Child Left Inside program, which provides grants for public agencies, private nonprofit organizations, after-school programs, and community-based programs that offer outdoor education opportunities to schools that are fully aligned with the state’s Essential Academic Learning Requirements. The 2017–19 Operating Budget provides a \$500,000 enhancement to continue these grants at the level of \$1.5 million per biennium total.

Minimum Wage Rules—VETOED

Initiative 1433—increasing the state’s minimum wage for employees over age eighteen—was adopted by voters in November 2016. Given the adoption of minimum wage increases for employees over eighteen years of age, the 2017–19 Operating Budget provided \$100,000 to the Department of Labor & Industries to review and develop rules regarding the minimum wage for employees under eighteen years of age. One of the specific issues the Department would have been required to consider in developing a proposed rule is academic research on the

contribution employment has on High School graduation rates.

Prior to signing the Budget, Governor Inslee vetoed this proviso. In his veto message, he argued that teen workers have not been able to keep up with the cost of living and teen wages should not be suppressed and he noted his concern that the apparent intent of the review was to reduce wages for workers under age eighteen. He stated he is “committed to investing in job creation and job opportunities for all workers, including options that provide incentives for employers to hire teen workers and invest in pre-apprenticeship programs.”

Washington Award for Vocational Excellence

Current law requires the Workforce Training and Education Coordinating Board to annually grant the Washington Award for Vocational Excellence to selected students. Due to budget constraints, however, provision of the Award has been limited in recent years. The budget specifically precludes the Board from designating Award recipients or recognizing them in any way during the 2017–19 biennium. Additional language states the Legislature’s intent to continue the policy of not granting the Awards in the 2019–20 and 2020–21 school years.

Budget Stabilization Account

The 2017–19 Operating Budget includes a series of transfers between funds—standard operating procedure for the Legislature. This includes a transfer of funds from state’s Budget Stabilization Account (BSA), more informally known as the Rainy-Day Account. The Budget, as authorized by EHB 2190, includes a transfer of \$57.1 million from the BSA to the General Fund to address natural disasters and recovery efforts (\$19.0 million); fire mobilization costs (\$14.5 million); and wild fire suppression costs from 2016 (\$23.6 million). These costs are one-time expenses and seem to be a reasonable use of the BSA. However, EHB 2190 also authorizes a transfer of \$925.2 million for the cost of state employer contributions to state pension systems. This is a significant, and disconcerting, use of the Budget Stabilization Account for an expense that will continue—and likely escalate—into the future.

BUDGET DETAILS: STATE AGENCY ADJUSTMENTS

Charter School Commission – \$471,000

In 2015, the Supreme Court ruled Initiative 1240, establishing publicly funded charter schools, to be unconstitutional and invalidated the entire Initiative. Legislation adopted the next session (E2SSB 6194) reenacted and amended I-1240. Two major changes were made in an effort to comport with the Court’s decision: under provisions of the bill, charter schools are designated as “schools which are not common schools” which operate separately from the common school system; and charter school funding comes from the Washington Opportunity Pathways Account, which is funded with lottery revenues, rather than the General Fund.

All moneys received by the Charter School Commission, including a four percent oversight fee collected from the apportioned funds to charter schools approved by the Commission, must be deposited into a Charter School Oversight Account within the State Treasury and may only be spent after appropriation. The 2017–19 Operating Budget adjusts funding for the Charter School Commission to account for the estimated fee revenue.

OSPI Integrated Data System – \$710,000

OSPI is provided funding for the procurement and implementation of a reporting and data aggregation system that will connect state- and district-level information to a secure data loss protection system and protect district, school building and student information in order to close student performance gaps by assisting school districts in data-driven implementation of strategies and supports that are responsive of student needs.

OSPI State-wide Accountability System – \$600,000

OSPI is provided funding to develop and implement a statewide accountability system to address absenteeism and to improve student graduation rates. The system must use data to engage schools and districts in identifying successful strategies and systems that are based on federal and state accountability measures. Funding may also be used to support the effort to provide assistance about successful strategies and systems to districts and schools that are underperforming in targeted student subgroups.

Management Reduction – (\$499,000)

The 2017–19 Operating Budget reduces funding to most state agencies, including OSPI, reflecting the elimination of 6.0 percent of management positions.

2017–19 Capital Budget: ESSB 5965

With *McCleary* hanging over the session, the Legislature’s main emphasis was on a new two-year Operating Budget and a required Education Funding Plan, making capital construction issues a sideshow to other, higher priority activities in 2017. Nevertheless, construction was a focus for many legislators, with K–12 construction being a major priority.

While in many ways *McCleary* was a distraction to the Capital Budget, *McCleary* was also embedded in the K–12 construction conversation. The Supreme Court has clarified that enhanced funding of all-day kindergarten and class size reduction is essential, but “the state must account for the actual costs to schools of providing these components of basic education,” and has noted that the duty to amply fund education “must be borne by the state, not local districts.” Approving a Capital Budget, then, is a crucial component in addressing the *McCleary* ruling.

Out-going State Superintendent Randy Dorn introduced a 2017–19 K–12 Capital Budget request emphasizing the linkage between the state’s paramount duty to amply provide for basic education and K–12 facilities. His request totaled \$4.98 billion to fully fund school facilities, in addition to a Maintenance Level request of \$676.2 million for the School Construction Assistance Program (SCAP). The funding would have increased the current Student Space Allocation (the square foot per student); increased the Construction Cost Allocation (the cost per square foot) to the actual cost of construction; and increased the SCAP “match” to 100 percent (which would have eliminated the local match requirement).

Superintendent Dorn’s request was generous, to say the least. Legislators never seriously entertained the request; however, it got the point across. Legislators responded with less generous, but still significant increases. The Senate’s original proposal, SB 5086, included a \$1.09 billion appropriation for K–12 facility construction, of which \$965 million would have been provided for SCAP. K–12 funding in the House’s original proposal, HB 1075, was just a bit higher, with \$1.03 billion for SCAP and a total K–12 appropriation of \$1.1 billion. Unfortunately, none of these requests, or even a compromise package, was ever adopted

by the Legislature. In fact, for the first time ever, this Legislature failed to adopt a new, two-year Capital Budget at all.

Each session the Capital Budget is the least controversial of the three budgets (Operating and Transportation being the other two) and is generally a bi-partisan effort. Further, to fund the Capital Budget, a bond bill is required. A bond bill requires a 60 percent supermajority approval in both houses, so in a time with a split Legislature and extremely thin majorities on both sides, bi-partisan support is not only beneficial, it is necessary for passage. From time to time there are squabbles over the size of the bond bill, but never enough to scuttle a Capital Budget. This year’s fight, which tanked a Capital Budget, however, was not related to the bond bill. It was due to a fight over water rights.

Some background. In October 2016, the Supreme Court ruled on a case (*Whatcom County v. Hirst*, known as *Hirst* or the *Hirst* decision) that changed how counties decide to approve or deny building permits that use wells for a water source. Prior to *Hirst*, counties would consult with the Washington State Department of Ecology when deciding whether water was available to allow drilling of “exempt” wells. A well that draws no more than 5,000 gallons of water daily for residential use is considered an exempt well—meaning, it is exempt from the same level of permitting that requires a water right.

The *Hirst* decision requires counties to independently verify the availability of water, instead of relying on information from Ecology. Opponents argue this makes it nearly impossible for a property owner to get permission to drill an exempt well. In fact, some counties, because they do not have the personnel or funding to make the necessary decisions about wells, have issued temporary laws restricting building that relies on groundwater wells.

“Fixing” *Hirst* was a major priority of Senate Republicans and they decided to hold the Capital Budget hostage to force the issue. Advocates and the press get beat by legislators when there is talk of horse-trading over bills or holding bills hostage—even though the tactic is more commonplace than the average citizen realizes. In this case, however, Senate Republican Leadership talked openly

about holding the Capital Budget hostage. Senator Jim Honeyford (R-Sunnyside), Vice Chair of the Senate Ways & Means Committee and Senate Republican lead on the Capital Budget, made it no secret that his Caucus intended on using the Capital Budget as leverage to compel the House to act on a *Hirst* fix sponsored by Senate Republicans. At one point, [Honeyford simply said](#), “[*Hirst*] is important to rural Washington. We have to play hardball.”

Negotiators from both houses attempted to reach compromise on a *Hirst* fix; however, they were never able to reach common ground. The Senate adopted the same proposed fix (SB 5239) four times and it was clear they were not willing to budge. The House, for its part, never acted upon the Senate bill or its own proposals. The longer the standoff lingered, the more fear there was that a Capital Budget would die.

As the Third Special Session began, fears about a Capital Budget being bypassed came to a head and finally action was taken. That action, however, was not adoption of a full 2017–19 Capital Budget, but a “re-appropriation only” budget (unspent capital project funds are carried over from previous biennia). ESSB 5965, adopted by both houses with only two dissenting votes: adjusted the 2015–17 Capital Budget, making a net decrease of \$5.8 million; and re-appropriated \$2.5 billion for 2017–19 to continue projects authorized in prior biennia. This includes approximately \$580 million for K–12 education—an appreciated action; however, it shorts the SCAP by \$3.3 million below program obligations. Additionally, school construction projects funded from this re-appropriation may still be put on hold because OSPI was not provided with funding for Capital Projects Administration, used to hire/pay staff who oversee the payments of K–12 construction projects.

Before the Legislature adopted ESSB 5965 the betting odds were growing that *Hirst* would not be fixed and a Capital Budget would not be adopted. At this point, Senator Mark Schoesler (R-Ritzville), Senate Majority Leader, offered his assurance that, even without a full Capital Budget, “the building of new classrooms and schools would not be ignored.” [Schoesler flatly stated](#), “If for some reason things didn’t work out [with *Hirst*], we wouldn’t forget about school construction.”

Educators were pleased to see Sen. Schoesler following through with his commitment when the “re-appropriations only” Capital Budget was released. As introduced in the Senate and adopted by the Senate Ways & Means Committee, ESSB 5965 included funding for just one new appropriation in 2017–19: \$335 million for the School Construction Assistance Program in Fiscal Year 2018. While this appropriation was not the full meal deal we had hoped for, these SCAP dollars would keep new K–12 construction projects on track. Well, not so fast. Even though the Senate Majority Leader made a commitment to K–12 construction, his own Caucus stripped the new \$335 million SCAP appropriation from the budget when it reached the Senate Floor. The broken promise that was ESSB 5965 was adopted by the full Senate, then quickly adopted by the full House.

The Complete 2017–19 Capital Budget: SB 5981

In the waning hours of the Third (and potentially last) Special Session of the 2017 Legislature, Capital Budget negotiators announced they had reached a breakthrough and had agreed to a final, compromise (and complete) 2017–19 Capital Budget, SB 5981. Of course, this agreement became essentially meaningless because near the same time, negotiators on *Hirst* announced they had reached an impasse in negotiations and all parties agreed they would not find a compromise before the Special Session closed.

Even though the Legislature remains adjourned, *Hirst* negotiators continue to try and hammer out a compromise deal that is acceptable to Senate Republicans and can garner the necessary votes in the House. If they can somehow get the camel through the eye of the needle, Governor Inslee has committed to calling a Fourth Special Session to adopt a *Hirst* fix and a full Capital Budget—presumably the already agreed upon SB 5981. Likely this Special Session would be a quick one- or maybe two-day affair.

As agreed upon by Capital Budget negotiators in all four Caucuses, SB 5981 would appropriate \$4.22 billion for capital construction across the state. It would be funded with \$2.53 billion in bonds and another \$1.45 billion from other sources. K–12 education would be provided with a total appropriation of \$1.03 billion, with \$933 million going to SCAP.

The remaining K–12 appropriation would fund the following projects/programs:

- Small District Modernization Grants—\$35.0 million
- Distressed Schools—\$21.2 million
- STEM Classrooms and Labs—\$13.0 million
- Tri-Tech Skills Center—\$10.8 million
- Emergency Repairs—\$6.0 million
- OSPI Capital Program Administration—\$3.6 million
- Healthy Kids/Health Schools—\$3.3 million
- Skills Centers Minor Works—\$3.0 million
- Everett Pathways to Medical Education—\$2.0 million
- Agriculture Science in Schools Grants—\$1.8 million
- CTE Equipment Grants—\$1.0 million

Further details will be provided when/if SB 5981 (or a different budget) is adopted.

Next Steps

Negotiations between the House and Senate continue regarding a Hirst “fix” that would secure passage of a complete 2017–19 Capital Budget. A solution does not appear to be forthcoming any time soon, but we continue to hope that legislators will either find a compromise swiftly—or will simply break the linkage between this water rights issue and capital construction. Legislators need to understand our concerns.

WASA has joined with WSSDA and the Construction Services Group at ESD 112 to provide material about the current Capital Budget delay. We developed a one-pager to provide some quick information about the current situation and what it means to school construction. We encourage you to share this with your school board, your constituents, and your legislators. We also encourage you to provide your questions or concerns about the impacts on your district at a website our three organizations have created: www.WAschoolconstruction.org. The website is a place you can find the Capital Budget delay document, submit your questions, and gather additional information.

Education-Related Bills That Passed—Titles

During the 2017 Legislative Session, more than 2,700 bills, resolutions and memorials were introduced. Of those, almost 400 were adopted by the Legislature. WASA monitored over 400 bills, resolutions or memorials that had a direct or potentially indirect impacts on K–12 education. Ultimately, 49 education-related bills of importance were adopted.

Following is a description of those education-related bills that survived the legislative journey and were adopted. The description shows the bill's prime sponsor and notes its session law chapter number.

ESHB 1017.....	School siting	EHB 2190.....	Budget Stabilization Account
HB 1042.....	OIC annual report	ESHB 2224.....	High School assessments
ESHB 1115.....	Paraeducators	EHB 2242.....	Education Funding Plan
2SHB 1170.....	Truancy reduction	HB 2243.....	School siting
SHB 1235.....	PE assessments	ESB 5023.....	Levy cliff delay
SHB 1258.....	Travis Alert Act	ESB 5096.....	2017–19 Transportation Budget
SHB 1279.....	School safety drills	2SSB 5107.....	ECEAP funding
SHB 1346.....	Nurse supervision	SB 5129.....	Charter school athletics
SHB 1417.....	IT security	SSB 5142.....	Educational interpreters
SHB 1444.....	On-time progression/graduation	ESB 5234.....	AP exam credit
SHB 1445.....	Dual language	SSB 5241.....	Foster care & educational success
ESHB 1481.....	Driver education	2SSB 5258.....	Washington AIM program
ESHB 1594.....	Public records administration	ESSB 5293.....	Truancy reduction
EHB 1595.....	Public records costs	SSB 5301.....	Responsible bidder criteria
SHB 1641.....	Homeless youth	SSB 5404.....	Sunscreen in schools
EHB 1654.....	Teacher certification	ESSB 5449.....	Digital citizenship
2E2SHB 1661.....	Dept of Children, Youth & Families	SB 5488.....	TBIP report
ESHB 1677.....	Public Works Trust Account	SB 5605.....	OSPI background checks
HB 1732.....	Professional growth plans	SB 5640.....	Technical college diplomas
HB 1734.....	PESB Committees	SSB 5644.....	Skills Center maintenance
SHB 1741.....	Educator preparation data	SB 5662.....	PESB membership
E2SHB 1777.....	Early learning facilities	SSB 5883.....	2017–19 Operating Budget
ESHB 1808.....	Foster youth driving	SB 5965.....	Re-appropriation Capital Budget
SHB 1816.....	Homeless youth	SSB 5977.....	Revenue
EHB 2163.....	Revenue		

Education-Related Bills That Passed

ESHB 1017—School siting

(Representative McCaslin)

C129 L17—Partial Veto

The Growth Management Act (GMA) is a land use planning framework for counties and cities in Washington. As originally adopted, GMA establishes land use designation and environmental protection requirements for all counties and cities, along with additional planning duties for 29 of Washington’s 39 counties. Jurisdictions that fully plan under GMA must adopt comprehensive land use plans which must contain a series of required elements, including a rural element. Under GMA, comprehensive plans must protect the character of rural areas by guiding development in those areas. GMA, and the resulting comprehensive plans, encourage development in urban areas where adequate public facilities (including schools) exist or can be provided in an efficient manner.

Counties that fully plan under GMA must designate Urban Growth Areas (UGAs), within which urban growth is encouraged and outside of which growth can only occur if it is not urban in nature. GMA provides that it is not appropriate for “urban governmental services” to be extended beyond the UGA into rural areas. These provisions have precluded several school districts from siting schools in areas considered “rural” and outside of designated UGAs—even though in many circumstances there is not suitable land to site schools within the UGA. This is the situation for Bethel School District, which—for several years—has attempted to site a school beyond the boundaries of the UGA, in a rural area where there is already significant development, but no schools. In other words, Bethel would not be causing “urban sprawl” which GMA is intended to prevent. They simply would be building school facilities in an area where students already live.

ESHB 1017 was introduced to assist Bethel School District, but was broadly drafted to provide assistance to nearly 30 school districts across the state which find themselves in a similar situation. The bill specifically clarifies the Growth Management Act does not prohibit a county fully planning under GMA from authorizing the extension of public facilities and utilities to serve a school sited in a rural area,

so long as specific requirements are met, including:

- The applicable school district board of directors has adopted a policy addressing school service area and facility needs and educational program requirements;
- The applicable school district has made a finding—with the concurrence of the county legislative authority and the legislative authorities of any affected cities—that the district’s proposed site is suitable to site the school;
- The county and any affected cities agree to the extension of public facilities and utilities to serve the school sited in a rural area that serves urban and rural students at the time of concurrence;
- Any public facility or utility that is extended beyond the UGA to serve the school must serve only the school and the costs of such extension must be borne by the applicable school district; and
- Any impacts associated with the siting of the school are mitigated as required by the State Environmental Policy Act.

The above provisions, found in Section 1 of the bill, were applicable to all school districts in all counties. Unfortunately, Governor Inslee vetoed this section before signing the bill. He noted three specific concerns with Section 1. He stated: (1) any extension of urban services to serve a rural school must be limited to the size and scale needed to support the long-term needs of the school; (2) the land surrounding a new rural school must maintain its rural character and housing density; and (3) school districts need to demonstrate that there is no suitable land available within the Urban Growth Area to be sited beyond UGA boundaries. He indicated his willingness to sign similar legislation—if these conditions were met. HB 2216 and SB 5942 were introduced at Inslee’s request and addressed each of these provisions. Neither bill had much success, however. Legislation (HB 2243) that included similar, but modified, language to Section 1 of ESHB 1017 was ultimately adopted. Originally opposed by Inslee, he ended up supporting the new bill after he struck a deal to guarantee adoption of his new Department of Children,

Youth, and Families (see HB 2243, Bills Passed, later in this Report).

The surviving sections of ESHB 1017 directly impacted Bethel and other school districts in Pierce County.

The bill permits Pierce County to site in the rural area a school that serves students from an urban area, even where otherwise prohibited by a multicounty planning policy, under certain conditions: the current multicounty planning policy is required to be amended at the next regularly scheduled update and must include a policy that addresses the siting of schools in rural areas; and any impacts associated with the siting of such a school must be mitigated as required by the state Environmental Policy Act. Additionally, the policy must prohibit schools cited in the rural area under these provisions from collecting or imposing impact fees.

If the county chooses to site schools outside the UGA under the provisions of this bill, each school district within the county must take certain steps to participate in the county's periodic comprehensive plan updates. These steps include:

- Coordinating its enrollment forecasts with the county;
- Identifying school siting criteria with the county, cities, and regional transportation planning organizations;
- Identifying suitable school sites with the county and cities, with priority to siting urban-serving schools in existing cities and towns in locations where students can safely walk and bicycle to the school from their homes and that can effectively be served with transit; and
- Working with the county and cities to identify school costs and funding for the comprehensive plan's capital facilities plan element.

HB 1042—OIC annual report

(Representative Springer, by request of Insurance Commissioner)

C7 L17 E3

Legislation adopted in 2012 required school districts and their health insurance benefit providers to annually submit data to the Office of the Insurance Commissioner

(OIC) regarding progress toward greater affordability for full family coverage, health care cost savings, reduced administrative costs, and compliance with the requirement to provide a high-deductible health plan option with a health savings account. School districts and their providers were also required to submit an overall plan summary. In addition, school districts and their providers were required to jointly report to OIC on their health insurance-related efforts and achievements to significantly reduce administrative costs for the districts, improve customer service, and protect access to coverage for part-time K–12 employees, among other things.

OIC was also directed to submit an annual report to the governor, the Health Care Authority, and the Legislature regarding school district health insurance benefits, based upon the data and reports received from school districts and their benefit providers.

HB 1042 eliminates the requirement that the Office of the Insurance Commissioner provide an annual report regarding school district health insurance benefits. The statutory provisions under which the school districts and the benefit providers must submit data regarding health care benefits and reports to the Commissioner are also repealed.

It is important to note that, although this bill repeals the reporting requirements for school districts and their benefit providers, the requirement is reinstated by EHB 2242 (Education Funding Plan); however, the data must be submitted to the Health Care Authority, rather than OIC. As adopted, EHB 2242 also required that OIC annually submit a report to the governor, HCA and the Legislature on school district health insurance benefits. Prior to signing that bill, however, Governor Inslee vetoed the requirement, deferring to the reporting repeal contained in HB 1042. (For additional details, see Special Focus: *McCleary* Education Funding Plan earlier in this Report.)

ESHB 1115—Paraeducators

(Representative Bergquist)

C237 L17—Partial Veto

Paraeducators work under the supervision of teachers to provide various levels of support, including performing instructional duties, assisting with classroom management,

and acting as translator. In 2014, the Legislature directed the Professional Educator Standards Board (PESB) to convene the Paraeducator Standards Work Group to design program specific minimum employment standards for paraeducators, professional development and education opportunities that support the standards, a paraeducator career ladder, an articulated pathway for teacher preparation and certification, and teacher professional development on how to maximize the use of paraeducators in the classroom. The Work Group submitted its first report and recommendations to the Legislature on January 7, 2015, and a final report on January 10, 2016.

Many of the Work Group's recommendations are incorporated in ESHB 1115, which is divided into multiple sections.

Paraeducator Board. ESHB 1115 creates a new, nine-member Paraeducator Board, to be administered by PESB. The Board is provided with the following powers and duties:

- adopt minimum employment requirements for paraeducators and paraeducator standards of practice;
- establish requirements and policies for a general paraeducator certificate;
- establish requirements and policies for paraeducator subject matter certificates in English Language Learner (ELL) and special education;
- establish requirements and policies for an advanced paraeducator certificate;
- by September 1, 2018, approve—or develop, if necessary—courses required to meet paraeducator certificate requirements, where the courses are offered in a variety of means that will limit cost and improve access;
- make policy recommendations, as necessary, for a paraeducator career ladder that will increase opportunities for paraeducator advancement;
- collaborate with OSPI to adapt the E-Certification process to include paraeducator certificates; and
- adopt rules for the effective and efficient implementation of the new legislation.

Board members serve four-year terms, must be confirmed by the Senate, and may not serve for more than two consecutive terms. Members are to be appointed as follows: OSPI must appoint a basic education paraeducator, a special education paraeducator, an ELL paraeducator, a teacher, a principal, and a representative of OSPI; the Washington State Parent Teacher Association must appoint a parent whose child receives instructional support from a paraeducator; the State Board for Community and Technical Colleges must appoint a representative of the CTC system; and the Student Achievement Council must appoint a representative of a four-year institution of higher education. The Governor must biennially appoint the chair, who may not serve for more than four consecutive years.

Minimum Employment Standards. Beginning September 1, 2018, paraeducators are required to meet minimum employment requirements. Paraeducators must be at least 18 years of age, hold a high school diploma or equivalent, and meet one of the following conditions: have received a passing grade on the Education Testing Service's Paraeducator Assessment; hold an Associate of Arts degree; have earned 72 quarter credits or 48 semester credits at an institution of higher education; or have completed a registered apprenticeship program.

Standards of Practice. The state standards of practice for paraeducators must include:

- supporting instructional opportunities;
- demonstrating professionalism and ethical practices;
- supporting a positive and safe learning environment;
- communicating effectively and participating in the team process; and
- demonstrating cultural competency aligned with standards developed by PESB.

Fundamental Course of Study. Beginning September 1, 2019, school districts are required to provide a four-day fundamental course of study on the state standards of practice to paraeducators who have not completed the course, either in the district or in another district within the state. School districts must use best efforts to provide the fundamental course of study before the paraeducator

begins to work with students and their families, and at a minimum by the following deadlines:

- for paraeducators hired on or before September 1, by September 30 of that year, regardless of the size of the district; and
- for paraeducators hired after September 1:
 - for districts with 10,000 or more students, within four months of the date of hire; and
 - for districts with fewer than 10,000 students, no later than September 1 of the following year.

General Paraeducator Certificate. Paraeducators may become eligible for a general paraeducator certificate by completing the four-day fundamental course of study and an additional ten days of general courses on the state paraeducator standards of practice. The general certificate does not expire. Beginning September 1, 2019, school districts are required to: provide paraeducators with general courses on the standards of practice; and ensure all paraeducators employed by the district meet general paraeducator certification requirements within three years of completing the four-day fundamental course of study. Paraeducators are not required to meet general paraeducator certification requirements unless funding is provided for the fundamental and general courses.

Subject Matter Certificates. A special education certificate means a credential earned by a paraeducator working with students in special education programs. An ELL certificate means a credential earned by a paraeducator working with students in ELL programs. The rules adopted by the Board for paraeducator subject matter certificates in special education and ELL must include the following requirements:

- a subject matter certificate is not a prerequisite for a paraeducator working in any program;
- paraeducators may become eligible for a subject matter certificate by completing 20 hours of professional development in the subject area of the certificate; and
- subject matter certificates expire after five years.

Advanced Paraeducator Certificate. An advanced paraeducator certificate means a credential earned by a paraeducator who may have the following duties: assisting in highly impacted classrooms, assisting in specialized

instructional support and instructional technology applications, mentoring and coaching other paraeducators, and acting as a short-term emergency substitute teacher. The rules adopted by the Board for an advanced paraeducator certificate must include the following requirements:

- an advanced paraeducator certificate is not a prerequisite for a paraeducator working in any program;
- paraeducators may become eligible for an advanced paraeducator certificate by completing 75 hours of professional development in topics related to the duties of an advanced paraeducator; and
- advanced paraeducator certificates expire after five years.

Piloting of Standards and Certificates. By September 1, 2018, the Board must distribute grants to a diverse set of school districts that volunteer to pilot the standards of practice, the paraeducator certificates, and the courses necessary to meet paraeducator certification requirements. By September 1, 2019, the volunteer districts must report to the Board with the outcomes of the pilot and any recommendations for implementing the standards of practice, paraeducator certificates, and courses statewide. The outcomes reported must include:

- an analysis of the costs to the district to implement the state standards of practice by making available the required four-day fundamental course of study;
- the number of paraeducators who completed the course of study in the standards of practice;
- the number of paraeducators who earned an advanced paraeducator certificate, or a special education or ELL certificate;
- any cost to the district and the paraeducator to earn a certificate; and
- the impact on the size and assignment of the paraeducator workforce as a result of the pilot.

By November 1, 2019, the Board must submit a report to the Legislature that summarizes the outcomes of the pilots and recommend any changes necessary to improve the standards of practice, paraeducator certificate requirements, and courses necessary to meet these standards and requirements.

OSPI Duties. Under provisions of ESHB 1115, OSPI:

- must act as the administrator of any rules adopted by the Board;
- has the power to issue paraeducator certificates and revoke them in accordance with Board rules; and
- must charge an application processing fee for paraeducator certificates and subsequent actions and set the amount at a sufficient level to defray the cost of administering the paraeducator certificate program.

Teacher and Administrator Preparation and Professional Learning. OSPI, PESB, and the Board must work together to incorporate into educator preparation programs content, and design a training program for teachers and administrators, that includes: for teachers, information on how to direct a paraeducator working with students in the paraeducators' classroom; and for administrators, information on how to supervise and evaluate paraeducators. The teacher and administrator training program must be made available to public schools, districts, and ESDs.

Paraeducator Degree and Certificate Requirements. By September 1, 2018, the Paraeducator Associate of Arts, apprenticeship, and certificate programs at Community and Technical Colleges must incorporate the state paraeducator standards of practice.

Scholarships for Paraeducators to Become Teachers. The Paraeducator Scholarship and Alternative Route programs are expanded to applicants seeking teacher endorsements in subject matter shortage areas, as defined by PESB.

Study on the Effectiveness of Paraeducators. The Washington State Institute for Public Policy is required to conduct a study on the effectiveness of paraeducators in improving student outcomes in Washington and nationally. The study must examine variation in the use of paraeducators across public schools and districts, and analyze whether any differences in academic progress can be attributed to the use of paraeducators. OSPI and the Education Research and Data Center must provide the data necessary to conduct the analysis. The Institute must submit a final report to the Legislature by December 15, 2017.

ESHB 1115 also made modifications to teacher alternative route programs for paraeducators. Prior to signing the bill,

however, Governor Inslee vetoed this section of the bill (Section 18). Inslee noted that another piece of legislation (EHB 1654) adopted earlier in the session repealed the statute.

2SHB 1170—Truancy reduction

(Representative Orwall)

C291 L17

Legislation adopted in 2015 made several changes to existing truancy statutes. 2SHB 1170 makes a variety of additional changes to school and court processes regarding truancy, many of which address issues resulting from the 2015 changes. Similar legislation, ESSB 5293, was also adopted this session; however, it was vetoed in favor of this bill.

2SHB 1170 makes the following revisions to school processes regarding truancy:

- school conferences with parents are required after three unexcused absences rather than two;
- application of the Washington Assessment of the Risks and Needs of Students (WARNS) or other assessment is only required for middle and high school students;
- new steps are required with respect to students with Individualized Education Plans (IEP) or 504 plans; and
- school districts must provide OSPI with the same information that they are required to provide to the local juvenile court concerning the identity of the person or persons designated to coordinate district excessive absenteeism and truancy efforts.

Revisions with respect to Community Truancy Boards (CTBs) are made as follows:

- CTBs must include members who receive a variety of training, rather than require that all CTB members receive all of the various types of training; and
- the size threshold for school districts that are not required to operate a CTB is raised from 200 to 300 students.

The bill revises the court process for truancy as follows:

- rather than filing a copy with each court petition of the most recent attendance/truancy information

signed by the parent and the child, a school is required to provide a copy of the information provided to the parent;

- previous provisions that allowed a court, on the hearing of a petition, to order the child to a temporary placement in a HOPE bed or a crisis residential center are eliminated; and
- if a child fails to comply with a court order, the court may impose community restitution, nonresidential programs with intensive wraparound services, a requirement that a child meet with a mentor, or other services and interventions that a court deems appropriate. If the child continues to fail to comply, and the court makes a finding that other measures to secure compliance have been tried but not been successful, and no less restrictive alternative is available, then the court may order detention.

Changes are also made to current school district and OSPI reporting requirements regarding truancy. OSPI must collect, and school districts must submit, student-level truancy data. These reports are required to include, disaggregated by student group, the number of petitions, and beginning in the 2018–19 school year, whether the petition results in referral to a CTB, other coordinated means of intervention, a court hearing, or other less restrictive disposition. The reports must also include each instance of detention for failure to comply with a court order, together with a statement of the reasons for each detention. OSPI must continue to prepare an annual report to the Legislature by December 15 of each year.

OSPI is given rulemaking authority to bring consistency and uniformity to attendance and truancy definitions in the Alternative Learning Experience (ALE) setting, establish procedures for addressing truancy in all ALE courses, leverage existing systems to facilitate truancy actions between school districts and courts when the student has transferred out of his or her resident district to enroll in an ALE course, and clarify the responsibility of districts in the event a student transfer is rescinded.

Finally, a current statute that allows for appropriations for educational services for children referred to CTBs or to the courts is repealed, as funding for the purposes of this statute has not been appropriated for several years.

SHB 1235—PE assessments

(Representative Riccelli)

C80 L17

Rules adopted by the OSPI require students grades 1 through 8 to, on average, have at least 100 instructional minutes of Physical Education (PE) per week per year—unless students are excused from PE requirements on account of physical disability, religious belief, or participation in directed athletics. For grades 9 through 12, one credit course or its equivalent must be offered in PE for each grade in the high school program. Individual students may be excused from participating in PE otherwise required because of physical disability, employment, or religious belief, or because of participation in directed athletics or military science and tactics, or for other good cause.

Beginning in the 2018–19 school year, SHB 1235 requires all school districts to conduct an annual review of their PE programs. The review must consist of numerous provisions, including:

- the number of individual students completing a PE class during the school year;
- the average number of minutes per week of PE received by students in grades 1 through 8, expressed in appropriate reporting ranges;
- the number of students granted waivers from PE requirements;
- an indication of whether all PE classes are taught by instructors who possess a valid health and fitness endorsement;
- the PE class sizes, expressed in appropriate reporting ranges;
- an indication of whether, as a matter of policy or procedure, the district routinely modifies and adapts its PE curriculum for students with disabilities; and
- an indication of whether the district routinely excludes students from PE classes for disciplinary reasons.

School districts are required to submit the results of the review to the district's Wellness Committee and OSPI. Upon receipt of the data, OSPI must aggregate and analyze the data, summarize the information provided by each district, and post the summarized information, by district, on its

website. The K–12 Data Governance Group within OSPI is directed to develop the data protocols and guidance for school districts in the collection of data to provide a clearer understanding of PE instructional minutes and certification.

SHB 1258—Travis Alert Act

(Representative McCabe)

C295 L17

Among other things, SHB 1258 requires the Department of Health, in collaboration with the Department of Social and Health Services, the state Fire Marshal’s Office, OSPI, and the Washington State Council of Fire Fighters, to review existing local training programs and training programs being used in other states and design a training program that will familiarize fire department and emergency medical service personnel with the techniques, procedures, and protocols for best handling situations in which persons with disabilities are present at the scene of an emergency in order to maximize the safety of persons with disabilities, minimize the likelihood of injury, and promote the safety of all persons.

The training program must include the following:

- a checklist of disabilities;
- symptoms of such disabilities; and
- things to do and not do relevant to a particular disability in order for responders to easily and quickly determine the specific scenario into which they are entering.

SHB 1279—School safety drills

(Representative Pettigrew)

C165 L17

Schools and school districts are required by statute to develop comprehensive safe school plans. Specified components of the plans include: emergency mitigation, preparedness, response, and recovery; provisions for assisting and communicating with students and staff; and guidelines for requesting law enforcement and emergency response agencies to meet with school districts and participate in safety-related drills. Under current law, schools are required to conduct no less than one safety-related drill each month that school is in session. Schools must complete at least:

- one drill using the school mapping information system;
- three drills for lockdowns;
- one drill for shelter-in-place;
- three drills for fire evacuation in accordance with the state fire code; and
- one other safety-related drill to be determined by the school.

SHB 1279 adjusts the requirements for safety drills, recognizing that schools have unique safety challenges due to geographic location. It is clarified that school principals and administrators are responsible to assess the threats and hazards most likely to impact their school, and to practice the three basic functional drills: shelter-in-place, lockdown, and evacuation—acknowledging that some threats or hazards may require the use of more than one basic functional drill.

The bill requires schools to conduct at least one safety-related drill per month, including summer months when school is in session with students. The drills must teach students three basic functional drill responses:

- “shelter-in-place,” used to limit the exposure of students and staff to hazardous materials, such as chemical, biological, or radiological contaminants, released into the environment by isolating the inside environment from the outside;
- “lockdown,” used to isolate students and staff from threats of violence, such as suspicious trespassers or armed intruders, that may occur in a school or in the vicinity of a school; and
- “evacuation,” used to move students and staff away from threats, such as fires, oil train spills, or tsunamis.

The required drills must incorporate: the use of the school mapping information system in at least one of the safety-related drills; and a pedestrian evacuation drill for schools in mapped tsunami hazard zones. The required drills may incorporate an earthquake drill using the state approved earthquake safety technique “drop, cover, and hold.”

Finally, the bill requires all schools to maintain documentation of the drills, including type of drill, in the school office.

SHB 1346—Nurse supervision

(Representative Springer)

C84 L17

SHB 1346 clarifies that a Registered Nurse (RN) or an Advanced Registered Nurse Practitioner (ARNP) working in a school setting is authorized and responsible for the nursing care of students to the extent that the care is within the practice of nursing. The bill stipulates that a school administrator may supervise a RN or an ARNP in aspects of employment other than the practice of nursing; however, only a RN or an ARNP may supervise, direct, or evaluate a licensed nurse working in a school setting with respect to the practice of nursing.

Language in the bill clarifies that this does not:

- prohibit a non-nurse supervisor from supervising, directing, or evaluating a licensed nurse working in a school setting with respect to matters other than the practice of nursing;
- require a RN or an ARNP to be clinically supervised in a school setting; or
- prohibit a non-nurse supervisor from conferring with a licensed nurse working in a school setting with respect to the practice of nursing.

OSPI is required to notify each school district of the bill's requirements; however, no additional appropriation is provided. OSPI must provide the notification within existing funds.

Finally, the bill specifically clarifies the "practice of nursing" means registered nursing practice, advanced registered nursing practice, and licensed practical nursing practice as defined in nursing care statute. Such practice includes the administration of medication pursuant to a medication or treatment order and the decision to summon emergency medical assistance. It also requires compliance with any state or federal statute or administrative rule specifically regulating licensed nurses, including any statute or rule defining or establishing standards of patient care or professional conduct or practice.

SHB 1417—IT security

(Representative Hudgins)

C137 L17

The Open Public Meetings Act requires public access to all meetings of the governing body of a state or local agency or subagency that involve the transaction of official business. Any law, rule, regulation, or directive must be adopted by a governing body at an open meeting; however, a governing body may exclude the public to hold an executive session during a meeting for certain, specifically listed purposes.

Under current law, certain information regarding the security and vulnerability of public agency computer and telecommunication network infrastructure is exempt from public disclosure under the Public Records Act. This information includes security passwords, service recovery plans, security tests and risk assessments, and other related information that could expose a risk to the security and technology infrastructure of an agency.

SHB 1417 amends the Open Public Meetings Act by specifically permitting the governing body of a public agency to convene an executive session during a public meeting to discuss the same information regarding the security and vulnerability of agency computer and telecommunication network infrastructure that is currently exempted from public disclosure under the Public Records Act. The executive session remains subject to data security breach notifications, and is subject to when legal counsel is available.

SHB 1444—On-time progression/graduation

(Representative Caldier)

C166 L17

School districts are currently required to help facilitate on-time grade level progression and graduation for children who are found dependent under the Juvenile Court Act (JCA). SHB 1444 requires school districts to provide the same facilitation assistance for homeless students and children who qualify as an At-Risk Youth (ARY) or a Child in Need of Services (CHINS).

If a student has enrolled in three or more school districts as a high school student and has met state graduation requirements but is ineligible to graduate from the receiving school district after all alternatives have been considered, the receiving school district must waive its local graduation

requirements and ensure the receipt of a diploma. These provisions apply to a qualifying dependent child under the JCA, a student who is homeless, or a child who qualifies as an ARY or a CHINS.

Current law provides definitions of At-Risk Youth, Child in Need of Services, and Homeless Students. Under current law, an At-Risk Youth is defined as a child under the age of 18 who meets at least one of the following three requirements:

- is absent from home for at least 72 consecutive hours without parental consent;
- is beyond parental control such that his or her behavior endangers the health, safety, or welfare of the child or any other person; or
- has a substance abuse problem for which there are no pending criminal charges relating to the substance abuse.

Under current law, a Child in Need of Services is defined as a child under the age of 18 who meets at least one of the following requirements:

- is beyond parental control such that the child's behavior endangers the health, safety, or welfare of the child or other person;
- has been reported to law enforcement as absent without consent for at least 24 consecutive hours from the parent's home, a Crisis Residential Center, an out-of-home placement, or a court-ordered placement on two or more separate occasions and has exhibited a serious substance abuse problem or behaviors that create a serious risk of harm to the health, safety, or welfare of the child or any other person;
- is in need of necessary services, including: food, shelter, health care, clothing, education, or services designed to maintain or reunite the family and lacks access to or has declined to utilize these services, and whose parents have evidenced continuing but unsuccessful efforts to maintain the family structure or are unable or unwilling to continue efforts to maintain the family structure; or
- is a sexually exploited child.

Under current law, Homeless Students are defined as students without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney-Vento Homeless Education Assistance Act. McKinney-Vento provides examples of children who would fall under this definition, including:

- children and youth sharing housing due to loss of housing, economic hardship, or a similar reason;
- children and youth living in motels, hotels, trailer parks, or campgrounds due to lack of alternative accommodations;
- children and youth living in emergency or transitional shelters;
- children and youth awaiting foster care placement; and
- children and youth living in cars, parks, public spaces, abandoned buildings, substandard housing, or bus or train stations.

SHB 1445—Dual language

(Representative Ortiz-Self)

C236 L17

A Dual Language program is an instructional model that provides content-based instruction to students in two languages, generally English and a target language other than English that is spoken in the local community. The goal of Dual Language programs is usually for the students, over a number of years of participation in the program, to become proficient and literate in both languages, while also meeting high academic standards in all subject areas. Typically, the programs begin at kindergarten or first grade and continue through elementary school, and, if possible, into middle school or high school. Several school districts in Washington have Dual Language programs in place, including: Bellevue, Evergreen, Highline, Kennewick, Mount Vernon, Northshore, Pasco, Seattle, Vancouver, Wenatchee, and Yakima.

SHB 1445 directs OSPI to develop and administer a new K–12 Dual Language Grant Program to grow capacity for high quality Dual Language programs. For the purpose of the program, two-way Dual Language programs begin with a balanced number of native and nonnative speakers of the target language so that both groups of students serve in the role of language modeler and language learner at different

times, and one-way Dual Language programs serve only nonnative English speakers.

By October 1, 2017, subject to funding by the Legislature, OSPI must award two-year grants of up to \$200,000 each through a competitive grant process to school districts or state-tribal compact schools proposing to: establish or expanding a two-way Dual Language program; or expand a one-way Dual Language program in a school with predominantly English learner students. OSPI is required to provide a bonus of up to \$20,000 to applicants proposing to establish a Dual Language program in a target language other than Spanish. The grant money must be used for Dual Language program start-up and expansion costs, including: staff training, teacher recruitment, and development and implementation of Dual Language curriculum. Grant awards may not be used for ongoing program costs.

OSPI is directed to, within existing resources, facilitate Dual Language learning cohorts for school districts and state-tribal compact schools establishing or expanding a Dual Language program. OSPI must also provide technical assistance and support.

Beginning in the 2017–2019 biennium, the Professional Educator Standards Board (PESB) must administer the Bilingual Educator Initiative, which is a long-term program to recruit, prepare, and mentor bilingual high school students to become future bilingual teachers and counselors.

Subject to funding by the Legislature, pilot projects must be implemented in one or two school districts on each side of the crest of the Cascade mountains, where immigrant students are shown to be rapidly increasing. Districts selected by PESB must partner with at least one two-year and one four-year college in planning and implementing the program. PESB is required to provide oversight.

Participating school districts must implement programs that include the following components:

- an outreach plan that exposes the program to middle school students and recruits them to enroll in the program when they begin grade 9;
- activities in grades 9 and 10 that help build student agency, such as self-confidence and awareness, while helping students to develop academic mind-sets needed for high school and college success,

the value and benefits of teaching and counseling as careers, and introduction to leadership, civic engagement, and community service; and

- credit-bearing curricula in grades 11 and 12 that include mentoring, shadowing, best practices in teaching in a multicultural world, efficacy and practice of Dual Language instruction, social and emotional learning, enhanced leadership, civic engagement, and community service activities.

There must be a pipeline to college using two-year and four-year college faculty and consisting of continuation services for program participants, such as advising, tutoring, mentoring, financial assistance, and leadership. High school and college teachers and counselors must be recruited and compensated to serve as mentors and trainers for participating students.

The 2017–19 Operating Budget provides \$400,000 to implement the K–12 Dual Language Grant Program and the Bilingual Educator Initiative.

By December 1, 2019, subject to funding, OSPI and PESB must submit a combined report to the Legislature that details the successes, best practices, lessons learned and outcomes of the grant programs described above. The grantees must work with the agencies to draft the report. The report must also describe how the K–12 education system has met the goals of each grant program and expanded their capacities to support Dual Language models of instruction.

The bill also addresses Dual Language learning in early education. The Department of Early Learning (DEL) is required to work with community partners to support outreach and education for parents and families around the benefits of native language development and retention, as well as the benefits of Dual Language learning. DEL must: create culturally responsive training and professional development resources on Dual Language learning, such as supporting English learner students, working in culturally and linguistically diverse communities, strategies for family engagement, and cultural responsiveness; and support Dual Language learning communities for teachers and coaches.

DEL is provided with \$486,000 to fulfill its duties under the bill. (Note: DEL is provided \$267,000 in Fiscal Year 2018 to implement the bill, while the remaining \$219,000 is provided

to the new Department of Children, Youth, and Families in Fiscal Year 2019 to complete the work.)

ESHB 1481—Driver education

(Representative Hayes)

C197 L17

Currently, two different sets of laws govern driver training schools and traffic safety education courses offered by some secondary schools in the state. The completion of driver training at either type of program is one of the mandatory criteria for those under the age of 18 to be eligible to receive an intermediate driver's license. ESHB 1481 amends current law to provide uniformity in Driver Training Education provided by school districts and Commercial Driver Training Schools.

The bill requires the Department of Licensing (DOL) to develop and administer a certification process for a school district's traffic safety education program. Any school district that offers a driver training education course must certify to DOL that: (1) it is operating a driver training education program; (2) the driver training education course follows the curriculum set by OSPI and DOL, meets the course delivery standards set by OSPI, and that a record retention policy is in place that complies with retention requirements; and (3) the school district has verified that all instructors are authorized by OSPI to teach a driver training education course.

Under provisions of ESHB 1481, OSPI and DOL must jointly develop and maintain a required curriculum for school districts and approved private schools operating a driver training education program. The jointly developed curriculum must be prepared by August 1, 2018. OSPI and DOL are required to consult with Central Washington University traffic safety instructors or program content developers in developing the curriculum. The curriculum and instructional materials must include information on: the safe, lawful, and responsible operation of motor vehicles; intermediate driver's license issuance; passenger and driving restrictions and sanctions for violating these restrictions; the effect of traffic violations and collisions on driving privileges; the effects of alcohol and drug use on motor vehicle operators; motorcycle awareness; bicycle safety; pedestrian safety; proper use of the left-hand lane by motor vehicles on multilane highways; and bicyclists' and pedestrians' rights and responsibilities

and suggested riding procedures in common traffic situations.

Each school district and approved private school must maintain driver training education course records for three years following completion of instruction with the following information: instructor names, addresses, and documentation establishing instructors as a qualified teachers of driver training education, student names, addresses, telephone numbers, dates of enrollment, all dates of instruction, student drivers' instruction permit and drivers' license numbers, the type of training received, the total number of hours of instruction, and the name of the students' instructors.

These records must be made available for inspection at the request of OSPI or DOL. OSPI is authorized to adopt rules for the retention of additional documents subject to inspection by OSPI and DOL.

The Department of Licensing is authorized to conduct audits of driver training education programs once every five years, or more frequently, to ensure that instructors are qualified teachers of driver training education and are teaching the required curriculum material, and that accurate records are maintained and accurate information is provided to DOL regarding student performance. The audit process must take into account the unique nature of school district facilities, operations, and hours. DOL may examine all relevant information, including driver training education course curriculum materials and student records, and may visit any driver training education course while it is in progress. DOL is required to consult with OSPI in developing and carrying out its auditing practices.

DOL may suspend a school or school district's traffic safety education program certification if the school or school district does not follow the curriculum set by OSPI and DOL, any program instructors are not qualified teachers of driver training education, accurate records have not been maintained, accurate information regarding student performance has not been provided to the DOL, or if the school or school district refuses to comply with the DOL audit process. DOL must consult with OPSI in developing and carrying out these certification suspension practices.

To ensure consistency, the curriculum jointly developed and maintained by OSPI and DOL is required to be used in private driver training school courses.

ESHB 1594—Public records administration

(Representative McBride)

C303 L17

WASA continues to be a member of a Local Government Coalition comprised of associations representing Cities, Counties, Ports, Public Utilities Districts, Libraries, Fire Commissioners, and others. The Coalition collectively advocates on behalf of issues of common interest, including public works and bid laws, elections, the Open Public Meetings Act, and the Public Records Act (PRA). For several years, the Coalition has been strongly focused on legislation to reduce the burden of Public Records Act requests on local governments and we were successful in advocating for two bills this session: ESHB 1594 and EHB 1595.

ESHB 1594 is intended to improve the administration of public records.

The bill explicitly clarifies that records held by agency or local government volunteers are not considered public records for purposes of the PRA if the volunteer does not serve in an administrative capacity, does not hold an appointed position to an agency board, commission or internship, and does not have any supervisory function for the agency.

Under current law, Public Records Officers are required to participate in a training course. ESHB 1594 requires the training to address improvements for technology information services and management of electronic records.

The Attorney General is directed to establish a consultation program to assist local governments with best practices for managing records requests, updating technology, and mitigating costs and liability. The Chief Information Officer, State Archivist, and other relevant agencies may provide consultation in developing and managing the program. The State Archives also must offer consultation and training services for local agencies on improving record retention practices. The Attorney General's consultation program and the State Archives' records retention training services expire in 2020.

The State Archives is required to establish a competitive grant program to improve local agency information technology systems for public records management. Any local agency may apply for grants, awarded annually, with preference given to small agencies with the need and ability to improve information technology systems. The State Archives may consult with the Chief Information Officer to develop criteria for making grant awards.

Grant awards are allowed to cover software and hardware, equipment, management and training, indexing for records and digital data, and other resources. Grants are provided as single investments, and not as an ongoing source for operation and management expenses, and may not be used to supplant local funding. The State Archives may spend up to six percent of the grant program funding on administrative costs. The competitive grant program expires in 2020.

The bill requires an additional \$1 surcharge to be assessed on documents recorded with the county auditor and deposited into the Local Archives Account. The additional surcharge revenue must be used exclusively for the State Archives' local agency competitive grant program, the Attorney General's consultation program, and the State Archives' records retention training services. No more than 50 percent of the such revenue may be used for the competitive grant program and the records retention training services, combined.

The Joint Legislative Audit and Review Committee (JLARC) is directed to review the local agency competitive grant program, the Attorney General's consultation program, and the State Archivist's training services. By December 1, 2019, JLARC must report to the Legislature its findings from the review, including recommendations on whether those programs should continue or be allowed to expire.

All agencies must maintain a log of public records requests submitted and processed, including the identity of the requestor if provided, the date the request was received and completed, a description of the records produced, redacted or withheld, in response to the request. Any agency with at least \$100,000 in annual staff and legal costs associated with fulfilling public records requests must report to JLARC by July 1 on certain metrics measured over the preceding year. JLARC must develop a reporting method and standardized metrics for the reporting requirements, in consultation with

agencies. The metrics reported must include:

- the leading practices and processes for records management and retention and what percentage of such practices were implemented by the agency;
- the average length of time taken to acknowledge receipt of a public records request, and the estimated agency staff time spent on a request;
- the proportion of records provided within five days of the request and the proportion of requests estimated beyond five days;
- the agency's initial estimate for providing records as compared with the actual time in providing such records;
- the number of requests where the agency asked for clarification from the requestor;
- the number of requests denied and abandoned;
- the type of requestor;
- the portion of requests fulfilled electronically or by physical records and the number of requests where the agency was required to scan physical records electronically to fulfill disclosure;
- the estimated agency costs fulfilling requests, managing and retaining records and defending claims of public disclosure violations;
- the number of claims filed alleging a violation of public disclosure laws, and costs;
- the agency costs defending claims of public disclosure violations;
- the expenses recovered from requestors for fulfilling records requests; and
- the measurement of requestor satisfaction with agency responses, communication, and processes relating to public records requests.

The State Archives is authorized to administer a feasibility study on implementing a statewide open records portal that would administer public records requests through a single access point Internet website. The study must be conducted by a consultant hired by the State Archives. The consultant must prepare a report that includes findings and recommendations. The report is due to the Legislature by September 1, 2018. The study must address the following

topics:

- the feasibility of a central portal can provide a timely response to records requests;
- an evaluation of other states that have implemented such an open records portal system;
- the length of time and estimated costs to develop and implement a portal;
- possible fees collected from requesters using the portal;
- the possibility of the portal to track records requests, provide notice to the requester on record availability, and provide direct responses to requests;
- the allocation of liability regarding records accessibility between the portal managing entity and the agency providing the records; and
- the feasibility of agencies receiving requests through a single Internet website and managing websites to expedite public records access.

The State Archives is required to convene a Workgroup by September 1, 2017, to develop the scope and direction of the study described above. The Workgroup must have seven members, including four legislators and three community representatives selected by the Legislature's majority and minority leadership.

EHB 1595—Public records costs

(Representative Nealey)

C304 L17

WASA continues to be a member of a Local Government Coalition comprised of associations representing Cities, Counties, Ports, Public Utilities Districts, Libraries, Fire Commissioners, and others. The Coalition collectively advocates on behalf of issues of common interest, including public works and bid laws, elections, the Open Public Meetings Act, and the Public Records Act (PRA). For several years, the Coalition has been strongly focused on legislation to reduce the burden of Public Records Act requests on local governments and we were successful in advocating for two bills this session: EHB 1595 and ESHB 1594.

EHB 1595 addresses the growing costs to local governments responding to public records requests.

The bill authorizes agencies and local governments to charge for providing copies of electronically produced records. The charge may include the actual costs for the electronic production or file transfer of the record, the use of a cloud-based storage and processing service, and the cost of transmitting the records in an electronic format. If determining its own actual costs would be unduly burdensome, the agency may charge up to the following amounts for electronic copies:

- 10 cents per page scanned into an electronic format;
- 5 cents for every four electronic attachments uploaded to an electronic delivery system; and
- 10 cents per gigabyte transmitting records electronically.

(Note: the currently allowed charge of 15 cents per page for photocopies of public records or printed copies of electronic public records is unchanged.)

An agency may charge a flat fee of \$2 as an alternative to the authorized default fees, if the agency reasonably estimates that the copying costs are more than \$2.

An agency may assess a customized service charge for records requests that require the preparation of data compilations or customized electronic access services that are not used by the agency for other purposes. The fee is in addition to the authorized copying costs, and may include reimbursement for the actual costs of providing the records. An agency may not assess a customized service charge unless the agency notifies the requester, explains the reason for the charge, and provides a cost estimate. The requester may amend his or her request to avoid or reduce the costs. A requester also may seek judicial review of the reasonableness of an agency's estimate for copying charges.

Agencies may require a deposit of up to ten percent of the estimated customized service charge costs. Also, agencies may waive any fee for a request if the agency determines the fee is unwarranted. An agency may enter into a contract or other agreement with a requester who provides an alternative fee arrangement to the authorized charges or in response to a voluminous or frequently occurring request.

A request for all or substantially all records of an agency not relating to a particular topic is declared to not be a valid request for identifiable records under the PRA. An agency

may deny multiple automatically generated (bot) requests that come from the same source within a 24-hour period, if the requests cause excessive interference with the other essential functions of the agency.

SHB 1641—Homeless youth

(Representative McBride)

C275 L17

Generally, persons under the age of 18 cannot provide consent for their own medical procedures in Washington state. There are some exceptions to this general rule if the minor: is in need of emergency medical treatment; is seeking family planning services or pregnancy care; is aged 16 or older and the court has entered a decree of emancipation; is aged 15 or older and satisfies the court created "mature minor rule," meaning the minor has, based on a number of factors, demonstrated the maturity to provide consent for medical treatment; is aged 13 or older and seeking mental health treatment; or is aged 13 or older and seeking outpatient substance abuse treatment.

If a minor's consent is not sufficient to access health care services, an individual authorized by statute must furnish consent for a health care provider to treat the patient. State law provides that informed consent for health care may be obtained from a member of one of the following classes of persons in the following order of priority: (1) the court-appointed guardian or custodian of the patient, if any; (2) a person authorized by the court to consent to medical care for a child in out-of-home placement pursuant to the dependency and termination of parental rights statutes, if applicable; (3) parents of the minor patient; (4) the individual, if any, to whom the minor's parent has given signed authorization to make health care decisions for the minor patient; or (5) a competent adult representing himself or herself to be a relative responsible for the healthcare of such a minor patient or a competent adult who has signed and dated a declaration under penalty of perjury stating that the adult person is a relative responsible for the health care of the minor patient.

The school code separately provides that a school nurse, school counselor, or homeless student liaison is authorized to provide consent for health care for a homeless student if all of the following conditions are met:

- consent is necessary for nonemergency outpatient

primary care services, including physical examinations, vision examinations and eyeglasses, dental examinations, hearing examinations and hearing aids, immunizations, treatments for illnesses and conditions, and routine follow-up care customarily provided by a health care provider in an outpatient setting, excluding elective surgeries;

- the patient meets the definition of a “homeless child or youth” under the federal McKinney-Vento Homeless Assistance Act, which is aimed at addressing the problems that homeless children and youth have faced in enrolling, attending, and succeeding in school; and
- the patient is not under the supervision or control of a parent, custodian, or legal guardian.

SHB 1641 makes changes to provisions regarding consent for nonemergency outpatient primary care services for homeless students. The provision in the school code authorizing a school nurse, school counselor, or homeless student liaison to consent for health care for a homeless student under certain conditions is repealed, and the authorizing language is moved to the section which deals generally with informed consent for health care for minors and others not competent to consent.

A school nurse, school counselor, or homeless student liaison remain authorized to provide consent for health care for a homeless student under the following conditions:

- consent is necessary for nonemergency outpatient primary care services, including physical examinations, vision examinations and eyeglasses, dental examinations, hearing examinations and hearing aids, immunizations, treatments for illnesses and conditions, and routine follow-up care customarily provided by a health care provider in an outpatient setting, excluding elective surgeries;
- the patient meets the definition of a “homeless child or youth” under the federal McKinney-Vento Homeless Assistance Act, which is aimed at addressing the problems that homeless children and youth have faced in enrolling, attending, and succeeding in school; and
- the patient is not under the supervision or control of a parent, custodian, or legal guardian and is not

in the care and custody of the Department of Social and Health Services.

The person authorized to consent to care, and the person’s school or school district, are not subject to administrative sanctions or civil damages resulting from the consent or nonconsent for care, any care, or payment for any care. Nothing prevents a health care facility or provider from seeking reimbursement from other sources for care provided.

Upon request by a health care facility or provider, the person authorized to consent must provide a declaration signed and dated under penalty of perjury stating that he or she is a school nurse, school counselor, or homeless student liaison and that the minor patient meets the statutory requirements. The declaration must also include written notice of exemption from liability.

A health care provider may, but is not required to, rely on the representation of a school nurse, school counselor, or homeless student liaison authorized to consent to health care of the minor patient if the health care provider does not have actual notice of the falsity of the statement. A health care provider or facility may, in its discretion, require documentation of a person’s claimed status as being a school nurse, school counselor, or homeless student liaison authorized to consent, but there is no obligation to require such documentation. Civil and criminal immunity is provided to providers and facilities when reliance is based on a declaration signed under penalty of perjury stating that the adult person is a person claiming to be authorized to consent to the health care of the homeless student.

EHB 1654—Teacher certification

(Representative McCaslin, by request of Professional Educator Standards Board)

C14 L17

EHB 1654 repeals the statute describing each of the Alternative Routes to Teacher Certification programs in detail, and instead provides the Professional Educator Standards Board (PESB) with rulemaking authority with respect to the design of the alternative route programs, and specifies expected outcomes for the program.

Under provisions of the bill, PESB has the duty to establish policies for the approval of nontraditional preparation

programs and to provide oversight and accountability related to the quality of these programs. PESB is directed to construct rules with respect to alternative route programs that address the competitive grant process and program design. It is specified that the program design must continue to evolve over time to reflect the innovations and improvements in educator preparation. In establishing and amending rules for the alternative route programs, PESB must:

- uphold criteria for alternative route program design that is innovative and reflects evidence-based practice;
- ensure that approved partnerships reflect district engagement in their resident alternative route program as an integral part of their future workforce development, as well as school and student learning improvement strategies;
- provide for the issuance of preservice certification necessary to serve as substitute teachers in classrooms within the residency school for up to ten days per school year;
- continue to prioritize program designs tailored to the needs of experienced paraeducators and candidates of high academic attainment in the subject area they intend to teach, taking into account school district demand for certain credentials;
- expand access and opportunity for individuals to become teachers statewide; and
- give preference in admissions to applicants who are eligible veterans or National Guard members and who meet the entry requirements.

Beginning December 1, 2017, and each odd-numbered year thereafter, PESB is required to report to the Legislature regarding outcomes of the alternative route programs. In considering rules, and reporting outcomes, PESB must examine the historical record of the data, reporting on:

- the number and percentage of completers hired;
- the percentage of completers from underrepresented populations;
- three and five-year retention rates of completers;
- the average hiring dates of completers; and

- the percentage of completers hired in districts where their program was completed.

2E2SHB 1661—Department of Children, Youth, and Families

(Representative Kagi, by request of Governor Inslee)

C6 L17 E3

2E2SHB 1661 creates a new state agency, called the Department of Children, Youth, and Families (DCYF). The Secretary of the DCYF will be appointed by the Governor and must to work with the Governor's Office, the Office of Financial Management, the Department of Social and Health Services, the Department of Early Learning, and other impacted agencies to plan for the implementation of the DCYF.

The stated intent of creating this new agency is to improve the delivery of services and the outcomes for children and families through delivery of these services by housing early learning, child welfare, and juvenile justice services in the same agency. The DCYF is required to establish outcome measure goals and report to the Legislature on these outcome measures and progress toward these goals no less than annually. The outcome measures are defined to include:

- improving child development and school readiness;
- preventing child abuse and neglect;
- improving child and youth safety, permanency, and well-being;
- improving reconciliation of children and youth with their families;
- improving adolescent outcomes; reducing future demand for mental health and substance use disorder treatment; reducing criminal justice involvement and recidivism; and
- reducing racial and ethnic disproportionality and disparities.

DCYF is responsible for leading ongoing work to minimize or eliminate systemic barriers to effective, integrated services across state agencies serving children, youth, and families and help the state create a data-focused environment in which there are aligned outcomes and shared accountability for those outcomes. On July 1, 2018, the current Department of Early Learning is eliminated, and the functions performed

by that agency are moved to the DCYF. On July 1, 2018, the child welfare functions of the DSHS move from the DSHS to the DCYF. On July 1, 2019, the juvenile justice functions of the DSHS Juvenile Rehabilitation Administration move from the DSHS to the DCYF.

ESHB 1677—Public Works Trust Account

(Representative Peterson)

C10 L17 E3—Partial Veto

The Public Works Assistance Account (PWAA) was established in 1985 to encourage local government self-reliance in meeting public works needs and to assist in financing critical infrastructure projects. Money in the PWAA is required to be used to make loans and give financial guarantees and may be appropriated to provide state match for federal dollars. Loan repayments and revenues from three tax sources (Solid Waste Tax, Public Utilities Tax, and Real Estate Excise Tax) have historically been deposited into the PWAA. However, in recent years, repayments and tax revenues have been redirected to the state's General Fund or the Education Legacy Trust Account. (Note: public ports and school districts are not eligible for PWAA loans.)

ESHB 1677 makes changes to the composition and membership of the Public Works Board and amends the Board's responsibilities; however, because school districts are not eligible for PWAA loans these changes have little to no impact on K–12 education.

Of greater import to K–12 is the continued diversion of tax revenues. As adopted, ESHB 1677 maintains the diversion of revenues from the Solid Waste Tax, the Public Utilities Tax, and the Real Estate Excise Tax from the PWAA to the Education Legacy Trust Account through Fiscal Year 2023. In one sense, this is positive because K–12 education is one of the beneficiaries of the Education Legacy Trust Account. A significantly greater share of K–12's appropriations come from the state's General Fund, however. If other local governments are starving because a source of infrastructure funds has been cut off, one of three things will happen: state General Fund dollars will be appropriated to backfill their funding gap; local governments will be forced to increase local taxes to backfill the funding gap; or they will be unable to make necessary infrastructure upgrades, repair, or maintenance. Any of these three scenarios has direct or

indirect negative impacts on local school districts. Similar to the Legislature's use of the Budget Stabilization Account for recurring costs (see Operating Budget section earlier in this Report), continued revenue diversions from the PWAA is a dangerous fiscal gambit.

HB 1732—Professional growth plans

(Representative Springer, by request of Professional Educator Standards Board)

C16 L17

The Public Records Act requires all state and local agencies to disclose public records to any person upon request, unless the record falls within certain statutory exemptions.

HB 1732 explicitly declares that Professional Growth Plans in educator license renewals submitted through OSPI's electronic certification system are exempt from public inspection and copying.

HB 1734—PESB Committees

(Representative Lovick, by request of Professional Educator Standards Board)

C17 L17

Often, Certificated or Classified school district employees are requested to serve on a committee formed by the Legislature, OSPI or the State Board of Education. If substitutes would be needed during the Certificated or Classified employees' time of service on these committees, OSPI must make payments to the employees' school districts using funds appropriated by the Legislature.

HB 1734 clarifies that OSPI must make payments to an employees' school district for substitutes needed because the Professional Educator Standard Board requested Certificated or Classified school district employees to serve on committees that further education in the state.

SHB 1741—Educator preparation data

(Representative Slatter)

C172 L17

The Professional Educator Standards Board (PESB) maintains data concerning educator preparation programs, including data on quality, educator certification, and educator employment trends and needs. The federal Family Educational Rights and Privacy Act (FERPA) protects the

privacy of student education records and prevents PESB from sharing the information it collects. FERPA provides an allowance to disclose information in limited circumstances, including when the information will be provided to conduct studies or research.

SHB 1741 requires state-approved educator preparation programs to collect, provide data to, and enter into data-sharing agreements with the Education Research and Data Center (ERDC). ERDC is required to hold, analyze, and make the data on educator preparation available for research and monitoring by PESB, state-approved educator preparation programs, and other researchers with appropriate data-sharing agreements.

E2SHB 1777—Early learning facilities

(Representative Kagi)

C12 L17 E3

E2SHB 1777 establishes the Early Learning Facilities Revolving Account (ELFRA) and the Early Learning Facilities Development Account (ELFDA) in the state treasury and are overseen by the Department of Commerce. Additionally, the Early Learning Facilities Grant and Loan Program (ELFGLP) is created and is administered by Commerce.

The ELFRA may receive revenues from legislative appropriations, grant and loan repayments, taxable bond proceeds, and any other source. The ELFDA may receive revenues from tax-exempt bond proceeds. Expenditures from both accounts are subject to legislative appropriation.

Funds from the ELFRA and ELFDA must be distributed through the ELFGLP as state grants or loans to match private and other public funding. Eligible projects include the planning, renovation, purchase, and construction of early learning facilities to provide classroom space for the Early Childhood Education and Assistance Program (ECEAP) and the Working Connections Child Care (WCCC) program.

State funds for construction, purchase, or renovation may not be committed until private or public match funds are secured. Match funds may consist of cash, equipment, buildings, or like-kind. When determining the level of required match, the Commerce must consider the financial needs of the applicant and the economic conditions of the location of the proposed facility.

Any recipient of a grant or loan must own or secure a long-term lease for the project site and commit to using the funded facility for preschool or childcare for 10 or 20 years, depending on the amount of funding received. Recipients must commit to being an active participant in good standing with Early Achievers. If the recipient ceases to be in good standing with Early Achievers, the grant must be repaid.

The Department of Commerce is required to convene a committee of early learning facilities experts to develop a prioritization methodology for project selection. When developing the prioritization methodology, the committee must consider projects that:

- add ECEAP slots in areas with the highest unmet need;
- benefit low-income children; are located in low-income neighborhoods;
- provide more access to ECEAP as a ratio of children eligible to participate;
- are geographically disbursed relative to statewide need;
- projects that include new or renovated kitchen facilities equipped to support the use of from scratch, modified scratch, or other cooking methods to enhance student nutrition;
- balance mixed-use development and rural locations; and
- maximize resources available from the state with funding from other public and private organizations, including the use of state lands or facilities.

Beginning August 1, 2017, Commerce must contract with at least one nongovernmental private-public partnership certified by the Community Development Financial Institutions (CDFI) Fund to award funds from the ELFRA or ELFDA to eligible organizations. The private-public partnership must demonstrate an ability to raise funds for early learning construction projects and must report annually to Commerce on projects funded.

An eligible organization may apply for a grant or loan without the involvement of a nongovernmental private-public partnership certified by CDFI if such an entity is not reasonably available to the location of the proposed facility

or if the applicant has sufficient capacity to proceed with the project without the involvement of such an entity.

The bill defines “eligible organizations” to include ECEAP and WCCC providers who are eligible to receive state subsidies, licensed early learning centers not currently participating in ECEAP but intending to participate, nonprofit developers of housing and community facilities, community and technical colleges, ESDs, local governments, federally recognized tribes, and religiously affiliated entities.

Eligible organizations may receive grants or loans in amounts up to:

- \$10,000 for facility predesign and feasibility planning;
- \$100,000 for minor renovation or repairs; and
- \$800,000 to create, purchase, or expand early learning facilities.

E2SHB 1777 also establishes an Early Learning Facilities Grant and Loan Program for School Districts. Beginning August 1, 2017, Commerce must consult with OSPI to implement and administer early learning grants and loans to school districts. School districts may receive grants or loans in amounts up to \$800,000 to purchase, construct, or expand early learning facilities. Commerce must submit a ranked and prioritized list of early learning facilities projects and proposed purchases for school districts to the Office of Financial Management and the Legislature by December 15, 2017 and by September 15 of each subsequent even-numbered year.

ESHB 1808—Foster youth driving

(Representative Clibborn)

C206 L17

Under the provisions of ESHB 1808, the Department of Social and Health Services (DSHS) is required to contract with a private nonprofit organization to work collaboratively with independent living providers and the DSHS to provide driver’s license support to foster youth. Support in navigating the driver’s license process must be provided to foster youth between 15 and 21 years old, including:

- reimbursement of fees necessary for a foster youth to obtain a driver’s instruction permit, an intermediate license, and a standard or enhanced

driver’s license, including any required examination fees;

- reimbursement of fees for a driver training education course if the foster youth is under the age of 18; and
- reimbursement of the increase in motor vehicle liability insurance costs to the foster parents, relative placements, or other foster placements who add a foster youth to their motor vehicle liability insurance policy, with a funding preference given to reimbursement of motor vehicle liability insurance costs for foster youth who practice safe driving and avoid moving violations and at-fault collisions.

The organization selected must submit a report to DSHS and the Legislature by December 1, 2019, that documents:

- the number of foster youth served by the program; the average cost per youth served;
- negative outcomes of the program reported by foster youth, including a foster parent’s inappropriate use of a foster youth’s ability to drive; and
- recommendations for future policy, statutory, or funding changes necessary to improve the effectiveness of the program.

Language in the bill explicit states that this bill will not take effect unless specific funding is provided in the 2017–2019 Transportation Budget. ESB 5096, as adopted by the Legislature, provides \$500,000 to implement the provisions of this bill.

SHB 1816—Homeless youth

(Representative Frame, by request of Department of Social and Health Services)

C277 L17

In 2015, the Legislature created the Office of Homeless Youth Prevention and Protection Programs at the Department of Commerce. With the establishment of the Office, programs serving homeless and unaccompanied youth, including Crisis Residential Centers (CRC) and HOPE centers, were transferred from the Department of Social and Health Services (DSHS) to the Commerce.

SHB 1816 allows DSHS to disclose confidential child welfare records for youth in foster care to the Department of Commerce and its contracted providers. Records may be

disclosed for the purpose of ensuring the safety and welfare of foster youth who are admitted to CRCs and HOPE centers under contract with the Office of Homeless Youth Prevention and Protection Programs. Records used for these purposes must remain confidential and may not be disclosed further by Commerce or its contractors.

EHB 2163—Revenue

(Representative Ormsby)

C28 L17 E3

This is one of the three revenue bills (along with EHB 2242 and SSB 5977) adopted to fund the 2017–19 Operating Budget.

EHB 2163 will provide an estimated \$438.1 million in increased revenues in 2017–19. This comprehensive revenue package makes several changes. Among the changes, the bill:

- repeals the bottled water retail sales tax preference;
- repeals the state tax preference for self-produced fuels and phases-in the use tax rate;
- implements Marketplace Fairness and requires remote/Internet sellers to collect and remit sales tax;
- expands the economic nexus for Business and Occupation (B&O) tax; and
- changes the distribution date for the public utility privilege tax to the first business day in July.

EHB 2190—Budget Stabilization Account

(Representative Ormsby)

C29 L17 E3

In addition to the revenue bills adopted by the Legislature to support its 2017–19 Operating Budget, there were a series of transfers between funds. This included a transfer of funds from state’s Budget Stabilization Account (BSA).

EHB 2190, includes a transfer of \$57.1 million from the BSA to the General Fund to address:

- natural disasters and recovery efforts (\$19.0 million);
- fire mobilization costs (\$14.5 million); and
- wild fire suppression costs from 2016 (\$23.6 million).

The bill also authorized the transfer of \$925.2 million for the cost of state employer contributions to state pension systems. This is a significant, and disconcerting, use of the Budget Stabilization Account for an expense that will continue—and likely escalate—into the future.

ESHB 2224—High School assessments

(Representative MacEwen, by request of Superintendent of Public Instruction)

C31 L17 E3

ESHB 2224 is a “middle way” compromise on high school graduation assessments, coming between House members who advocated for a complete decoupling of the three assessments (English Language Arts, Mathematics, and Biology) from the current graduation requirements and the Senate Republicans who advocated for a delay of Biology.

As ultimately adopted, ESHB 2224 goes beyond these two simple options. Under provisions of the bill, the statewide high school science assessment will continue to be administered, but the requirement obligating students in the graduating classes of 2017 onward to obtain a sufficient score on the assessment (currently the Biology EOC) as a graduation prerequisite is delayed until the graduating class of 2021. The science assessment administered to that class must be a comprehensive science assessment based on applicable Essential Academic Learning Requirements adopted by the OSPI in 2013. The provisions delaying the science assessment as a graduation requirement apply retroactively to students in the graduating class of 2017.

The administration of the statewide English Language Arts (ELA) and Mathematics assessments is moved from 11th grade to 10th grade, beginning in the 2017–18 school year. This will apply beginning with students in the graduating class of 2020. A student who meets the high school graduation standard on the high school ELA and Mathematics SBAC assessments and satisfies all other graduation requirements will earn a Certificate of Academic Achievement (CAA) or Certificate of Individual Achievement (CIA).

The bill directs OSPI to implement an expedited appeal process for waiving requirements for CAAs and CIAs for students in the graduating classes of 2014 through 2018 who have not met standard on ELA assessments,

Mathematics assessments, or both, but have met all other state and local graduation requirements. Eligible students in the graduating class of 2018 must also have attempted at least one alternative assessment option.

An appeal may be initiated with the applicable school district by a student or the student's parent, guardian, or principal. Districts are charged with determining which appeals will be submitted to OSPI for final review and approval. OSPI may approve an appeal only if it has been demonstrated that the student has: the necessary skills and knowledge to meet the high school graduation standard; and the skills necessary to successfully achieve the college or career goals established in his or her High School and Beyond Plan (HSBP). Pathways for demonstrating the necessary skills and knowledge may include, but are not limited to:

- successful completion of a college level class in the relevant subject area;
- admission to a higher education institution or career preparation program;
- award of a scholarship for higher education; or
- enlistment in a branch of the military.

The current Collection of Evidence alternative assessment option is discontinued, but a student who completes a dual credit course in ELA or Mathematics in which the student earns college credit may use passage of the course as an alternative assessment for earning a CAA.

Beginning in the 2018–19 school year, students who do not qualify for a CAA because they have not met the high school graduation standard for the Mathematics or ELA assessment may take and pass a locally determined course in the content area in which the student was not successful. The course must be rigorous and consistent with the student's educational and career goals identified in his or her HSBP, and may include Career and Technical Education (CTE) equivalencies in ELA or Mathematics.

If the student passes the locally determined course, he or she may then take a locally administered assessment associated with the course as an alternative assessment for demonstrating that the student has met or exceeded the required high school graduation standard and qualifies for a CAA.

Locally administered assessments, in accordance with specified requirements, must be reviewed and, if appropriate, approved for use by OSPI. Additionally, OSPI must post on its website a compiled list of district-administered assessments approved as alternative assessments, including the comparable scores necessary to meet the standard.

Related provisions regarding high school transition courses are established. High school transition courses and the assessments offered in association with the courses are an approved locally determined course and assessment for demonstrating that the student met or exceeded the high school graduation standard. A "high school transition course" is defined as an ELA or Mathematics course offered in high school whose successful completion by the student will ensure college-level placement at participating institutions of higher education, but a student's successful completion of the course does not entitle the student to be admitted to any public institution of higher education. As further specified in the definition, high school transition courses must satisfy core or elective credit graduation requirements established by the State Board of Education.

New requirements for academic interventions and supports are established. School districts must provide students who have not earned a CAA before the beginning of 11th grade with the opportunity to access interventions and academic supports, courses, or both, designed to enable students to meet the high school graduation standard. The interventions, supports, or courses must be rigorous and consistent with the student's educational and career goals identified in his or her HSBP, and may include CTE equivalencies in ELA or Mathematics.

Additional requirements for HSBPs are established. Each student must have an HSBP to guide the student's high school experience and prepare him or her for postsecondary education or training and career. An HSBP must be initiated for each student during the seventh or eighth grade, and in preparation for that initiation, each student must first be administered a career interest and skills inventory.

The HSBP must be updated to reflect high school assessments, review transcripts, and assess progress toward identified goals. The HSPB must be revised as necessary for changing interests, goals, and needs, and must identify available interventions and academic support, courses, or

both, that enable students who have not met the high school graduation standard to do so.

All HSBPs must include the following elements:

- an identification of career goals, aided by a skills and interest assessment;
- an identification of educational goals;
- a four-year plan for course-taking that fulfills state and local graduation requirements and aligns with the student’s career and educational goals; and
- by the end of twelfth grade, a current resume or activity log that provides a written compilation of the student’s education, any work experience, and any community service and how the school district recognized the community service.

School districts may also establish additional, local requirements for HSBPs that serve the needs and interests of the district’s students and for other specified purposes.

School districts must update the HSBP for each student who has not earned a level 3 or 4 score on the middle school Mathematics assessment by the ninth grade. The purpose of this update is to ensure that the student takes a Mathematics course in the ninth and tenth grades. These courses may include CTE equivalencies in Mathematics.

EHB 2242—Education Funding Plan

(Representative Sullivan)

C13 L17 E3

This is the Education Funding Plan intended to comply with the Supreme Court’s *McCleary* decision. The bill overhauls Washington’s K–12 funding system by:

- revising and increasing state salary allocations for education staff;
- revising state and local education funding contributions; and
- increasing transparency and accountability of education funding.

For a comprehensive review of this major education reform measure, please see “Special Focus: *McCleary* Education Funding Plan” earlier in this Report.

HB 2243—School siting

(Representative McCaslin)

C32 L17 E3

Introduced and adopted after ESHB 1017 received a partial veto, HB 2243 allows schools to be sited outside Urban Growth Areas (UGA), under certain circumstances, in all counties.

HB 2243 explicitly declares the Growth Management Act (GMA) does not prohibit a county planning fully under GMA from authorizing the extension of capital facilities and utilities to a school in a rural area that serves students from an urban area and a rural area, if five requirements are met:

- The applicable school district has adopted a policy addressing educational programs requirements and school service area and facility needs;
- The school district has made a finding, with the concurrence of the county legislative authority and the legislative authorities of any affected cities, that the school district’s proposed site is suitable to site the school and any associated recreational facilities that the district has determined cannot be located on an existing school site. This finding must take into consideration the educational program requirements and school service area policy adopted by the school district, and the extent to which vacant or developable land within the growth area meets those requirements;
- The county and any affected cities agree to the extension of public facilities and utilities to serve the school;
- In general, any extensions of public facilities or utilities beyond a UGA must serve only the sited school, and the costs of extension are borne by the school district based on a reasonable nexus of the school’s impacts. However, public facilities or utilities outside of a UGA may serve other properties upon the property owner’s request and with reimbursement paid for up to 20 years to the school district, but only if the property is located within a distance from the public facility or utility where that property would, have been required to connect to the facility or utility if the property were instead located within a UGA; and

- Any impacts associated with the siting of the school are mitigated as required by the State Environmental Policy Act.

Additionally, the bill specifies that GMA does not prohibit either the expansion, modernization or placement of portable classrooms at an existing school in the rural area.

By December 1, 2023, the Department of Commerce must report to the governor and Legislature regarding the siting of schools outside of UGAs that have been built, or are planned or in the process of being built. This report must include the number, location, and characteristics of the school, the number of urban and rural students served, and a cost analysis of schools built outside of UGAs.

ESB 5023—Levy cliff delay

(Senator Wellman)

C6 L17

Legislation was adopted in 2010 to increase local school district levy lids by four percent and increase state funding for Local Effort Assistance (LEA) by two percent. Those increases, however, were temporary and set to expire. Because education finance reform (ESHB 2261) had been adopted in 2009, which called for full funding and implementation by 2018, legislators (and educators) assumed the additional local funding would be unnecessary after 2018, so the legislation included a sunset date of January 1, 2018. Of course, legislators were behind schedule on meeting its obligation to amply fund the paramount duty and the fear was, if local levy capacity and LEA funding was decreased without a corresponding increase in state funding, many school districts would go over the “levy cliff” and have difficulty meeting financial obligations, forcing deep budget cuts and/or substantial employee layoffs.

ESB 5023 delays the levy-related provisions that were set to expire in 2018 until Calendar Year 2019:

- the four-percentage point reduction in the levy lid;
- the elimination of additional calculated amounts from the levy base (so-called “ghost revenues”); and
- the reduction of the LEA rate from 14 percent to 12 percent.

Senate Republicans were reluctant to support the original

bill and only acquiesced to support the legislation after it was amended to include new accounting and accountability provisions. The provisions mirrored similar provisions contained in SB 5607, the Senate Republican Education Funding Plan. First, for levies collected in Calendar Year 2018 and beyond, levy revenue will be required to be deposited into a local revenue “sub-fund” of the general fund to allow for a detailed accounting of the amount and object of expenditures from the levy collections (the Accounting provisions). OSPI and the State Auditor’s Office are required to develop guidance for districts to carry out this requirement.

Second, to ensure that M&O levy funds are not used for basic education programs, beginning with ballot propositions submitted to the voters in Calendar Year 2018, districts must provide a report to OSPI detailing the programs and activities to be funded through the M&O levy. Enrichment beyond the state-provided funding in the state Operating Budget for basic education program components is specifically allowed. Prior to the M&O election, OSPI must review the district’s levy report and approve it (the Accountability provisions).

Please note that, after this bill was adopted and signed by Governor Inslee, the accounting and accountability provisions were amended by EHB 2242. The required establishment of a local revenue “sub-fund” is delayed until the 2019–20 school year. The effective date of the new requirement for pre-ballot approval of levy expenditure plans was also postponed and must be implemented for levies collected in Calendar Year 2020 and beyond. EHB 2242 also establishes a more detailed pre-ballot approval process. (For more details, please see “Special Focus: *McCleary* Education Funding Plan” earlier in this Report.)

ESB 5096—2017–19 Transportation Budget

(Senator King, by request of Office of Financial Management)

C313 L17

This is the 2017–19 Transportation Budget. The bill provides appropriations for state transportation agencies, road projects, and programs for the 2017–19 fiscal biennium.

Other than the positive indirect impact provided by safe roads, K–12 education is not greatly affected by this budget. As usual, however, there is some minor funding for education-related issues:

- \$19.2 million is provided for newly selected safe routes to school projects.
- \$7.3 million is re-appropriated for safe routes to school projects selected in the previous biennia.
- \$250,000 is provided for King County for a pilot program to provide certain students in the Highline and Lake Washington school districts with an ORCA card during the summer. To be eligible for an ORCA card under this program, a student must be in high school, be eligible for Free and Reduced-Price Meals, and have a job or other responsibility during the summer. King County is required to provide a report to the Department of Transportation and the Legislature by December 15, 2018, regarding: the annual student usage of the pilot program; available ridership data; the cost to expand the program to other King County school districts; the cost to expand the program to student populations other than high school or eligible for Free and Reduced-Price Meals; opportunities for subsidized ORCA cards or local grant or matching funds; and any additional information that would help determine if the pilot program should be extended or expanded.

Additionally, proviso language requires the Department of Transportation to submit a report to the Legislature by December 1, 2017, and December 1, 2018, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program. The report must include, but is not limited to, a list of projects selected and a brief description of each project's status.

2SSB 5107—ECEAP funding

(Senator Billig)

C178 L17

Current law encourages local governments to collaborate with the Department of Early Learning (DEL) when establishing early learning programs for residents. Local governments are also authorized to contribute funds to DEL through the Early Start Account, which was created in 2015. These funds may only be used for initial investments to build capacity and quality in local early care and education programming and reductions in copayments charged to parents and caregivers.

2SSB 5107 adds school districts, institutions of higher education, and nonprofit organizations as entities that are authorized to contribute funds to the Early Start Account. These local entities may contribute funds for the additional purposes of expanding access and eligibility in the Early Childhood Education and Assistance Program (ECEAP). DEL is required to separately track funds received from local entities. To the greatest extent possible, DEL must reduce barriers and increase efficiency for using local or private funds, or both, to provide higher quality early learning opportunities.

Additional children may be admitted to ECEAP to the extent that grants and contributions from community sources provide sufficient funds for a program equivalent to that supported by state funds. These children do not have to be eligible for ECEAP. Children enrolled in ECEAP with funds contributed from community sources are not considered to be eligible for, or part of, the state-funded entitlement. Grants and contributions from community sources must not supplant the funding required for the full statewide implementation of ECEAP.

SB 5129—Charter school athletics

(Senator Hunt)

C60 L17

Eligibility of a charter school student to participate in interschool athletic or other extracurricular activities is governed by the Washington Interscholastic Activities Association (WIAA). Under current law, WIAA rules must provide that, unless approved by a non-resident school district or the WIAA, a student attending a charter school may only participate in interschool athletic or other interschool extracurricular activities offered by the student's resident school district.

SB 5129 removes the statutory provision requiring WIAA rules to limit charter school students' participation in interschool athletic activities or other interschool extracurricular activities to those activities offered by the student's resident school district. The bill also clarifies that charter schools are responsible for the full cost, minus any student participation fee, for any student who participates in an interschool athletic or other interschool extracurricular activity.

SSB 5142—Educational interpreters

(Senator Kuderer)

C34 L17

SSB 5142 allows an educational interpreter who has not successfully achieved the performance standard required by Professional Educator Standards Board (PESB) to provide or continue providing educational interpreter services to students for one calendar year after receipt of their most recent educational interpreter assessment results, or 18 months after completing their most recent educational interpreter assessment—whichever period is longer.

Educational interpreters wishing to continue providing interpreter services must demonstrate to the satisfaction of the employing school or school district, ongoing efforts to successfully achieve the required performance standard. In making a determination as to whether an educational interpreter has demonstrated satisfactory ongoing efforts to successfully achieve required performance standards, the employing school or school district may consult with PESB.

Current law provisions governing the inapplicability of the educational interpreter performance standards for other sign systems or languages are modified. The standards do not apply to educational interpreters employed to interpret a sign system or sign language, including non-signing interpretation such as oral interpreting, computer-assisted real-time captioning, and cued speech transliteration, for which an educational interpreter assessment either does not exist or, as determined by PESB, is not capable of being evaluated by PESB for suitability as a performance standard in Washington.

The bill also establishes new definitions for educational interpreter requirements:

- interpretation is defined as conveying one language in the form of another language; and
- transliteration is defined as conveying one language in a different modality of the same language.

By December 1, 2017, OSPI is directed to submit to the Legislature a report evaluating the costs, associated timelines, and feasibility of conducting or contracting for a peer review of the Educational Signed Skills Evaluation.

ESB 5234—AP exam credit

(Senator Mullet)

C179 L17

ESB 5234 directs Washington’s institutions of higher education to establish a policy for granting as many undergraduate college credits to students who have earned minimum scores of Three on Advanced Placement (AP) exams as possible and appropriate. The institutions of higher education are also directed to conduct biennial reviews of their AP policy and report noncompliance annually beginning November 1, 2019.

SSB 5241—Foster care & educational success

(Senator Carlyle)

C40 L17

Current law requires school districts to have certain procedures to help the on-time grade level progression and graduation of dependent students. Dependent, in this case, means abandoned; abused or neglected by a person legally responsible for the care of the child; has no parent, guardian, or custodian capable of adequately caring for the child; or receives extended foster care services.

SSB 5241 requires school districts to have certain procedures to help the on-time grade level progression and graduation of students who are homeless, in addition to the current requirement regarding dependent students.

When a waiver of a specific course has not been granted, school districts must provide, rather than “use best efforts to” provide, an alternative means of acquiring required coursework so that graduation may occur on time. For students who have been unable to complete an academic course and receive full credit due to withdrawal or transfer, school districts must grant partial credit for coursework completed before the date of withdrawal or transfer. The receiving school must accept those credits, apply them to the student’s academic progress or graduation or both, and allow the student to earn credits regardless of the student’s date of enrollment in the receiving school.

The bill also stipulates that school districts are required, rather than “encouraged,” to consolidate partial credit, unresolved, or incomplete coursework and provide opportunities for credit accrual in a manner that eliminates academic and nonacademic barriers for the student.

Finally, SSB 5241 directs OSPI to adopt and distribute to all school districts lawful and reasonable rules prescribing the substantive and procedural obligations of school districts to implement these provisions.

2SSB 5258—Washington AIM program

(Senator Zeiger)

C180 L17

The 2015–17 State Operating Budget appropriated \$250,000 to fund the Academic, Innovation, and Mentoring (AIM) grant program over two years. The proviso required that to receive a grant an entity must be a nonprofit corporation that has federal tax-exempt status, is affiliated with a congressionally chartered organization, and meets other specified criteria, which includes providing after-school and summer programs in a minimum of 50 communities statewide. The grant was required to be used to pilot out-of-school time programs that include educational services, mentoring, and linkages to prosocial leisure and recreational activities for youth who are six to eighteen years of age. Additionally, programs were required to provide at least two of three activity areas:

- Science, Technology, Engineering, and Mathematics (STEM);
- homework support and high-yield learning opportunities; and
- career exploration.

2SSB 5258 establishes the Washington AIM program in statute to provide after-school and during the summer programs that include educational services, social-emotional learning, mentoring, and recreational activities for youth who are six to eighteen years of age. Eligible entities must meet specified requirements, including the following:

- ensure that 60 percent or more of the program participants qualify for Free or Reduced-Price Meals;
- have an existing partnership with the local school district and commitment to develop a formalized data-sharing agreement;
- combine or have a plan to combine academics and social-emotional learning;
- engage in a continuous program quality improvement process;
- conduct national criminal background checks for all

employees and volunteers who work with children; and

- be faculty-based and have adopted standards for care including staff training, health and safety standards, and mechanisms for assessing and enforcing the program's compliance with the standards.

Nonprofit entities applying for funding as a statewide network must:

- have an existing infrastructure or network of grant-eligible entities;
- provide after-school and summer programs with youth development services; and
- be facility-based and provide proven and tested recreational, educational, and character-building programs for youth who are six to eighteen years of age.

OSPI is directed to report to the Legislature on the programs established, target populations, and pre- and post-test results by December 31, 2018, and annually thereafter.

A null and void clause was included; however, the 2017–19 Operating Budget provides \$357,000 to implement this bill.

ESSB 5293—Truancy reduction

(Senator Darneille)

Full Veto

Legislation adopted in 2015 made several changes to existing truancy statutes. ESSB 5293 makes a variety of additional changes to school and court processes regarding truancy, many of which address issues resulting from the 2015 changes. Similar legislation, 2SHB 1170, was also adopted this session; Governor Inslee vetoed this bill and deferred to the House version. For additional information, see 2SHB 1170, Bills Passed, earlier in this Report.

SSB 5301—Responsible bidder criteria

(Senator Miloscia)

C258 L17

Current law requires most public agencies to award public works contracts to the lowest responsible bidder or the responsible bidder who submits the lowest responsive bid. In determining whether or not the bidder is a responsible

bidder, the agency must consider:

- the ability of the bidder to perform the contract or provide the service required;
- the character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- whether the bidder can perform the contract within the time specified;
- the quality of performance of previous contracts or services;
- the previous and existing compliance by the bidder with laws relating to the contract or services; and
- other relevant information.

SSB 5301 amends the state's responsible bidder criteria. Under provisions of this bill, agencies must consider whether a final and binding citation and notice of assessment has been issued by the Department of Labor and Industries or through a civil judgment that the bidder willfully violated any provision of the state's wage laws in the three years before the date of the bid solicitation. Bidders are required to submit a signed statement verifying under penalty of perjury that they are in compliance with the responsible bidder criteria requirement for the state's wage laws. A contracting agency may award a contract in reasonable reliance upon such a sworn statement.

SSB 5404—Sunscreen in schools

(Senator Rivers)

C186 L17

Current state law allows public school districts and private schools to administer oral and topical medication, eye drops, ear drops, and nasal spray when a student is in the custody of the school, but administration of medication is not required. In order to administer medication, public school districts and private schools must meet certain requirements including receipt of written, current, unexpired requests from a parent or guardian and a licensed health professional.

Education statutes do not define medication and it makes no distinction between prescription and non-prescription medication. OSPI has interpreted current law to include over-the-counter medication and further has stated sunscreen should be categorized as a medication because it is regulated by the U.S. Food and Drug Administration (FDA).

SSB 5404 clarifies that state laws regarding the administration of medication at school does not apply to topical sunscreen products regulated by the FDA for over-the-counter use.

Any person, including students, parents, and school personnel, may possess topical sunscreen products to help prevent sunburn while on school property, at a school-related event or activity, or summer camp. A sunscreen product may be possessed and applied without the prescription or note of a licensed health care professional if the product is regulated by the FDA for over-the-counter use. For student use, a sunscreen product must be supplied by a parent or guardian.

Schools are encouraged to educate students about sun safety guidelines. Nothing in the new law requires school personnel to assist students in applying sunscreen.

ESSB 5449—Digital citizenship

(Senator Liias)

C90 L17

Current state law defines digital citizenship as including the norms of appropriate, responsible, and healthy behavior related to current technology use, including digital and media literacy, ethics, etiquette, and security. The term also includes the ability to access, analyze, evaluate, develop, produce, and interpret media, as well as Internet safety and cyberbullying prevention and response.

Current law requires school districts to annually review their policy and procedures on electronic resources and Internet safety, beginning in the 2017–18 school year. In reviewing and amending the policy and procedures, a school district must:

- involve a representation of students, parents or guardians, teachers, teacher-librarians, other school employees, administrators, and community representatives with experience or expertise in digital citizenship, media literacy, and Internet safety issues;
- consider customizing the model policy and procedures on electronic resources and Internet safety developed by WSSDA;
- consider existing school district resources; and

- consider best practices, resources, and models for instruction in digital citizenship, Internet safety, and media literacy, including methods to involve parents.

ESSB 5449 requires WSSDA to review and revise its model policy and procedures on electronic resources and Internet safety to better support digital citizenship, media literacy, and Internet safety in schools by December 1, 2017. The model policy and procedures must contain provisions requiring that media literacy resources consist of a balance of sources and perspectives. WSSDA is also directed to develop a checklist of items for school districts to consider when updating their policy and procedures.

The bill requires OSPI to create a web-based location with links to recommended successful practices and resources to support digital citizenship, media literacy, and Internet safety for use in the 2017–18 school year. Thereafter, OSPI must continue to identify and develop additional open educational resources to support digital citizenship, media literacy, and Internet safety in schools for the web-based location. Media literacy resources must consist of a balance of sources and perspectives.

OSPI is also required to survey teacher-librarians, principals, and technology directors to understand how they are currently integrating digital citizenship and media literacy education in their curriculum. The survey must be completed by December 1, 2018. The purpose of the survey is to determine ways in which teacher-librarians, principals, and technology directors can lead, teach, and support digital citizenship and media literacy across all grades and content areas. OSPI's web-based location must incorporate the information gathered by the survey.

Finally, the definition of digital citizenship is moved to the definition section of the education technology chapter of the education code.

SB 5488—TBIP report

(Senator Zeiger, by Superintendent of Public Instruction)

C123 L17

Since 1969, OSPI has been directed to annually review and report to the Legislature on the Transitional Bilingual Instruction Program (TBIP) by January 1. SB 5488 simply changes the due date of the annual review and report to February 1. This will provide OSPI additional time to analyze

school district data, which often arrives in late November or December.

SB 5605—OSPI background checks

(Senator Walsh, by request of Superintendent of Public Instruction)

C33 L17 E3

The K–12 Criminal Background Check Account is created in the custody of the State Treasurer. All record check fees collected by OSPI must be deposited in the account. Expenditures from the account may be made only for the purpose of administering OSPI record check duties. Only the Superintendent of Public Instruction or designee may authorize expenditures from the account. The account is subject to allotment procedures, but an appropriation is not required for expenditures.

The bill also aligns OSPI's background check with the Department of Early Learning's (DEL). Individuals, who have completed a fingerprint background check as required by OSPI and have been continuously employed by the same school district or ESD, can meet DEL's check requirements by providing a true and accurate copy of their Washington State Patrol and FBI background check report results to DEL. A school district or ESD may also provide an affidavit to DEL that the individual has completed a record check and has been authorized to work. DEL may require that additional background checks be completed that do not require additional fingerprinting and may charge a fee for these additional background checks.

SB 5640—Technical college diplomas

(Senator Conway)

C 93 L17

Under current law, school districts must issue diplomas to students signifying graduation from high school upon the students' satisfactory completion of all local and state graduation requirements. A Community or Technical College (CTC) may issue a high school diploma or certificate to an individual who: meets the requirements for high school completion, subject to rules adopted by OSPI and the State Board of Education; completes an Associate Degree program through Running Start; or is 21 years or older and enrolls in a CTC and obtains an Associate Degree.

CTCs are allowed to contract with local school districts to provide occupational and academic programs for high school students and Technical Colleges may enter into inter-local agreements with local school districts to provide instruction in courses required for high school graduation, basic skills, and literacy for students enrolled in Technical College programs.

SB 5640 stipulates that anyone who enrolls in a Technical College through an occupational and academic high school program operated through a contract between a CTC and a local school district, and satisfactorily completes an Associate Degree, must be awarded a diploma from the college upon written request.

SSB 5644—Skills Center maintenance

(Senator Honeyford)

C187 L17

There are 15 Skills Centers in Washington which operate as cooperatives with participating school districts and offer in-depth programs for about 7,000 students. Currently, facility funding is provided through the Capital Budget and the funding is administered by OSPI's School Facilities and Organization.

SSB 5644 requires the host district of a Skills Center cooperative to maintain a separate capital account into which the participating school districts must make annual deposits to pay for minor repair and maintenance costs for the Skills Center. The bill allows the host district to charge a per pupil facility fee charged by the host district.

SB 5662—PESB membership

(Senator Zeiger, by request of Superintendent of Public Instruction)

C189 L17

The Professional Educator Standards Board (PESB) is a 13-member board responsible for establishing the requirements for the state certification of educators, and approving educator preparation and certification programs. One of the members is the State Superintendent of Public Instruction. Currently, the law does not provide that the Superintendent may appoint a designee to fill his or her membership on the Board.

SB 5662 specifically states the Professional Educator Standards Board is a Board of twelve members appointed by the governor, and the Superintendent of Public Instruction “or the Superintendent’s designee.”

SSB 5883—2017–19 Operating Budget

(Senator Braun)

C1 L17 E3—Partial Veto

This is the 2017–19 Operating Budget, along with a final 2015–17 Supplemental Operating Budget. For details, see Operating Budget section earlier in this Report.

ESSB 5965—Re-appropriation Capital Budget

(Senator Honeyford)

C4 L17 E3

This is the re-appropriation Capital Budget which: makes changes to the 2015–17 budget; and makes re-appropriations of \$2.5 billion for 2017–19 to ensure that projects authorized in prior biennia are able to continue without disruptions to construction schedules. Unfortunately, this “stop-gap” budget does not include funding for the Capital Projects Administration at OSPI. This means that OSPI may not be able to hire the staff who oversee the payments for those projects or approve bids for projects.

SSB 5977—Revenue

(Senator Rossi)

C37 L17 E3—Partial Veto

This is one of the three revenue bills (along with EHB 2242 and EHB 2163) adopted to fund the 2017–19 Operating Budget.

SSB 5977 creates, modifies, or extends thirteen current tax preferences.

Education-Related Bills That Died—Titles

As noted in the previous section, about 2,700 bills, resolutions and memorials were introduced in the 2017 Session and WASA actively tracked over 400 of those pieces of legislation that had either direct or potentially indirect impacts on K–12 education. Obviously, many more bills died than were adopted, but by reviewing those bills that were unsuccessful (along with those bills that passed), you can gain some insight into priorities of our legislators. This also provides a bit of a preview of what may be coming. Remember, Washington operates on a biennial cycle with a two-year Legislature. 2017 is the first year of the Legislature’s 65th Biennial Session. And it is technically more accurate to refer to the following bills as being “dormant,” rather than dead because ALL of these bills will be automatically reintroduced in the Legislature’s second-year session in 2018.

HB 1005.....	Agency rulemaking	HB 1313.....	Applied learning
HB 1006.....	Right to work	HB 1319.....	Educator evaluations
HB 1007.....	Religious objectors	HB 1374/SB 5283.....	Educational Staff Associates
HB 1021.....	Education Budget	HB 1377.....	Student mental health
HB 1023.....	Military students’ activities	HB 1415.....	High school assessments
HB 1025.....	Appropriation priorities	HB 1425.....	Education savings account
HB 1034.....	State officials’ litigation	HB 1438.....	Balanced budget
HB 1072.....	Separation of powers	HB 1451.....	Language access
HB 1075.....	2017–19 Capital Budget	HB 1457.....	Sales tax holiday
HB 1080.....	General Obligation bonds	HB 1484/SB 5556.....	PERS 1 & TRS 1 benefits
HB 1158.....	Initiative 200	HB 1500/SB 5513.....	Tax exemptions
HB 1174.....	Hunter education	HB 1508.....	Breakfast After the Bell
HB 1203.....	School construction taxes	HB 1509.....	24-credit graduation
HB 1215.....	Innovation schools	HB 1511.....	Learning Assistance Program
HB 1236.....	Truant students	HB 1512.....	College Bound Scholarship
HB 1240.....	Agency rules	HB 1516.....	Public records storage system
HB 1241.....	Agency rulemaking	HB 1517.....	School construction
HB 1246.....	School bus safety	HB 1518.....	Social-emotional learning
HB 1254.....	Leadership grant program	HB 1539.....	Sexual abuse of students
HB 1256.....	School assessment system	HB 1542.....	Dropout prevention
HB 1282/SB 5183.....	Career & Technical Education	HB 1551/SB 5708.....	Student nutrition
HB 1284.....	School panic button	HB 1560.....	Default retirement plan
HB 1287.....	Collective bargaining	HB 1563.....	Child abuse hotline
HB 1293.....	College Bound Scholarship	HB 1564.....	Pesticide reporting
HB 1294.....	Ethnic studies curriculum	HB 1579.....	Real estate disclosure
HB 1295.....	Language access	HB 1600.....	Career and college readiness
HB 1310.....	School violence reports	HB 1601/SB 5459.....	Beginning Educator Support Team

HB 1602/HB 2217.....	Prayer at school	HB 1926.....	Capital Gains tax
HB 1608.....	Capital Budget resources	HB 1948/HB 1989.....	OPMA
HB 1618.....	Family engagement coordinators	HB 1982.....	School safety
HB 1621.....	Social-emotional learning	HB 2050.....	Classroom support
HB 1643.....	Teacher loan forgiveness	HB 2083.....	Special election dates
HB 1644.....	Teacher shortage	HB 2110.....	School district health plans
HB 1664.....	Teaching effectiveness	HB 2181.....	Supreme Court
HB 1665.....	Tax preferences	HB 2186.....	Taxes
HB 1666.....	Tax preferences	HB 2209.....	English language
HB 1686/SB 5489.....	TBIP definitions	HB 2216/SB 5942.....	School siting
HB 1687.....	Gangs in Schools Task Force	HB 2240.....	Capital Budget continuity
HB 1688.....	Open educational resources	HB 2244.....	Parental rights
HB 1689.....	Student transportation allocation	HJR 4203/SJR 8202.....	Simple majority for bonds
HB 1691.....	TPEP Advisory Committee	HJR 4204.....	Simple majority for bonds
HB 1694.....	School construction	HJR 4205.....	Operating Budget timeliness
HB 1703.....	School safety planning	HJR 4209.....	Balanced budget
HB 1705.....	Flexibility schools	SB 5019.....	Ballot postage
HB 1706.....	Civics test	SB 5028/HB 2034.....	Native American curriculum
HB 1749.....	Growth Management Act	SB 5054.....	School buses
HB 1756.....	Career & Technical Education	SB 5055.....	JARRC
HB 1764/SB 5772.....	Property tax limit	SB 5064.....	Student freedom of expression
HB 1767.....	Substitute teachers	SB 5066.....	Zero-based budgeting
HB 1774.....	Urban Growth Areas	SB 5086.....	2017–19 Capital Budget
HB 1781/SB 5571.....	Recycling program	SB 5090.....	General Obligation bonds
HB 1793.....	High school assessments	SB 5111/HB 1730.....	Capital Gains tax
HB 1800/HB 1934/SB 5067/SB 5267.....	Voting Rights Act	SB 5112/HB 1549.....	Tax preferences
HB 1818.....	State spending	SB 5113/HB 1550.....	B&O tax
HB 1827.....	Educator workforce supply	SB 5114.....	Revenue forecasts
HB 1842.....	Lead in drinking water	SB 5115.....	School director compensation
HB 1843/SB 5623.....	Education Funding Plan	SB 5117.....	Military students' activities
HB 1878.....	Allergen information	SB 5127/HB 1555.....	Carbon tax
HB 1886/SB 5673.....	OSPI and SBE duties	SB 5151.....	Ballot measure committees
HB 1896/SB 5668.....	Civics education	SB 5155.....	Student suspensions
HB 1898.....	Middle school CTE	SB 5166.....	Construction taxes
HB 1901.....	Kindergartener month	SB 5202/HB 1572.....	High school assessments
HB 1925.....	Lead in drinking water	SB 5206.....	Elementary school CTE

SB 5226/SB 5505.....	School district liability	SB 5651	School siting
SB 5236	Civic Learning Partnership	SB 5664/HB 1393.....	Timber revenue reduction
SB 5238	Cursive writing	SB 5696	Breakfast After the Bell
SB 5291/HB 1412.....	Academic support	SB 5702	School construction funding
SB 5297	Salary schedule	SB 5710	Public Records Act penalties
SB 5298	Levy lid and LEA	SB 5712	Bilingual education workforce
SB 5310	Retired teachers	SB 5714	Social-emotional learning
SB 5313	Civics education	SB 5726	School employee benefits
SB 5318/HB 1453.....	Agriculture science education	SB 5727	School employee benefits
SB 5335/HB 1471/1513	Voter pre-registration	SB 5733	Summer education
SB 5348	Certificate of Individual Achievement	SB 5740	Minimum school year
SB 5367	Pupil transportation funding	SB 5758/HB 2075.....	College and career readiness
SB 5385	Carbon tax	SB 5765	Tax exemptions
SB 5416/SB 5960.....	Intangible property	SB 5766	Bullying in schools
SB 5417	ASB funds	SB 5775	Tax preferences
SB 5420	Declaration of Human Rights	SB 5802	Feminine hygiene products
SB 5432	Special education funding	SB 5805	Historic preservation
SB 5448/HB 1788.....	Psychotropic medication	SB 5821	Tax preferences
SB 5453/HB 1923.....	School construction grants	SB 5825	Education Funding Plan
SB 5484	Early learning facilities	SB 5833	TRS Plan 1 minimum allowance
SB 5486/HB 1684.....	Innovative supplemental contracts	SB 5853	Career & Technical Education
SB 5487/HB 1685.....	Mentor teachers	SB 5858	Teacher certification
SB 5534	Educator housing allowance	SB 5891/HB 1012.....	High school assessments
SB 5545/HB 1951.....	Collective bargaining	SB 5896	Government liability
SB 5562	School district flexibility	SB 5914	Labor dues collection
SB 5563	Truancy	SB 5917	IB exam credits
SB 5567	Performance assessment	SB 5945	School siting
SB 5583	WIAA	SB 5959	Capital Gains tax
SB 5585	Conditional scholarships	SB 5962	Property tax limit
SB 5601	Teacher postretirement employment	SJR 8200	Paramount duty
SB 5607	Education Funding Plan	SJR 8203	Paramount duty
SB 5616/HB 1658.....	Administrative rules	SJR 8204/HJR 4207.....	Income tax
SB 5622	Career readiness	SJR 8207	School district levies
SB 5639	High school assessments	SJR 8208	Four-year balanced budget
SB 5641	School district class	SJR 8210	Legislative transparency

Education-Related Bills That Died

HB 1005—Agency rulemaking

(Representative Taylor)

Would have eliminated agency rulemaking authority, except for specific limited purposes and would have expired all existing agency rules unless extended or enacted into law by the Legislature.

HB 1006—Right to work

(Representative Shea)

Would have prohibited a person, employer, or labor organization, as a condition of employment or continuation of employment, from requiring a person to: refrain from voluntary membership in a labor organization or from financially supporting a labor organization; become or remain a member of a labor organization; or pay any dues, fees, or other charges to a labor organization or any funds to a charity or other third-party organization in lieu of paying dues or fees to a labor organization.

HB 1007—Religious objectors

(Representative Shea)

Would have required all union security provisions to safeguard the right of nonassociation of employees based on bona fide personally held religious beliefs.

HB 1021—Education Budget

(Representative MacEwen)

Would have required all appropriations for K–12 basic education to be enacted in legislation that is separate from the omnibus state budget. Further, because “education is the state’s first obligation,” the full funding of these K–12 appropriations would have been required to be made from within existing revenue sources without relying on new tax sources or rates.

HB 1023—Military students’ activities

(Representative MacEwen)

Would have prohibited the Washington Interscholastic Activities Association from requiring that a transfer student who is a child of an active duty military family meet

continuous enrollment prerequisites before becoming eligible for varsity-level extracurricular activities.

HB 1025—Appropriation priorities

(Representative Taylor)

Would have established a process for enacting operating budget bills in priority order by subject area and would have prohibited the Legislature from raising taxes until it enacted appropriations for the maximum number of priority budget areas. Additionally, would have required the Legislature to enact operating, transportation, and appropriations legislation no later than 30 days before the beginning of the fiscal biennium.

HB 1034—State officials’ litigation

(Representative Manweller)

Would have required separately elected state executive officers to first obtain the approval of the governor before instituting or prosecuting any legal action against the state, while also limiting the duty of the attorney general to provide representation in such cases.

HB 1072—Separation of powers

(Representative Koster)

Would have restored the balance of powers between and among the branches of government as established by the people in the state Constitution.

HB 1075—2017–19 Capital Budget

(Representative Tharinger, by request of Office of Financial Management)

This was the House’s Capital Budget proposal, adopted with a vote of 92-1. It would have authorized new appropriations of \$4.18 billion. K–12 capital construction would have received a total appropriation of \$1.1 billion, of which \$1.03 billion would have been provided for the School Construction Assistance Program. For additional details, please see Capital Budget section earlier in this Report.

HB 1080—General Obligation bonds

(Representative Tharinger, by request of Office of Financial Management)

This was the House's bill to authorize bonds to finance its 2017–19 Capital Budget proposal, HB 1075. It would have authorized up to \$2.586 billion in General Obligation bonds.

HB 1158—Initiative 200

(Representative Santos)

Would have repealed Initiative 200 (1998), which prohibits discrimination or preferential treatment in public education, employment, or contracting based on specified factors, including race and sex.

HB 1174—Hunter education

(Representative Muri)

and SB 5216 (Senator O'Ban)

Would have required OSPI to develop a program of instruction for firearms safety and hunter education for students in grades 9 through 12 and would have allowed any school district to adopt the program as an elective one-half credit course for high school students.

HB 1203—School construction taxes

(Representative Young)

Would have provided for a sales and use tax exemption for school districts, in the form of a remittance, if the school district paid the tax levied on the sale or use of or charge made for labor and materials used for qualifying construction.

HB 1215—Innovation schools

(Representative Hargrove)

Would have allowed any school board to authorize one or more innovation schools or zones within their district and required OSPI, the State Board of Education, and the Professional Educator Standards Board to waive various statutory requirements and related rules for innovation schools.

HB 1236—Truant students

(Representative Klippert)

Would have encouraged courts to order truant children to: complete and submit all required assignments to the teacher in all of his or her classes; and submit to the court, on a monthly basis, satisfactory proof that there has been compliance with the requirement.

HB 1240—Agency rules

(Representative Koster)

Would have authorized the Joint Administrative Rules Review Committee to suspend existing agency rules, subject to legislative review.

HB 1241—Agency rulemaking

(Representative Koster)

Would have revised the Administrative Procedure Act to: suspend certain agency rulemaking until July 1, 2018; required agencies to immediately perform a review of existing agency rules; and authorized the Legislature to approve or disapprove a proposed or adopted agency rule.

HB 1246—School bus safety

(Representative McCabe)

Would have required: every school bus manufactured or assembled after September 1, 2018, to be equipped with a shoulder harness-type safety belt assembly for each passenger position; and every school bus to be equipped with an automated school bus safety camera for detecting vehicle infractions involving the overtaking or unlawful meeting of a school bus that has stopped on the roadway to load or unload school children.

HB 1254—Leadership grant program

(Representative Young)

Would have directed OSPI to establish a temporary competitive grant program to award grants to school districts for the promotion of confidence, public speaking, and leadership skills of students in grades 2 through 5.

HB 1256—School assessment system

(Representative Young)

Would have changed the school assessment system by: eliminating non-federally required tests; removing the graduation requirement from statewide tests; allowing the opting out of standardized tests with no repercussion to students; and creating a balanced assessment system.

HB 1282—Career & Technical Education

(Representative Tarleton)

and SB 5183 (Senator Rolfes)

Would have revised the funding formula for state allocations for Materials, Supplies, and Operating Costs (MSOC) for vocational students, requiring vocational MSOC funding levels to be allocated in a specific ratio to general education MSOC.

HB 1284—School panic button

(Representative Lovick)

Would have required OSPI to develop a statewide panic button program available to all school districts.

HB 1287—Collective bargaining

(Representative Chandler)

Would have required collective bargaining sessions with employee organizations involving contract negotiations to be open to the public.

HB 1293—College Bound Scholarship

(Representative Ortiz-Self)

Would have allowed a school counselor or guardian to witness a student's pledge to graduate from high school with a C average and no felony convictions to be eligible for a College Bound Scholarship after multiple attempts to contact the student's parents or guardians failed.

HB 1294—Ethnic studies curriculum

(Representative Ortiz-Self)

Would have required OSPI to develop a model ethnic studies curriculum for use in grades 7 through 12 and would have encouraged public schools to offer an ethnic studies course that incorporates the model ethnic studies curriculum.

HB 1295—Language access

(Representative Ortiz-Self)

Would have required OSPI to: convene a Language Access Advisory Committee to develop tools and recommendations to improve language access for public school students and families with limited English proficiency; and select two ESDs to act as language access lighthouse collaboratives.

HB 1310—School violence reports

(Representative Manweller)

Would have established the Students Protecting Students Program within OSPI to provide students and the community with the means to report anonymously to appropriate law enforcement agencies and schools concerning unsafe or violent activities, or the threat of these activities.

HB 1313—Applied learning

(Representative Pettigrew)

Would have established the Applied Learning Advisory Committee to provide guidance to legislators, OSPI, the governor, and other policymakers on the improvement and expansion of applied learning opportunities in public schools.

HB 1319—Educator evaluations

(Representative McCaslin)

Would have reduced the frequency of comprehensive performance evaluations for certain teachers and principals who previously received a comprehensive performance evaluation rating of Level 3 or above.

HB 1374—Educational Staff Associates

(Representative Dolan)

and SB 5283 (Senator Warnick)

Would have eliminated the limit on the number of non-school service years that can be counted toward years of service for salary allocation purposes for Educational Staff Associates.

HB 1377—Student mental health

(Representative Ortiz-Self)

Would have defined and described the roles of school counselors, psychologists, and social workers and would have required school districts with 2,000 or more students to provide a minimum of six hours per year, within existing resources, for school counselors, psychologists, and social workers to collaborate with mental health service providers.

HB 1415—High school assessments

(Representative Taylor)

Would have simplified existing state assessment requirements and administered the American College Test (ACT) assessment as the statewide high school assessment for reading or language arts, mathematics, and science.

HB 1425—Education savings account

(Representative Kilduff)

Would have established the Washington Next Generation Educational Savings Account Pilot Program to incentivized parents and guardians to open 529 accounts for their kindergarten-aged children.

HB 1438—Balanced budget

(Representative Ormsby, by request of Office of Financial Management)

Would have suspended current requirements of the four-year balanced budget to fulfill the state's education funding obligations.

HB 1451—Language access

(Representative Orwall)

Would have required OSPI to improve language access for public school students and families with limited English proficiency by convening an advisory committee to develop tools and make recommendations. Additionally, would have required ESDs to maintain the capacity to offer language access trainings using the model curricula adopted by OSPI.

HB 1457—Sales tax holiday

(Representative Irwin)

Would have established a “back-to-school” sales tax holiday, wherein certain specified clothing and school supply items would have been exempt from sales and use taxes.

HB 1484—PERS 1 & TRS 1 benefits

(Representative Dolan)

and SB 5556 (Senator Hunt)

Would have provided an enhanced retirement benefit for beneficiaries of the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1.

HB 1500—Tax exemptions

(Representative Pollet)

and SB 5513 (Senator Frockt)

To increase tax exemption transparency and accountability, would have required the Legislature, as a part of the biennial Operating Budget, to adopt a tax expenditure budget which: detailed all discretionary tax expenditures with an estimate of the state revenue impact of each expenditure; and stated the purpose and the effectiveness of the tax expenditure.

HB 1508—Breakfast After the Bell

(Representative Stonier)

Would have required qualifying high-needs schools to offer Breakfast After the Bell programs to students after the beginning of the school day.

HB 1509—24-credit graduation

(Representative Stonier)

Would have eliminated the 24-credit graduation requirement and established a 21-credit requirement for graduation with delineated credit requirements by course type.

HB 1511—Learning Assistance Program

(Representative Lytton)

Would have increased the number of hours allocated to support the Learning Assistance Program (LAP) to 2.4 hours per week and specified that school districts are no longer required to prioritize LAP funding to improve reading literacy in early elementary grades.

HB 1512—College Bound Scholarship

(Representative Bergquist)

Would have expanded a student's initial eligibility for the College Bound Scholarship to the seventh and eighth grade, rather than just the seventh grade.

HB 1516—Public records storage system

(Representative MacEwen)

Would have directed the Chief Information Officer to establish an Internet-based data storage system to collect and store local agency public records and make such records available for public disclosure on a state website.

HB 1517—School construction

(Representative MacEwen)

Would have authorized the State Finance Committee to issue lottery revenue bonds, payable from Washington Opportunity Pathways Account revenues, to provide needed construction assistance to support school facility needs at common schools.

HB 1518—Social-emotional learning

(Representative Senn)

Would have directed OSPI to convene a work group to build upon the social-emotional learning benchmarks developed in 2016 and established a competitive grant program to increase the number of summer learning programs that combine academics and social-emotional learning.

HB 1539—Sexual abuse of students

(Representative McCabe)

Would have established the Erin's Law Legislative Task Force and directed it to adopt a model curriculum for the prevention of sexual abuse of students in kindergarten through grade 12.

HB 1542—Dropout prevention

(Representative Doglio)

Would have established a Dropout Prevention Through Farm Engagement Pilot Project to measure the effectiveness and cost-benefit of a particular alternative high school program on improving outcomes for at-risk youth.

HB 1551—Student nutrition

(Representative Riccelli)

and SB 5708 (Senator Walsh)

Would have established a competitive equipment assistance grant program to enhance student nutrition in public schools.

HB 1560—Default retirement plan

(Representative Stanford)

Would have changed the default plan for new members who are first eligible to enter the Public Employees' Retirement System, Teachers' Retirement System, or School Employees' Retirement System Plans 2 or Plans 3, but do not choose a plan, from Plan 3 to Plan 2.

HB 1563—Child abuse hotline

(Representative Ortiz-Self)

Would have required each school district, when it adopts a plan for recognition, initial screening, and response to emotional or behavioral distress in students, to include in the plan a policy regarding the mandatory posting of the state's toll-free, 24-hour, seven-days-a-week hotline that will connect an individual to the appropriate Child Protective Services office to report child abuse and neglect.

HB 1564—Pesticide reporting

(Representative Ortiz-Self)

Would have required pesticide users to provide a notice of an intended pesticide application, and required a person who receives a notice to inform a person who may be on the property at the time of application.

HB 1579—Real estate disclosure

(Representative Kilduff)

Would have required school district identification to be added to the seller disclosure form for residential real property transactions.

HB 1600—Career and college readiness

(Representative Santos)

Would have established a Work-Integrated Learning Advisory Committee to promote work-integrated learning experiences for students through the completion of demonstration programs at selected pilot high schools.

HB 1601—Beginning Educator Support Team(Representative Santos, by request of Governor Inslee) and **SB 5459** (Senator Rolfes, by request of Governor Inslee)

Would have expanded the Beginning Educator Support Team (BEST) program to beginning principals and prioritized grant funds to school districts that demonstrate an understanding of the research-based standards for beginning educator induction.

HB 1602 and HB 2217—Prayer at school

(Representative Young)

Stemming from the Bremerton praying coach issue, this bill would have clarified that immediately after a school sports activity is completed, any grounds of the school open to the public after the school day has ended or on a weekend day is a designated public forum where all individuals may safely assemble to talk with other individuals, including praying with one another.

HB 1608—Capital budget resources

(Representative Pike)

Would have ended the current, temporary diversion of Capital Budget resources from various accounts to the General Fund.

HB 1618—Family engagement coordinators

(Representative Ortiz-Self)

Would have changed the terms “parent involvement coordinator” in the prototypical school funding formula statute and “parent and family engagement coordinator” in the Learning Assistance Program statute to “family and community engagement coordinator.”

HB 1621—Social-emotional learning

(Representative Senn)

Would have increased funding allocations for each level of prototypical school by one full-time equivalent certificated instructional staff until implementation of Initiative 1351. Also, would have restricted use of these new allocations to support children’s health and social-emotional learning.

HB 1643—Teacher loan forgiveness

(Representative Ortiz-Self)

Would have created a loan forgiveness program for teachers in high-need schools or in specific subject matter shortage areas.

HB 1644—Teacher shortage

(Representative Ortiz-Self)

Would have required the Professional Educator Standards Board to design, administer, and deliver a training program to develop the capabilities of public school and school district staff who are responsible for recruiting, hiring, and onboarding new teachers.

HB 1664—Teaching effectiveness

(Representative Caldier)

Would have required the Professional Educator Standards Board to waive the requirement that preservice candidates who successfully pass the evidence-based assessment of teaching effectiveness: when requested by a school district with a subject endorsement shortage area; and for a candidate completing a teacher preparation program in an endorsement shortage area that meets the need of the school district.

HB 1665—Tax preferences

(Representative Santos)

To enhance transparency of the effect of tax preferences, this bill would have required the governor's Operating Budget request to clearly state a baseline revenue estimate in the Operating Budget balance sheet that excludes the impact of any current tax preferences and a revenue adjustment that includes the estimated impact of current tax preferences.

HB 1666—Tax preferences

(Representative Santos)

Would have required legislative approval of tax preferences as part of the two-year budget process.

HB 1686—TBIP definitions

(Representative Santos, by request of Superintendent of Public Instruction)

and SB 5489 (Senator Zeiger, by request of Superintendent of Public Instruction)

Would have aligned definitions in the Transitional Bilingual Instruction Program (TBIP) to definitions in federal education law by modifying the definition of "eligible pupil," establishing a new definition of "native language," and repealing the definition of "primary language."

HB 1687—Gangs in Schools Task Force

(Representative Santos, by request of Superintendent of Public Instruction)

Would have eliminated the Gangs in Schools Task Force, as established in law.

HB 1688—Open educational resources

(Representative Santos, by request of Superintendent of Public Instruction)

Would have eliminated the expiration date of the Open Educational Resource Project, making it permanent.

HB 1689—Student transportation allocation

(Representative Santos, by request of Superintendent of Public Instruction)

Would have made various adjustments to the student transportation allocation system, including: basing the regression analysis on a statewide independent variable; revising the alternative funding formula to expand the number of districts qualifying; and establishing a transportation allocation adjustment process to address districts with unique geographic or other constraints that result in inadequate funding.

HB 1691—TPEP Advisory Committee

(Representative Harris, by request of Superintendent of Public Instruction)

Would have removed the expiration date of the Teacher and Principal Evaluation Program (TPEP) Advisory Committee.

HB 1694—School construction

(Representative MacEwen)

Would have authorized \$250 million in special revenue bonds backed by lottery revenues to address public school construction, including but not limited to all-day kindergarten and K–3 class-size facility needs.

HB 1703—School safety planning

(Representative Pollet)

Would have required OSPI, in consultation with the State Building Code Council, to publish, and update every four years, guidelines and criteria for public schools and ESDs to conduct a comprehensive engineering survey for seismic safety of a public-school building used by students.

HB 1705—Flexibility schools

(Representative Kirby)

Would have allowed school districts to apply for a designation of flexibility schools or zones. Flexibility schools or those in flexibility zones would be exempt from most statutes and rules applicable to schools and districts.

HB 1706—Civics test

(Representative Chandler)

Would have required students, as a graduation prerequisite, to take and pass the civics component of the federally-administered naturalization test required of persons seeking to become naturalized United States citizens.

HB 1749—Growth Management Act

(Representative Taylor)

Would have repealed the Growth Management Act (GMA) and directed the Department of Commerce to prepare recommendations to modify or repeal statutory provisions that are affected by the repeal of GMA.

HB 1756—Career & Technical Education

(Representative Manweller)

Among other things, this bill would have prohibited OSPI or school districts: from requiring that online Career and Technical Education (CTE) courses that are eligible for an occupational education credit be aligned with a state-recognized career and technical student organization; and from limiting online CTE courses from approved providers to only those the district offers in a traditional classroom or Skills Center setting.

HB 1764—Property tax limit

(Representative Lytton)

and SB 5772 (Senator Pederson)

Would have replaced the current one percent property tax revenue limit with a limit tied to population changes and inflation.

HB 1767—Substitute teachers

(Representative Kraft)

Would have required a school district to notify a substitute teacher of a complaint about their performance of professional duties.

HB 1774—Urban Growth Areas

(Representative Griffey)

Would have authorized new development outside of Urban Growth Areas in rural counties under certain conditions.

HB 1781—Recycling program

(Representative Kloba)

and SB 5571 (Senator Palumbo)

Would have required public schools to offer students the opportunity to recycle and to compost food waste. Additionally, would have required the state to provide compost supplies and pickup of compost free of charge to public schools.

HB 1793—High school assessments

(Representative Senn)

Would have eliminated successfully meeting standard on the current tenth-grade assessments as a graduation requirement and replaced them with: the assessment developed with a multistate consortium in English language arts; the assessment developed with a multistate consortium in mathematics; and the statewide assessment in science including, when operational, the comprehensive Next Generation Science Standards assessment.

HB 1800—Voting Rights Act

(Representative Gregerson),

HB 1934 (Representative Haler),**SB 5067** (Senator Miloscia),**and SB 5267** (Senator Hunt)

Would have implemented a state-level Voting Rights Act to protect the equal opportunity for minority groups to participate in local elections and elect candidates of choice. Additionally, would have created a cause of action and authorized courts to order appropriate remedies for a violation of the voting rights act, including redistricting within a political subdivision.

HB 1818—State spending

(Representative Stokesbary)

Would have required legislation that enacts a new statutory state spending program to include a state spending performance statement and include an expiration date no more than ten years from the effective date of the spending program.

HB 1827—Educator workforce supply

(Representative Santos)

This comprehensive bill, intended to expand the current and future educator workforce supply, would have created new educator recruitment and retention policies and revised current educator recruitment and retention policies, including: the Recruiting Washington Teachers Program; student teacher field placement; financial incentives, assistance, and supports for people pursuing teacher certificates, including grants, conditional scholarships, and loan repayment; the Beginning Educator Support Team Program; and certification and evaluation of classroom teachers and principals.

HB 1842—Lead in drinking water

(Representative Pollet)

Would have required public schools to: develop and adopt a plan of action to prevent elevated lead levels in all water used for drinking or cooking; periodically test each outlet used for drinking water or cooking in each school or early childhood program facility for the presence of lead; and submit its plan of action and information on testing activities to the Department of Health and OSPI.

HB 1843—Education Funding Plan

(Representative Sullivan)

and SB 5623 (Senator Rolfes)

This was the *McCleary* solution introduced by Democrats. It would have: replaced the state Salary Allocation Model with minimum statewide average salaries; provided for regional salary adjustments and professional learning days; enhanced prototypical school allocations and categorical programs; and phased local levies down to a 24 percent lid over four years. This House bill was later replaced and updated by HB 2185.

HB 1878—Allergen information

(Representative Stanford)

Would have required public schools to display allergen information on a sign in a prominent place within each area where food is served.

HB 1886—OSPI and SBE duties

(Representative Harris)

and SB 5673 (Senator Zeiger)

Would have transferred numerous duties and responsibilities related to accountability, assessments, high school graduation requirements, basic education requirements, and other areas from the State Board of Education to OSPI.

HB 1896—Civics education

(Representative Dolan)

and SB 5668 (Senator Zeiger)

Would have established an expanded civics education teacher training program within OSPI to select a team of social studies teachers to develop teacher training materials, provide teacher training across the state, and develop a process for sustaining and building teacher capacity.

HB 1898—Middle school CTE

(Representative McCaslin)

Would have required OSPI to: allocate grants to middle schools for Career and Technical Education (CTE) programs with priority in allocating the funds going to programs that develop and improve skills that have direct applicability in construction trades; and examine barriers to increased participation in CTE programs by middle school students.

HB 1901—Kindergartener month

(Representative Griffey)

Would have declared September as the “Month of the Kindergartener.”

HB 1925—Lead in drinking water

(Representative Pollet)

Would have required schools to: develop a plan of action to prevent lead levels above 1 part per billion in water used for drinking or cooking; and periodically test fixtures used for drinking water or cooking for the presence of lead, including annual testing of each water fixture in schools.

HB 1926—Capital Gains tax

(Representative Pollet)

Would have implemented a new Capital Gains tax on individuals for the privilege of: selling or exchanging long-term capital assets; or receiving Washington capital gains. Revenue from the new tax would have been deposited in the Education Legacy Trust Account.

HB 1948—OPMA

(Representative Harmsworth)

and HB 1989 (Representative Pollet)

Would have required subgroups of public agency governing bodies—including subcommittees, task forces, advisory groups, and other workgroups created by the governing body—to comply with the Open Public Meetings Act.

HB 1982—School safety

(Representative Sullivan)

Would have required a first responder agency, when notifying a school of a situation that may require an evacuation or lockdown, to: determine if schools in the vicinity are similarly threatened; and notify schools in the vicinity for which an evacuation or lockdown appears reasonably necessary. Additionally, would have required school buildings that are occupied by students to be mapped by the Washington Association of Sheriffs and Police Chiefs.

HB 2050—Classroom support

(Representative McCaslin)

Would have required a school district, unable to accept funding from OSPI for class size reductions because of demonstrated capital facility needs that prevent it from doing so, to provide a classroom teacher in grades kindergarten through three who has class sizes that exceed the weighted average class size with the option of having additional support in the classroom in the form of a teaching assistant.

HB 2083—Special election dates

(Representative Hudgins)

Would have eliminated the February and April special election dates.

HB 2110—School district health plans

(Representative Caldier)

Would have required that school district employees covering spouses and family members through school district employer-sponsored health benefit plans pay equitable employee premiums as compared to employees choosing to cover fewer people.

HB 2181—Supreme Court

(Representative Taylor)

Would have reduced the number of judges on the State Supreme Court from nine to five.

HB 2186—Taxes

(Representative Lytton)

This was the House Democrats omnibus revenue proposal. It would have: implemented a new Capital Gains tax; made changes to the Business and Occupation tax (B&O); eliminated or narrowed several tax preferences; reformed the Real Estate Excise Tax; and required remote sellers to collect and remit sales tax on all taxable sales. New revenue from these taxes would have been deposited in the Education Legacy Trust Account.

HB 2209—English language

(Representative Klippert)

Would have designated the English language as the official language of the state and would have required all state and local government, including school district, business to be conducted in English. Additionally, official documents, rules, orders, and publications would have been required to be printed in English; and all official programs, meetings, transactions, and actions conducted by or on behalf of the state and its political subdivisions would have been required to be in English.

HB 2216—School siting

(Representative Fitzgibbon, by request of Governor Inslee)
and SB 5942 (Senator Conway, by request of Governor Inslee)

Would have clarified the Growth Management Act does not prohibit: a county from authorizing the siting in a rural area a school that serves students residing within Urban Growth

Areas; or local jurisdictions from extending utilities to serve the rural school, if certain requirements are met. These bills were intended to solve the problem created by Governor Inslee's partial veto of ESHB 1017.

HB 2240—Capital Budget continuity

(Representative Tharinger)

Would have made 2015–17 appropriations for supplemental capital projects, 2017–19 re-appropriations for previously authorized capital projects, and 2017–19 appropriations for oversight and review of projects and facilities to provide continuity for state-funded capital budget activities. This was intended to be a stop-gap measure in case a full 2017–19 Capital Budget was not able to be adopted.

HB 2244—Parental rights

(Representative Shea)

Would have clarified that parents and legal guardians who have legal custody of minor children have a fundamental right to make decisions concerning the care, custody, education, and control of their children.

HJR 4203—Simple majority for bonds

(Representative Stonier)

and SJR 8202 (Senator Mullet)

These constitutional amendments (and a necessary implementing bill, HB 1778/SB 5076) would have permitted the passage of local school district bond issues with a simple majority approval of voters.

HJR 4204—Simple majority for bonds

(Representative Muri)

This constitutional amendment (and its necessary implementing bill, HB 1779) would have permitted the passage of local school district bond issues with a simple majority approval of voters, but only if the issue was on the ballot during a general election.

HJR 4205—Operating Budget timeliness

(Representative MacEwen)

If the Legislature failed to adopt a new two-year Operating Budget by the end of the Regular Legislative Session, this

constitutional amendment would have suspended payment of legislators' salaries and fined Caucus leadership \$1,000 per day until the Legislature adopted a complete budget.

HJR 4209—Balanced budget

(Representative Young)

This constitutional amendment would have required Washington State to have a balanced budget.

SB 5019—Ballot postage

(Senator Hasegawa)

Would have required that counties include prepaid postage on return envelopes for all elections, with costs to be reimbursed by the state.

SB 5028—Native American curriculum

(Senator McCoy)

and HB 2034 (Representative Lovick)

Would have required teacher preparation programs to integrate Native American curriculum, developed by OSPI, into existing history and government course requirements.

SB 5054—School buses

(Senator Dansel)

and SB 5503 (Senator Baumgartner)

Would have required all public and private school buses purchased after the effective date of the bill to have a safety belt for each bus rider.

SB 5055—JARRC

(Senator Dansel)

and HB 1657 (Representative Shea)

Would have required a stay of implementation, enforcement, or changes to any agency rule or policy to be triggered upon the filing of a petition for review of the rule or policy with the Joint Administrative Rules Review Committee (JARRC).

SB 5064—Student freedom of expression

(Senator Fain)

Would have explicitly clarified that public high school students have the right to exercise freedom of speech and of the press in school-sponsored media. Would have also

clarified that student editors of school-sponsored media are responsible for determining the news, opinion, feature, and advertising content of the media. Further, would have required school districts to adopt a written student freedom of expression policy.

SB 5066—Zero-based budgeting

(Senator Miloscia)

and HB 1817 (Representative Stokesbary)

Would have required the Legislature to identify twenty percent of non-entitlement programs on which agencies must perform a zero-based budget analysis and submit this analysis with their biennial budget request for the ensuing biennium. Additionally, would have required the governor and Legislature to consider the zero-based budget reviews in their budget development process.

SB 5086—2017–19 Capital Budget

(Senator Honeyford, by request of Office of Financial Management)

This was the Senate's Capital Budget proposal, adopted with a vote of 49-0 (the House adopted an amended version of the budget and sent it back to the Senate, but it was never acted upon). It would have authorized new appropriations of \$3.99 billion. K–12 capital construction would have received a total appropriation of \$1.1 billion, of which \$965 million would have been provided for the School Construction Assistance Program. For additional details, please see Capital Budget section earlier in this Report.

SB 5090—General Obligation bonds

(Senator Honeyford, by request of Office of Financial Management)

This was the Senate's bill to authorize bonds to finance its 2017–19 Capital Budget proposal, SB 5086. It would have authorized up to \$2.538 billion in General Obligation bonds.

SB 5111—Capital Gains tax

(Senator Braun, by request of Office of Financial Management)

and HB 1730 (Representative Jinkins, by request of Office of Financial Management)

Would have implemented a new Capital Gains tax on individuals for the privilege of: selling or exchanging long-term capital assets; or receiving Washington capital gains. Revenue from the new tax would have been deposited in the Education Legacy Trust Account. Also, would have required revenue collected over \$900 million in a fiscal year to be deposited into a new School Investment Fund, which would have been used to backfill the Education Legacy Trust Account if revenues received were less than \$900 million in a fiscal year.

SB 5112—Tax preferences

(Senator Braun, by request of Office of Financial Management)

and HB 1549 (Representative Lytton, by request of Office of Financial Management)

Would have provided additional revenues for education and other public services by narrowing or eliminating tax preferences, making administrative revenue changes, and redirecting existing revenue sources.

SB 5113—B&O tax

(Senator Braun, by request of Office of Financial Management)

and HB 1550 (Representative Lytton, by request of Office of Financial Management)

Would have provided additional revenues for education by modifying the Business and Occupation (B&O) tax and providing small business tax relief.

SB 5114—Revenue forecasts

(Senator Braun)

Would have required the first state economic and revenue forecast of each calendar year to be submitted to the governor and the Legislature on or before February 20.

SB 5115—School director compensation

(Senator Carlyle)

Would have eliminated the current daily compensation limits for school directors and allowed a school board to establish a daily rate of compensation for board members. Would have provided that annual compensation could not exceed the annual salary for a legislator as set by the Citizens' Commission on Salaries for Elected Officials.

SB 5117—Military students' activities

(Senator Rolfes)

Would have required the Washington Interscholastic Activities Association to facilitate the opportunity for children of transitioning military families to participate in extracurricular activities by allowing those students to participate without restriction to sub-varsity competition for one year.

SB 5127—Carbon tax

(Senator Braun, by request of Office of Financial Management)

and HB 1555 (Representative Lytton, by request of Office of Financial Management)

Would have implemented a carbon tax imposed on the first sale and use of fossil fuels and on electricity generated by fossil fuels. Approximately half of the resultant revenue would have been expended on K–12 education, with the remainder being used for clean energy investments, water infrastructure and forest health, jobs and competitiveness programs, and programs to relieve the tax impact on certain vulnerable individuals.

SB 5151—Ballot measure committees

(Senator Fain)

Would have transferred the authority to appoint committees preparing arguments supporting or opposing local ballot measures in a local voters' pamphlet to the County Auditor.

SB 5155—Student suspensions

(Senator Billig)

Would have prohibited school districts from suspending or expelling students enrolled in grades kindergarten through two except in certain circumstances.

SB 5166—Construction taxes

(Senator Ericksen)

Would have provided a sales and use tax exemption on the purchase of or use of items used for construction projects administered by state or local governments, including school districts, or public charter schools.

SB 5202—High school assessments

(Senator Baumgartner)

and HB 1572 (Representative Dolan)

Would have directed OSPI to take the necessary steps to get federal approval for school districts to use the Standard Aptitude Test (SAT) or the American College Test (ACT) to meet the federal assessment requirements and the state high school graduation requirement.

SB 5206—Elementary school CTE

(Senator Chase)

Would have authorized elementary schools to seek approval from OSPI for Career and Technical Education (CTE) programs in Science, Technology, Engineering, and Mathematics (STEM) and receive funding at the same rate as a middle or high school.

SB 5226 and SB 5505—School district liability

(Senator Zeiger)

Would have prevented a school district from being held liable for civil damages for the criminal acts of a student that occur while the student is outside the district's custody or supervision.

SB 5236—Civic Learning Partnership

(Senator Zeiger)

Would have established a Civic Learning Public-Private Partnership to ensure that students in kindergarten through grade 12 schools and expanded learning opportunities are equipped with the knowledge and skills to engage effectively in government. Would have established duties for the Partnership, including creating six demonstration civic learning partnerships with school districts and local communities to assess and implement in-depth civic learning in schools.

SB 5238—Cursive writing

(Senator Warnick)

Would have required school districts to incorporate curricula to teach cursive writing.

SB 5291—Academic support

(Senator Pearson)

and HB 1412 (Representative Sells)

Would have created a pilot project to provide middle and junior high school students strategic and intentional academic support beyond the traditional school day.

SB 5297—Salary schedule

(Senator Ranker, by request of Office of Financial Management)

Would have revised and simplified the current Salary Allocation Model to better align educator pay with professional development milestones. Would have established a three-tiered model, consisting of Beginning Educators, educators with 2nd Tier Certification, and educators with 2nd Tier Certification and ten years of experience.

SB 5298—Levy lid and LEA

(Senator Ranker, by request of Office of Financial Management)

Would have lowered school districts' levy lids to 15 percent and lowered Local Effort Assistance to 7.5 percent.

SB 5310—Retired teachers

(Senator Hunt)

Would have allowed a teacher in Teachers' Retirement System Plan 2 or Plan 3 who retired under alternate early retirement provisions to be employed for up to eight hundred sixty-seven hours per calendar year without suspension of his or her benefit if he or she is employed exclusively as a coach.

SB 5313—Civics education

(Senator Fain)

Would have removed the current tax deduction for political donations or contributions and required the Legislature to appropriate the resultant revenues: to the Secretary of State to contract with a nonprofit to develop and implement a civics program for middle, secondary, and post-secondary students, and adults; and to the Public Disclosure Commission to improve compliance systems and investigations.

SB 5318—Agriculture science education

(Senator Hunt)

and HB 1453 (Representative Blake)

Would have directed OSPI to designate a set of high schools to serve as lighthouse programs on how to combine agriculture science education with a focus on Science, Technology, Engineering, and Mathematics (STEM) and partnerships with businesses and the community. Additionally, would have created the Agriculture Science Education Grant Program to award grants to provide professional development for certificated instructors, obtain consumable laboratory equipment supplies, acquire equipment commonly used in the agriculture industry, and cover administrative costs.

SB 5335—Voter pre-registration

(Senator Fain, by request of Secretary of State)

HB 1471 (Representative Bergquist, by request of Secretary of State),**and HB 1513** (Representative Bergquist)

Would have allowed persons 17 years of age to pre-register to vote. Additionally, would have required each County Auditor (if funded) to coordinate an event on Temperance and Good Citizenship Day in each history or social studies class attended by high school seniors that encourages online voter registration.

SB 5348—Certificate of Individual Achievement

(Senator Fain)

Would have required a student receiving special education services who earns a Certificate of Individual Achievement (CIA) to remain eligible to receive transition services until the age of 21.

SB 5367—Pupil transportation funding

(Senator Becker)

Would have directed OSPI to establish a student transportation allocation adjustment process to address underfunded districts which are operating student transportation programs efficiently.

SB 5385—Carbon tax

(Senator Hobbs)

Would have implemented a carbon tax on the carbon content of fossil fuels extracted, manufactured, or introduced into Washington. Would have directed the resultant revenues to be spent on storm water projects, fish barrier correction projects at state highways, renewable energy and energy efficiency programs, student transportation, and highway maintenance and preservation.

SB 5416 and SB 5960—Intangible property

(Senator Chase)

Would have repealed the current law tax exemption on intangible property to provide funding for essential government services.

SB 5417—ASB funds

(Senator Chase)

Would have required the state to compensate the Associated Student Body program fund for revenue losses from a student body program's food or beverage sales in schools.

SB 5420—Declaration of Human Rights

(Senator Chase)

Would have encouraged school districts to implement a program at least once a year that educates students on the content and importance of the Universal Declaration of Human Rights.

SB 5432—Special education funding

(Senator Rolfes)

Would have increased the funding amount school districts receive for the excess costs of special education from 0.93 percent of the basic education allocation to 1.08 percent.

SB 5448—Psychotropic medication

(Senator Rivers)

and HB 1788 (Representative Hargrove)

Would have required school districts to adopt policies prohibiting school staff from denying students access to programs or services because the parent or guardian has refused to place the student on psychotropic medication.

Additionally, would have prohibited school staff from requiring a student to undergo psychological screening unless the parent or guardian gives prior written consent before each screening.

SB 5453—School construction grants

(Senator Honeyford)

and HB 1923 (Representative Blake)

Would have created a new school construction assistance grant program to assist small, rural school districts with the cost of school modernization.

SB 5484—Early learning facilities

(Senator Honeyford, by request of Department of Early Learning)

Would have replaced the Child Care Facility Revolving Fund with a new Early Learning Facility Revolving Fund to be used solely for starting or improving an early learning facility that is participating in the Early Achievers program. Additionally, would have established an Early Learning Facility Fund Committee to award grants or loan guarantees to eligible applicants. One of the Committee members would have been appointed by OSPI.

SB 5486—Innovative supplemental contracts

(Senator Zeiger, by request of Superintendent of Public Instruction)

and HB 1684 (Representative Santos, by request of Superintendent of Public Instruction)

Would have eliminated the requirement that OSPI provide a report to the Legislature summarizing school district innovative supplemental contracts.

SB 5487—Mentor teachers

(Senator Zeiger, by request of Superintendent of Public Instruction)

and HB 1685 (Representative Santos, by request of Superintendent of Public Instruction)

Would have allowed retired teachers and principals to return to work as teacher mentors or advisers to students in teacher preparation programs.

SB 5534—Educator housing allowance

(Senator Fortunato)

Would have provided an annual housing allowance for employees of school districts where the average residential value is above the statewide average.

SB 5545—Collective bargaining

(Senator Wilson)

and HB 1951 (Representative Manweller)

Would have required public employee collective bargaining sessions to be open meetings.

SB 5562—School district flexibility

(Senator Fortunato)

Would have authorized school boards to grant individual schools waivers of most laws and rules applicable to public schools.

SB 5563—Truancy

(Senator Fortunato)

Would have revised current truancy laws by: allowing a school to determine whether to file a truancy petition; prohibiting a court from imposing detention as a sanction for contempt of a truancy order; allowing a school district to determine the training and duties of community truancy board members; and allowing a school to determine data-informed steps to be taken to reduce a child's absences from school. Additionally, would have increased the number of unexcused absences before a school must schedule a conference with the parent and child from two to three.

SB 5567—Performance assessment

(Senator Miloscia)

Would have required ESDs, the State Board of Education, the Professional Educator Standards Board, the Washington State School Directors' Association, and the Office of the Education Ombuds to implement a common performance assessment standard known as the Education Sector Excellence Assessment Framework.

SB 5583—WIAA

(Senator Baumgartner)

Would have required that any proposed Washington Interscholastic Activities Association rules, policies, amendments, and repeals: be made available to the Legislature and the public by January 1st of the year of the proposed adoption or repeal; and not be in effect until after the Legislative session.

SB 5585—Conditional scholarships

(Senator Ranker)

Would have modified the Future Teachers Conditional Scholarship and Loan Repayment Program to focus on increasing the number of early elementary teachers teaching in kindergarten through third grade in Washington.

SB 5601—Teacher postretirement employment

(Senator Darnelle)

Would have expanded postretirement employment options for teachers.

SB 5607—Education Funding Plan

(Senator Braun)

This was the *McCleary* solution introduced by Senate Republicans. It would have: replaced the state's Prototypical School Funding Model and the state's categorical program funding formulas with a per-pupil allocation model; eliminated categorical funding for the pupil transportation system; repealed I-732 COLAs and I-1351 class size reductions; created a new regular state property tax; limited local levies to ten percent of state and federal funding; eliminated Local Effort Assistance; and modified collective bargaining. The majority of the bill would have been subject to a public referendum. This bill was later updated by SB 5875.

SB 5616—Administrative rules

(Senator Fortunato)

and HB 1658 (Representative Manweller)

Would have prohibited any rule or policy adopted by a state agency from being enforced unless it was adopted pursuant to the Administrative Procedure Act, codified in the Washington Administrative Code, and was either ratified

by act of the Legislature or adopted by an agency that successfully completed an excellence assessment.

SB 5622—Career readiness

(Senator Rolfes)

Would have required OSPI to: develop a curriculum framework for a Career and Technical Education course that may be offered by high schools, in which the content in social studies education is considered equivalent in full or in part to social studies courses that meet graduation requirements; and develop a set of career readiness standards to guide the full integration of Goal Four and knowledge and skill areas in other goals in the Essential Academic Learning Requirements.

SB 5639—High school assessments

(Senator Conway)

Would have decoupled graduation requirements from statewide high school assessments by discontinuing the Certificate of Academic Achievement and the Certificate of Individual Achievement.

SB 5641—School district class

(Senator Keiser)

Would have modified school district nomenclature by changing statutory references to: “districts of the first class” or “first class districts” to “class one” districts; and “districts of the second class” or “second class districts” to “class two” districts.

SB 5651—School siting

(Senator Conway)

Would have allowed schools to be sited outside Urban Growth Areas under certain circumstances.

SB 5664—Timber revenue reduction

(Senator Braun)

and HB 1393 (Representative Walsh)

Would have eliminated the current reduction of state basic education funding to school districts in counties with federal forest lands.

SB 5696—Breakfast After the Bell

(Senator Wellman)

Would have provided that student participation in breakfast after the beginning of the school day must be considered instructional hours if students are provided the opportunity to engage in educational activity.

SB 5702—School construction funding

(Senator Keiser)

Would have established a Joint Legislative Task Force on Improving State Funding for School Construction and made various revisions to the current school construction program.

SB 5710—Public Records Act penalties

(Senator Kuderer)

Would have limited maximum awards to a person seeking access to a public record who prevails against an agency to \$5,000 if the agency acted in good faith.

SB 5712—Bilingual education workforce

(Senator Zeiger)

Would have established the Bilingual Educator Initiative as a long-term program to recruit, prepare, and mentor bilingual high school students to become future bilingual teachers and counselors.

SB 5714—Social-emotional learning

(Senator McCoy)

Would have required OSPI to continue to convene the Social-Emotional Learning Benchmarks Work Group to develop: indicators to provide concrete examples of what it might look like when a student meets a social-emotional learning benchmark; and resources to support schools and school districts with implementing social and emotional learning.

SB 5726—School employee benefits

(Senator Hobbs)

Would have required schools and ESDs to provide basic health care to employees through the Public Employee Benefits Board.

SB 5727—School employee benefits

(Senator Hobbs)

Would have required school districts offering basic health care to provide coverage that meets certain premium cost ratios.

SB 5733—Summer education

(Senator Walsh)

Would have established the Summer Step-up Act and created a grant program to increase the number of summer learning programs that combine academics and other forms of learning or skill development.

SB 5740—Minimum school year

(Senator King)

Would have extended the minimum school year from one hundred eighty days to two hundred twenty days to provide additional instructional time for students and more state-compensated time for teachers.

SB 5758—College and career readiness

(Senator Rivers)

and HB 2075 (Representative Pettigrew)

Would have required the Legislature to allocate an additional \$400 per annual average full-time equivalent student enrolled in middle and high schools and would have directed school districts that qualify for the additional funding to establish or expand each of the following three programs: Career and Technical Education in middle and high schools, and skills centers; college-level courses in high schools; and dropout prevention strategies in high schools.

SB 5765—Tax exemptions

(Senator Hasegawa)

Would have repealed certain tax exemptions and deductions for international banking facilities and professional employer organizations to help pay for the full funding of basic education.

SB 5766—Bullying in schools

(Senator Liias)

Would have required school districts to: adopt or amend a transgender student policy and procedure that at a minimum incorporates the model transgender student policy and procedure created by WSSDA and share the policy with parents or guardians, students, volunteers, and school employees; and designate one person in the district as the primary contact regarding the transgender student policy.

SB 5775—Tax preferences

(Senator Chase)

Would have repealed the majority of the state's current tax preferences.

SB 5802—Feminine hygiene products

(Senator Saldana)

Would have required feminine hygiene products to be available at no cost to students, in restrooms of school buildings, serving female students in any of grades six through twelve.

SB 5805—Historic preservation

(Senator Frockt)

Would have provided that property in the Seattle School District shall be subject to state and local landmark or historic preservation regulations only to the extent explicitly approved by the district board of directors.

SB 5821—Tax preferences

(Senator Chase)

Would have repealed a series of tax preferences to fund the State Need Grant.

SB 5825—Education Funding Plan

(Senator Mullet)

This was the *McCleary* solution introduced by Moderate Democrats in the Senate. It would have: guaranteed a minimum per pupil basic education allocation; provided school districts with a permanent regular levy; revised Local Effort Assistance to provide additional funding for district regular levies and M&O levies; modified the current

Salary Allocation Model and increased minimum salaries of Certificated Instructional Staff; and provided for uniform per pupil funding for general and categorical programs.

SB 5833—TRS Plan 1 minimum allowance

(Senator Honeyford)

Would have increased the Teachers' Retirement System Plan 1 basic minimum benefit and the Adjusted Minimum Benefit.

SB 5853—Career & Technical Education

(Senator Walsh)

Would have required OSPI to increase Career and Technical Education (CTE) equivalency crediting on a broader scale across the state and establish a competitive grant process for school districts to apply for grants to purchase CTE equipment.

SB 5858—Teacher certification

(Senator Fain)

Would have allowed teachers and principals to renew their residency certificate in five-year intervals by completing ten credits or 100 clock-hours.

SB 5891—High school assessments

(Senator Zeiger)

and HB 1012 (Representative Taylor)

Would have delayed the use of the state science assessment as a high school graduation requirement until the graduating class of 2021.

SB 5896—Government liability

(Senator Rossi)

Would have capped the liability of state and local governments for non-economic damages exceeding \$1.5 million per claimant.

SB 5914—Labor dues collection

(Senator Braun)

Would have allowed public employers to impose a fee on labor organizations of up to five percent of the amount remitted to the labor organization for administrative costs.

SB 5917—IB exam credits

(Senator Mullet)

Would have required higher education institutions to establish a coordinated, evidence-based policy for granting as many undergraduate college credits as possible and practical to students who have received a passing grade on International Baccalaureate exams.

SB 5945—School siting

(Senator Zeiger)

Would have: authorized schools to be sited in a rural area that serves students that reside in an Urban Growth Area; and authorized the extension of public facilities and utilities to such a school when certain requirements are met.

SB 5959—Capital Gains tax

(Senator Chase)

Would have implemented a new Capital Gains tax on individuals for the privilege of: selling or exchanging long-term capital assets; or receiving Washington capital gains.

SB 5962—Property tax limit

(Senator Chase)

Would have prohibited annual property tax increases by lowering the current one percent property tax revenue limit to zero.

SJR 8200—Paramount duty

(Senator Baumgartner)

This constitutional amendment would have repealed Article IX, Section 1—the paramount duty clause—from Washington's constitution. It also would have eliminated the "general and uniform" language in Article IX, Section 2 and eliminated all references to "common" schools throughout the constitution, presumably opening the door to using state General Fund dollars for charter schools and other school choice options.

SJR 8203—Paramount duty

(Senator Miloscia)

This constitutional amendment would have repealed Article IX, Section 1—the paramount duty clause—from Washington’s constitution. It also would have added language to the constitution allowing the taxation of land current held by the federal government and Native Americans, establishing an “integrated plan to provide for a system of publicly funded schools.”

SJR 8204—Income tax

(Senator Fortunato)

and HJR 4207 (Representative Manweller)

This constitutional amendment would have prohibited the imposition of a tax on individual income.

SJR 8207—School district levies

(Senator Mullet)

This constitutional amendment would have exempted regular local school district property taxes from the current one percent revenue limit.

SJR 8208—Four-year balanced budget

(Senator Fain)

This constitutional amendment would have required the Legislature to adopt a four-year balanced budget.

SJR 8210—Legislative transparency

(Senator Palumbo)

This constitutional amendment would have required bills to be available to legislators and the public for seventy-two hours before final passage.

Health Care, Pensions, Financials, and Other Issues

Fred Yancey – Pension/Health Benefits

“This is uncharted waters. The whole thing is very kind of stunning.” David Axelrod

There was a choice of quotes to begin this piece. Dante Alighieri’s statement, “My course is set for an uncharted sea,” also applies. The passage of various pieces of major legislation emerging during the last hours of the session created a whole new body of water. (The fact that Dante is the author of *The Divine Comedy* and *The Inferno* carries a certain irony as well).

At least three significant pieces of legislation were passed: [EHB 2242](#) (Basic Education), [SSB 5975](#) (Paid Family/Medical Leave), and [SSB 5883](#) (2017–2019 Budget). In addition, several earlier legislative proposals that failed to advance during these sessions found themselves implemented through various provisos in these bills. See remarks below.

The law of unintended consequences is bound to come into play in the future because of the haste and lack of opportunity for public review of these bills.

Clearly, deals were struck in the spirit of partisan compromises to avoid the looming government shutdown scenario. As one legislator remarked during floor debate on the budget, the document reflected the values that Democrats hold dear on social issues, and the values Republicans hold dear on revenue issues but to what effect?

Family and Medical Leave

[SSB 5975](#) Relating to paid family and medical leave passed the Senate 37–12, passed the House 65–29. The Governor has signed the bill to great fanfare. Washington State is now one of five states with such a leave and according to its supporters the best in the nation.

As reported in previous *TWIO* reports, a work group of labor and management interests developed this consensus document. Management groups felt that if they were not involved in helping to craft this new job benefit, then the labor and social interest groups would run an initiative that would be more draconian. Hence, this document.

Under this 73-page bill, workers who clock at least 820 hours in one year (in the first four of the last five quarters), would be entitled to up to 12 weeks of paid leave to care for a new child or ailing family member or up to 12 weeks to recover from a disabling injury and no more than 16 weeks total if using both. Women with pregnancy complications could take up to two additional weeks for a total of 18. Workers using the leave benefits could collect up to 90% of the state’s average weekly wage (currently \$1,082) up to a maximum of \$1,000 in replacement wages. They cannot collect less than \$100 unless their average wage was less than \$100. Then, they collect their full wage.

The paid family and medical leave is in addition to the new paid sick leave (which accrues at one hour of paid leave for every 40 hours worked, with benefits paid at full wages. This is a result of Initiative 1433 approved by the voters last year.

The paid leave benefits would be funded by a 0.04% of 1% payroll tax paid by both employers and employees to the Employment Security Department (ESD). Employees may pay up to 100% of the tax to fund the paid family leave fund, while funding for the paid medical leave fund could be split between employers (45%) and workers (55%). Note the permissive language.

Businesses with fewer than 50 workers would be exempt from paying into either fund altogether, with employees of those businesses paying the full 100% of the payroll tax. However, smaller employers that opt to pay the tax could be eligible to receive ‘small business assistance’ in the form of a state government grant up to \$3,000 for each worker that uses the paid leave benefit (for up to 10 workers each year). Do smaller school districts qualify for this benefit? Unknown.

These benefits are portable and can be carried from job to job.

Collection of the payroll tax would begin January 1, 2019 but the paid leave benefits would not be available until the following year in 2020.

Family Leave Benefit Calculator: Calculate the employee/ employer/benefit and premium.

Bill report/narrative: [SSB 5975](#).

Reporter Austin Jenkins' bill [report](#).

State Average Wage

The Washington Policy Council recently posted an [article](#) pointing out that unemployment rates and Labor and Industry rates are due for increases due to the increase in the state's average annual wage. So future increases in employer/employee rates are on the horizon as well.

Broadening the Use of School Retirees

There continued to be bills to expand the use of retirees to meet other district needs. These proposals did not advance. Senator Schoesler (Ritzville) remains adamantly opposed to any expansion of retire-rehire. Senator Bailey is also opposed.

[SSB 5487/HB 1685](#) would have allowed members of TRS 2/3 who have retired early under the 2008 ERF's to return to work at a school district as a mentor to teachers or an adviser to students in teacher preparation programs for 867 hours per year (prior to reaching age 65) without a loss of pension benefits.

The Senate Ways & Means Committee held a public hearing during the first session. The House did not hold any hearing. Neither bill was dealt with during the following sessions.

[SB 5601](#) would have allowed members of TRS 2/3 who have retired early under the 2008 ERF's to return to work at a school district in a non-instructional capacity for up to 867 hours per year (prior to reaching age 65) without a loss of pension benefits. "Non-instructional capacity" means positions like principals, superintendents, OT's, PT's, etc.

A hearing was held before the Senate Ways & Means Committee but no further action was taken. The issue was not dealt with during the following session.

[SB 5310](#): Authorized a teacher in Plan 2 or 3 who retired under alternative early retirement provisions to be employed for up to 867 hours per years without suspension of benefits if employed exclusively as a coach.

There was no hearing or further action taken on this proposal during any of the sessions.

Pensions

The most striking change in pensions came through a budget proviso in the adopted 2017–2019 budget ([SSB 5883](#)). The standard practice has been to budget pension payments using general fund (GF) dollars. Under Section 737 of the budget, \$463 million dollars was taken 'off budget' by transferring from the budget stabilization account (BSA) to make the payments, 'freeing up' general fund dollars for other uses. This is a potentially dangerous precedent. Should a recession occur and the BSA fund lowers, future pension payments may be in jeopardy and inserting the dollars due back into the GF would mean either cutting some other programs or deciding to not fully fund pension payments. Either scenario is not pleasant. The State Treasurer, Duane Davidson, has stated, "Using one-time revenue for an annually recurring expense is concerning." Compounding this precedent was the passage of [EHB 2190](#) which transfers \$925.165 million from the BSA into the Pension Stabilization Account. This is a potential signal that all future pension payments may come from the BSA.

Other Proposed Pension Related Proposals

There were proposed bills to change various aspects of the current retirement system, but none of them passed this session. They do, however, carry over for possible re-introduction during the 2018 Session.

[SSB 5900](#): Transferring \$700 million from the budget stabilization account to the PERS 1 fund solely for reducing the unfunded liability. A new employer surcharge would be enacted which would have resulted in no change in current rates even though the unfunded liability of the plan would decrease.

Introduced by Senator Braun, this bill had one hearing during the first session before the Senate Ways & Means Committee was voted out of committee, and then died.

[HB 1288](#): Requiring the Pension Funding Council to adopt additional individual employer contribution rates to compensate for certain lost investment returns and interest due to late employer reporting or if the contributions made by the employer are lower than required.

The intent of this bill was to address a legal case between the Department of Retirement Systems (DRS) and King County. Due to a court decision, privately contracted defense attorneys were held to be eligible for state retirement plans. Their inclusion into the DRS system meant that King County owed DRS past contributions and lost interest income. The amounts due are still in dispute. This bill attempted to address this issue should it occur in the future. The House Appropriations Committee held a hearing, but no further action beyond that.

HB 1560: Changing the present retirement plan default for new hires from Plan 3 to Plan 2.

The House passed this bill during the first session, 91–7. No action was taken in the Senate. The bill was not dealt with during any of the following sessions.

Attempts were made to address the dire need for TRS 1 and PERS 1 retirees to receive some cost of living increase (COLA) in their retirement checks. Of the 15 retirement plans in the state, only these two do not receive any yearly increases. Their COLA was stricken by legislative action in 2011.

HB 1484/SB 5556: For all PERS 1 and TRS 1 plan members a one-time permanent increase to their monthly retirement benefit equal to \$2/year of earned service credit would be enacted.

The House Appropriations Committee held a hearing on this bill during the first session but took no further action. The bill was not dealt with during any of the following sessions.

SSB 5833: Addressing the minimum retirement allowance under TRS Plan 1.

This bill would have increased the minimum retirement allowance by 1.5% for those retirees receiving the smallest retirement checks. The Senate passed the bill 49–0 during the first session. The House Appropriations Committee had a hearing on the bill but did not advance it. The bill was not dealt with during any of the following sessions.

As a note: This bill was flawed. The calculated small percentage increase was mis-applied giving retirees a ‘bump per month’ measured in cents. Furthermore, it only applied to members of TRS 1 when PERS 1 members (school classified employee retirees) also have not had any COLA’s

since 2011. Attempts to advance the bill with suggested improvements were not successful.

There appears to be no legislative will to find the funds to address the issue of these retirees living on a fixed income with no adjustments due to inflation.

Health Insurance

EHB 2242: Funding fully the state’s program of basic education by providing equitable education opportunities through reform of state and local education contributions contained a provision establishing consolidated health care purchasing system for public employees. Within this bill, a school employees’ benefits board (SEBB), within the state health care authority (HCA) is to be created. Its mission is to design and approve state-wide insurance benefit plans for school employees and to establish eligibility criteria for participation in insurance benefit plans. It would remove health benefits from collective bargaining at a district level.

During the first session, two bills were proposed that dealt with this issue, **SB 5726/SB 5727**. Both had hearings before the Senate Ways & Means Committee and SB 5726 made it to the Senate Rules Committee where it died. No further action was taken during the following sessions until the proposal reappeared and was adopted in **EHB 2242**, the “*McCleary Fix*” bill.

Previous *TWIO* reports have covered the history of this issue.

Sections 801-819 of the bill deal with the development of the SEBB, the composition of the working/development group and how to deal with the issue of current and future collective bargaining agreements. Present school employees and retirees are to be covered by this new entity. The transition is due to be implemented by January 1, 2020.

There are many details in this 120-page document and consequently many unanswered questions. Not having the luxury of releasing this proposal for public review and vetting before adoption has only added to this sudden swim in uncharted waters.

Some interesting parts of the proposal regarding health insurance are:

1. The cost of the employee share for family coverage may not exceed the required share of the cost for employee only coverage. (So out of pocket expenses must be the same, even though logic would suggest premium costs would be substantially different. Who pays the difference? Unclear. Especially considering language in the bill that prohibits using state basic education dollars for excess benefits. So benefits are 'enrichment'. A pending dilemma.)
2. Employee only costs are expected to rise; full-family premiums are expected to significantly decrease.
3. An employee qualifies for coverage if he/she works a minimum of 630 hours/year.
4. Districts will be asked next year, 2018, and in the future for continuing data about its coverages, rates, experience histories, etc. placing demands on district personnel and software programs to track and report.
5. The SEBB state funding rates as projected by the Office of Financial Management will be \$820/month with a 1.152 multiplier for classified for 2017–18; \$840/month for 2018–19 with 1.152 multiplier; and \$957/month with 1.0 multiplier for classified beginning 2019–2020.
6. By December 15, 2018, the HCA, Public Employee Benefit Board (PEBB), and SEBB will analyze the development of a risk pool for retired and disabled employees including non-Medicare and Medicare individuals and the need for and the amount of an ongoing subsidy allocation payable by active school employees. (This is shades of TrumpCare where those least healthy, the aged, are backed out of the pool to create their own higher risk pool resulting in a projected substantial rate increases in their insurance costs.)
7. The HCA will begin collecting an administrative surcharge from districts in 2018 and this charge will continue in funding the program. (The Legislature pre-funded this program by \$83 million dollars. The HCA estimates a need for 150 new employees.)
8. Beginning January 1, 2020, no basic or optional benefits may be provided by employer contributions if they are not provided by the SEBB.
9. Bargaining of the amount to be contributed for health benefits after July 1, 2018 will be conducted in even numbered years beginning January 1, 2020 between the Governor and a coalition of bargaining representatives. Their agreement, once OFM certified, must be submitted to the Legislature for either approval or denial.

Selected Financials SSB 5883 State Budget

Below are selected financial figures from the adopted Supplemental 2017–2019 Budget:

	<u>2015–2017</u>	<u>2017–2019</u>
Insurance Health Benefit	\$780	\$780–\$840
Medicare Insurance (subsidy for retirees)	\$150	\$150
Retirement Contributions		
• TRS	13.13%	TBD
• PERS	11.18%	TBD
• SERS	11.58%	TBD
Substitute Rate (4 subs/classroom teacher unit)	\$151.86	\$151.86
Health Care Carve-out	\$68.67 F/T \$64.07 P/T	\$68.67 P/T \$68.67 P/T

Interesting side-note: Although the carve-out remittance requirements do not currently apply to employees who purchase insurance benefits through contracts with the PEBB health care authority, they will continue under the proposed SEBB.

A reminder that under I-1433, the minimum wage in Washington State will rise to \$11.00 in 2017 and incrementally continue until 2020 when it will be \$13.50. After that the base will rise in relation to the consumer price index. School districts who often employ youth in summer or other short-term project persons need to budget for these increases as well.

The Future

Areas of focus and questions for future sessions include:

1. What changes/proposed legislative fixes need to be put in place to correct/amend the 2017 Session bills related to basic education, pension funding, leaves, health insurance and budget?
2. Will there be efforts to fundamentally change any aspect of the state's current pension systems, particularly a change into a defined contribution model (401-K)? Senator Braun, the Chair of the Senate Ways & Means Committee continues to be a leading advocate of making these changes as is Majority Leader Sen. Schoesler.
3. Will efforts to change the present pension system be buttressed by the move of these 'expensive payments' into the budget stabilization account?
4. An interesting sidelight, is the Senate Republican attempt to get the equalization dollars paid to districts based on the Federal CPI rather than the traditional Seattle-based CPI (Maximum 3%)? The Federal one is lower (1.6% as of July 2017). One option could be to lower all present pension COLA's to the Federal rate.
5. Will efforts be revived to merge pension systems such as LEOFF1 and TRS1 or LEOFF1 and LEOFF2 to decrease the unfunded liabilities in Plans 1?
6. Can TRS 1/PERS 1 members get restoration of some form of COLA?
7. What will happen in the health insurance field regarding costs? Plan choices? Plan benefits? The likely scenario is that rates will increase although the ratio between individual and family rates will significantly decline. The richness of benefit coverages will be narrowed, including fewer drugs covered by prescriptions.
8. Will there be a lowering or an increase of the health care insurance benefit for school Medicare retirees?
9. Will there be a broadening of the options for school district use of retired teachers?

Alliance of Educational Associations

Mitch Denning, Ph.D., AEA Consultant
AEA is an affiliate of WASA

Alliance of Educational Associations, comprised of WA Association of Maintenance and Operation Administrators (WAMOA) and WA School Nutrition Association (WSNA), felt somewhat positive about the Legislature's response to our 2017 priorities. This report will review the **(1) current McCleary compliance timeline; (2) the agreed-upon proposed 2017–19 Capital Budget** and why there isn't a full 2017–19 Capital Budget; **(3) 2017–19 final Operating Budget; (4) the final McCleary plan (HB 2242);** and (5) several bills that AEA supported or watched with keen interest.

Before discussing the budgets and major AEA bills, we'll review the **current McCleary timeline**. On June 30, the Governor signed the Operating Budget. Then on July 31, the State filed their brief on what they accomplished toward the Court's *McCleary* expectations. The Court ordered them to develop a plan that fully funds K–12 education by September 1, 2018, and this plan was to be completed by the end of the 2017 session.

Then the NEWS group and *McCleary* family, the plaintiffs in the case, have 30 days to respond to the State's brief, about August 28. Finally, the State then can respond to the NEWS response within 10 days, about September 10. When the Court responds to all these reports is yet to be determined. Also, the payment for the \$100,000 per day fine, now about \$70M, was not included in a separate account in the 2017–19 operating budget, as directed by the Court. AEA is watching this entire process closely.

As the third special session ended July 20, there was no **2017–19 Capital Budget**. A water rights issue disagreement regarding [2E2SSB 5239](#) between the Senate and House was not resolved, so there will be no capital budget until it's resolved. Ironically, on **Tuesday, July 18**, all four caucus negotiators agreed on the provisions of a capital budget of \$4B, with about \$1B going to K–12. Gov. Inslee stated that he would be willing to call a fourth special session to approve the capital budget and the water rights issue, once Senate R and House D negotiators have agreed on the latter.

At stake is a dispute between the House D's and Senate R's over the **State Supreme Court's *Hirst Decision (2016)*** which now requires counties alone to determine whether or not to grant building permits that rely on a household-size well for new homes, rather than relying on water availability information through the Dept of Ecology.

Four times during the regular and special sessions, the Senate has passed 2E2SSB 5239, which would enable property owners to drill such wells when there are no other reliable sources of water. The House declined to move the bill out of the Agriculture and Natural Resources Committee. However, the House proposed a "temporary fix" that building permits continue to be given for the next two years while the Legislature studies the issue and comes up with a long-term solution.

Yet, the Senate R's rejected that plan, stating that there must be a "permanent fix" right now to satisfy the immediate needs of rural landowners. They stated that a "temporary fix" doesn't give enough certainty to landowners and counties to move forward.

At issue, also is the fact that these new wells could harm senior water rights, particularly among Indian tribes. The tribes opposed overturning the Court's decision.

Finally, some say that *Hirst* has effectively stopped some rural homeowners from drilling wells on their land, halting some construction as a result. Simultaneously, some counties have stopped some rural development to figure out how to comply with *Hirst*.

In order to have a budget that preserves and protects existing programs and staff tied to the capital budget, on June 30, both houses passed [ESSB 5965](#), which is a "**re-appropriation**" bill, and contains no new money. It simply contains the unspent funds from the 2015–17 Capital Budget appropriations. This delay is problematic for districts expecting to be part of the July 2017 release of School Construction Assistance Program (SCAP) funding assistance. They will have to wait until the Legislature approves a regular capital budget to receive their

assistance. Also, the kitchen equipment grants proposed in both Senate and House capital budgets, are among the unfunded projects for 2017–19, which are on hold.

For your information, here are the K–12 projects that are contained in the **agree-upon capital budget, SB 5981**:

- School Construction Assistance Program (\$932.5M);
- Small Rural District Modernization Grants – \$35M in Senate version and \$24M in House version, including \$23.8M for three districts, Mt. Adams (\$14.2M); South Bend SD (\$7.7M) and Lopez Island (\$1.8M); balance on small districts modernization grants not to exceed \$5K;
- Distressed Schools in Seattle Public Schools (\$21.2M), including \$1.1M for Black Diamond Elementary School;
- Emergency Repairs and Equal Access Grants (\$6M), including \$2M for emergency catastrophic needs, \$3M for urgent repair with WAMOA consulting with OSPI, and \$1M for equal access grants;
- Healthy Kids/Healthy Schools Grants (\$3.25M), including \$1M for replacement of lead – contaminated drinking water fixtures, \$1M for physical education equipment or renovation, \$250K for sustaining efficient schools through composting and recycling systems, and the remainder (about \$1M) for kitchen equipment and upgrades and greenhouse or garden structures; WAMOA and the Dept of Health would consult with OSPI on all three grants;
- Tri-Tech Skill Center (Kennewick) (\$10.8M); Skill Center Minor Works (\$3M);
- STEM classrooms and labs (\$13M);
- Career and Technical Education (CTE) Equipment Grants (\$1M);
- Ag Science in Schools Grant to FFA Foundation (\$1.75M);
- Everett Pathways to Medical Education (\$2M); and
- Capital Program Administration (\$3.6M).

On Friday, June 30, 2017, at 11:10 p.m., Gov. Inslee signed **SSB 5883, 2017–19 Operating Budget**, which took effect on Saturday, July 1. Thus, the much publicized “government shutdown” fortunately never happened. The final compromise budget appropriates \$43.7B for 2017–19, an increase of about \$5.3B over the current level.

With revenues scheduled to increase by about \$2.6B in 2017–19, the remaining \$2.7B is made up of \$1.6B from an increase in the **State Property Tax**, changes in tax preferences, and a series of budget transfers. Both houses passed the budget on June 30, the Senate by a vote of 39-10 and the House by 70-23. One could conclude that after all the intervening time spent in the regular session and three special sessions, the final conference budget was fairly bi-partisan.

In terms of revenue for the operating budget, the **State Property Tax** will increase from the current \$1.88 per \$1,000 of assessed valuation to \$2.70 per \$1,000, an increase of \$.82 per \$1,000, resulting in about \$1.6B in new revenue. Another \$456.4M comes from **EHB 2163**, which implements Marketplace Fairness and requires remote Internet sellers to collect and remit sales tax, repeals the current sales tax exemption on bottled water, repeals the current self-produced fuel exemption, and applies a B&O tax economic nexus standard to out-of-state retailers.

The new two-year budget provides approximately \$23.91B for K–12, including \$1.99B in mandatory **Maintenance Level** costs and an increase of \$1.8B in **Policy Level** changes.

The primary share of the policy increases is to fund **EHB 2242, the Legislature’s proposed McCleary fix**. Due to the Legislature’s four-year balance budget requirement, most of the budget discussion includes funding over a four-year period. The total projected four-year increase in K–12 spending due to HB 2242 is \$7.3B.

Major Policy Enhancements:

1. **Salary Allocations – \$1.1B** is provided as required by HB 2242 for all three-state funded K–12 employee groups, certificated instructional, certificated administrative and classified staff. State salary allocations are increased and based

on a statewide average for each staff category, and adjusted for inflation and regionalization factors.

The new allocations would be phased in over two years beginning SY 2018–19. The CIS salary allocation is increased to \$64,000, the CAS salary allocation is increased to \$95,000, and the CLS salary allocation is increased to \$45,912. These allocations are adjusted for inflation from SY 2017–18, and increased for a regionalization factor, addressing difference in the cost to hire and retain staff throughout the state. Additionally, the **Cost-of-Living Adjustment (COLA)** that was suspended on a one-biennial basis during SY 2015–16 and SY 2016–17 is restored for SY 2017–18.

2. **Learning Assistance Program (LAP) (\$222.5M)** – Beginning in SY 2017–18, state funding for LAP is increased to support a High Poverty-Based LAP to provide additional support for students in high poverty schools.
3. **Local Effort Assistance (\$165.3M)** – Local Effort Assistance (or levy equalization) funding is provided to support implementation of SB 5023, which delays revisions to the levy lid and LEA from CY 2018 to CY 2019, as well as to implement increased allocations resulting from revisions to levies as part of HB 2242. Beginning in CY 2019, LEA is revised and based on equalizing districts to a per pupil level of \$1,500, again pursuant to HB 2242.
4. **Class Size – CTE and Skill Centers (\$82M)** – Beginning in SY 2017–18, Career & Technical Education (CTE) class size is reduced from 26.58 to 23.0 students. Skill Center class size is reduced from 22.76 to 20 students.
5. **Transitional Bilingual Instructional Program (\$26.9M)** – Beginning in SY 2017–18, instructional hours for middle and high school transitional bilingual students are increased by two hours per week.
6. **Highly Capable Program (\$26.6M)** – Highly Capable program enrollment is increased from 3% to 5% of the most highly capable students, and districts are required to prioritize equitable identification of low-income students in their identification process.
7. **Special Education (\$22.7M)** – Beginning in SY 2017–18, the maximum state-funded special education enrollment is increased from 12.7% to 13.5%.
8. **Basic Education Implementation (\$11M)** – OSPI is able to implement new reporting requirements and staffing and reporting costs specified in HB 2242.
9. **Educator Mentoring (\$10M)** – The state’s Beginning Educator Support Team (BEST) program for beginning teachers is expanded.
10. **Low Achieving Schools (\$5M)** – Funding is increased for low-achieving schools subject to the Legislature’s approval of OSPI’s implementation of an expanded program.
11. **Federal Forest Revenues (\$2M)** – Reduction in district basic education allocations due to receipt of federal forest revenues is eliminated.
12. **CTE MSOC (\$1.9M)** – Funding for Maintenance, Supplies, and Operating Costs (MSOC) in Skill Center programs is increased to align with allocations for CTE MSOC.
13. **Paraeducators (\$1.9M)** – HB 1115 is implemented, creating a Paraeducator Board and requiring the development of specialty certificates in special ed and ELL that paras may obtain.
14. **Foster Care Youth Services (\$1.4M)** – Educational planning and coaching services are expanded, increasing support by approximately 120 youth.
15. **Children’s Mental Health (\$816K)** – HB 1713 implements the recommendations from the Children’s Mental Health work group, which requires OSPI to establish pilot projects in two ESDs to deliver mental health and substance abuse disorder services to specific children.
16. **Dual Language (\$400K)** – HB 1445 creates grant programs to expand capacity for K–12 Dual Language programs, including high school students becoming future bilingual teachers and counselors, and supporting education for parents

and families in native language development and retention.

- 17. Truancy Reduction (\$364K)** – HB 1170 changes school and court processes regarding truancy and funds OSPI staffing to provide support to districts.

NOTE: Unfortunately, [ESHB 1508](#), **breakfast after the bell**, was not funded in the final conference budget.

Major K–12 Reductions or Savings

- 1. Initiative 1351 (\$-1.9B)** – As part of basic ed revisions in HB 2242, smaller class sizes and increased staffing allocations in I-1351 are re-established as enrichments beyond the state’s program of basic education; OSPI will convene a work group to review and prioritize enrichments which are research or evidence-based strategies for reducing the achievement gap, assisting struggling students, enhancing educational outcomes for all students and strengthening support for schools and district staff.
- 2. High School Assessments (\$-12.7M)** – HB 2224 is implemented which provides flexibility in high school graduation requirements.
- 3. Building Bridges Program (\$-1.3M)** – Funding for this dropout prevention program is reduced.
- 4. Teacher Evaluation Training (\$-1M)** – Funding for training in the Teacher and Principal Evaluation Program is reduced in FY 2019.
- 5. Management Reduction (\$-499K)** – Six percent of state agency positions are reduced, including OSPI.
- 6. WAKids (\$-394K)** – Cost of administering the kindergarten readiness program is reduced due to program cost estimates.
- 7. McCleary Implementation Schedule (\$-324.6K)** – Cost savings is realized beginning September 1, 2018, when 12.5% of state basic ed allocation is paid in July and 10% in August, due to changes in state fiscal and school years; there’s no reduction in total school year allocations.

Note: WA State Board of Health has approved a rule-making order extending the effective date of the rules for Environmental Health and Safety Standards for Schools by another two years. The extension respects the Legislature’s

long-standing budget proviso prohibiting implementation of the new rules until such time they act to fully fund the new rules. So, the new rule effective date is August 1, 2019.

Of equal importance to **AEA** is the issue of the Legislature’s compliance with the **McCleary decision** to fully fund basic education, of which school maintenance is an integral part. On June 30, the Legislature passed [EHB 2242](#), as referenced in our discussion of the operating budget. On July 6, the Governor signed the bill with a partial veto of four sections. Here are the salient features of the bill as signed by the Governor:

- 1. Funding Model** – The current prototypical school funding model is retained. District-wide and school maintenance staff will be allocated the same way they are now. There are increases in (a) MSOC, about \$150 per student; (b) parent involvement coordinators, (c) guidance counselors, (d) service time in LAP high poverty schools and bilingual programs, (e) highly capable enrollment and (f) special ed enrollment.
- 2. State Spending K–12 Increase** – \$1.8B in 2017–19, \$5.5B in 2019–21, with a total of \$6B of the \$7.3 related to compensation increases.
- 3. Compensation** – The salary allocation model (SAM) for certificated instructional staff is maintained for SY 2017–18. The Governor’s partial veto reinstated approved training and continuing education clock hours for the purpose of credit on the 2017–18 salary schedule. Beginning in SY 2018–19, the formal SAM is eliminated, and OSPI must convene a task force to develop a modified SAM that they will share with interested districts, as advisory information; there will be no recommendations to the Legislature. In terms of teacher salaries, (a) at full phase-in by SY 2019–20, beginning teachers must be provided at least \$40,000 before regionalization; (b) after five years, salary must be increased by 10%; maximum CIS salary cannot exceed \$90,000 before regionalization; (c) in SY 2019-20, CIS is \$64,000, CAS is \$95,000 and CLS (classified) is \$45, 912; (d) maximums and minimums do not apply to supplemental contacts; (e) salary amounts are before annual inflation, professional development

and regionalization factor are applied; (f) teachers who teach special ed, math, science, technology, and engineering and Educational Staff Associates (ESAs) may receive an additional 10% of state base salary; and (g) as staff mix (a matrix that funds CIS staff based on their years of experience and credits beyond their B.A.) is not mentioned in the bill, it's assumed that it's been repealed.

4. **COLA** – A 2.3% COLA is provided in SY 2017–18; (a) I-732 COLA index is changed to an “inflationary adjustment index” using the Implicit Price Deflator (IPD) instead of the current Seattle Consumer Price Index (CPI); (b) grandfathered salaries will receive an additional regionalization increase as a hold harmless position; (c) this percentage will ramp down annually by 2% beginning in year 4; and (d) all salaries will be rebased in year 6 after comparable wage analysis.
5. **Regionalization** – Beginning in SY 2019–20, three tiers of regional cost differences are provided if the district's single family residential home property value (within 15 miles of the district) exceed the statewide average; (b) regionalization is provided in tiers (0%, 5%, 12% or 18%) for CIS, CAS, and CLS staff, is adjusted for inflation and includes selected “super-regional” factors for outliers phased down after six years; and (c) salaries and regionalization factors will be reviews and rebased to the market rate every six years on comparable wage analysis by the Dept of Revenue.
6. **I-1351** – This initiative continues to be suspended but not repealed; OSPI and stakeholders must convene a task force to make recommendations that prioritize future phase-in of the staffing values, with the report due December 2019.
7. **Health Care** – A new School Employees Benefit Board (SEBB) is created to supply health insurance to K–12 employees; it requires all K–12 employees to be part of the system by January 1, 2020. All district and ESD employees are merged into a single, community-rated risk pool separate from the risk pool for PEBB health benefits. The health benefit allocations are increased to \$820 per month in SY 2017–18 and to \$840 per month in SY 2018–19.
8. **Collective Bargaining Agreements (CBAs)** – CBAs executed or modified after HB 2242 is signed limit salary increases in SY 2019–20 to the greater of a COLA or current statewide average; beginning in SY 2019–20, CAS salary amounts will be limited by a district-wide salary cap. Also beginning in SY 2019–20, CIS TRI/supplemental contacts are only allowed for enrichment to the Program of Basic Education.
9. **Levy Policy – ESB 5023** delays the levy cliff for one calendar year until January 1, 2019. Beginning in CY 2019, local M&O levies are renamed “**enrichment levies.**” Their uses include local district revenues such as grants, donations, and state and federal payments in lieu of taxes, but do not include other federal or local revenues that operate as an offset to the district's basic ed allocation. Maximum levy authority is changed to the lesser of \$1.50 per \$1,000 of assessed valuation or \$2,500 per students. Beginning in CY 2020, districts must submit their enrichment levies to OSPI for approval prior to placement on the ballot. OSPI may expand the non-exhaustive list of allowable enrichment expenditures.
10. **Local Effort Assistance** – LEA is maintained but the formula is changed and is based on the enrichment levy rates and the district's enrollment; LEA will equalize up to \$1,500 per student, adjusted for inflation beginning in SY 2019–20; beginning in the same SY, LEA and general fund levies may only be used for enrichment of basic education.
11. **Accounting/Fiscal Reporting** – Districts are required to provide separate accounting of state, federal and local revenue to expenditures and separate accounting of basic and non-basic ed expenditures by fund sources. Districts are required to deposit local excess levies into a subfund and separately account for expenditures from the subfund. Districts are also required to adopt a four-year budget outlook, which will become a financial health indicator. Regular state financial audits of districts are required to include a review of the expenditure of levy funds to ensure that such funds are not expended on any supplemental contact beyond the

state-funded CIS to provide remedial education instruction and services.

- 12. Professional Development** – Beginning in SY 2018–19, three state-funded professional days are phased-in with one additional day per year, with three total by SY 2020–21. Starting with SY 2019–20, late starts / early releases are limited to seven per school year. However, the Governor vetoed the limitation of seven late starts/early releases, as he feels that this time for job-imbedded professional learning is linked to student success, and limiting such practices that improve student achievement goes against the intent of this bill and the Governor’s education goals.
- 13. Chronic Student Absenteeism** – The Legislature intends to support addressing chronic student absenteeism by providing in the 2017–19 Operating Budget, \$150K in FY 2018 and \$450K in FY 2019. Funds are to be used for a statewide accountability system to improve graduation rates by, among other things, providing assistance to districts about successful strategies to reduce chronic absenteeism.
- 14. Teacher Principal Evaluation Program (TPEP)** – \$9M is provided over the two years for TPEP training. OSPI is to provide the Legislature with an update on the implementation of TPEP by November 1, 2017.
- 15. Smaller K–3 Class Size** – The date that the state is required to support smaller K–3 class sizes in their allocation in proportion to a district’s actual class sizes is changed from 2017 to 2018.
- 16. OSPI Reporting** – OSPI is required to publish per-pupil funding rates for each district for general apportionment and specified categorical programs.
- 17. Hold Harmless** – Districts will not receive less funding for basic education salaries starting with SY 2017–18. Hold harmless funding is provided after the Legislature rebases the regionalization factor. No regionalized district shall receive less than the prior year’s allocation.

In addition to **reinstating continuing education clock hours for SY 2017–18**, and **removing the restriction on the**

number of late starts/early releases per school year, the Governor vetoed two other sections of **HB 2242**, including (1) the **Caseload Forecast Council (CFC)** had been charged with convening a technical working group to develop a model to assist districts in developing a four-year budget plan. As no funding was dedicated for the work group, and this work is outside the scope of work of the CFC, the language has been removed; and (2) **school employee health insurance reporting requirements** were removed by another bill the Governor signed on July 6, and no funding was provided the Office of Insurance Commissioner to do the work.

HB 2243 – School Siting: After a number of years of the Legislature discussing this much-needed issue, on July 7, Gov. Inslee signed this bill which allows all school districts throughout the state to site schools outside the **Urban Growth Area (UGA)** when following certain requirements. On April 26, Inslee partially vetoed ESHB 1017, which allowed Pierce County schools, and particularly Bethel SD, to site schools in the given rural area. However, his veto disallowed schools in all 38 other counties to do the same, even though 27 other districts had the need.

During the third special session, Rep. Bob McCaslin (R-Spokane Valley), introduced **HB 2243**. Both houses approved the bill on July 1 by a vote of 78-15 in the House and 30-19 in the Senate, setting the stage for Inslee’s signature. The bill has five provisions, including:

1. provides that the **Growth Management Act (GMA)** does not prohibit the 29 fully planning counties from authorizing the extension of public facilities and utilities to serve a school located in a rural area that serves students from both a rural and urban area, as long as certain requirements are met; those requirements include (a) the district has adopted a policy addressing educational program requirements, the school’s geographic service area, and the school’s facility needs; and (b) the district has made a finding, with the concurrence of the county and affected cities, that that proposed site is suitable for the school and any recreational facilities that cannot be located on an existing school site;
2. provides that, in general, any extension of utilities beyond an **UGA** must serve only the sited school; however, if a property owner requests, and the

county and affected cities agree, a property owner may connect into the school's utilities if the property is located no further from the utility than the distance that, if it were within the **UGA**, it would be required to connect to the utility; in such case, the district may require reimbursement from the property owner for a proportional share of the construction costs incurred by the district to extend the utility;

3. directs that any impacts associated with the school siting must be mitigated by the district, as required by the **State Environmental Policy Act (SEPA)**;
4. clarifies that the **GMA** does not prohibit the expansion, modernization or placement of portable classrooms at an existing school in the rural area; and
5. requires a report from the **Dept of Commerce** about the number, location and characteristics of the school, the number of urban and rural students served, and a cost analysis of schools built outside the UGAs; the report is due to the Governor and Legislature by December 1, 2023.

SSB 5453 – SCAP Modernization Grants for Small, Rural Districts: As the bill was passed by the Senate but not the House, it would have applied to school districts with 1,000 FTE or less; allowed districts which due to low assessed values or high indebtedness are not eligible for the SCAP modernization grant, to become eligible for this small, rural district SCAP; districts not completing correctly information for building and condition schools' data system would not have been eligible to apply.

SSB 5644 – Skill Center Facility Maintenance: This bill passed both houses and the Governor signed it on May 4. It provides that host districts for skill center cooperatives must maintain a separate capital account into which participating districts make annual deposits to pay for minor repair and maintenance costs for the skill center, and the annual deposits are based on a per-pupil facility fee.

ESHB 1508 – WA Kids Ready to Learn Act of 2017, was an incredible professional experience for WSNA. They had new opportunities to help influence public policy and budget, and their recommendations were highly valued by legislators.

The original bill, which was a mandate for schools with a 70% or higher free/reduced lunch rate to begin a BAB program in SY 2018–19, was funded in the **original House Operating Budget** at \$2.6M, which passed the House on **January 27, 2016**.

Then, **ESHB 1508** passed the House, and moved through both Senate Early Learning/K–12 and Senate Ways & Means Committees. However, it never made it to the Senate Floor Calendar, and died in Senate Rules. This was the furthest the bill has gone during the three years it has been considered.

Its provisions included:

- **(1) breakfast after the bell; (2) counting time for meals served in the classroom as instructional hours; and (3) farm-to-school program;**
- Would have required all high-needs elementary schools, those with 70% or greater f/r lunch count, to institute a breakfast after the bell in SY 2018–19;
- Would have made available startup grants through OSPI;
- As long as serving breakfast in the classroom didn't interfere with simultaneous classroom instruction, the time spent eating meals in the classroom would have been able to be counted as instructional hours;
- An expanded farm-to-school program would have been implemented subject to funding in which **WA State Dept of Agriculture** would, in coordination with **OSPI**, expand its partnerships between school districts and small, direct marketing programs; and
- **OSPI** would have been authorized, if funded, to award grants to districts to collaborate with community-based organizations, food banks and farm/gardens to reduce high school dropout occurrences through farm engagement projects.
- **Note:** The provision for the elimination of the 4-12 co-pay for reduced price students was eliminated during the regular session due to costs involved.

WAMOA 2017 Interim Plans

- Work with any interim committees or groups related to school construction and maintenance;
- Help plan thirteen legislators' visits to school facilities within their own legislative districts, along with OSPI and Association for Learning Environment (A4LE), including,
- Sen. Brad Hawkins (R-Wenatchee); Sen. Guy Palumbo (D-Maltby, Snohomish County); Rep. Mike Steele (R-Chelan); Rep. Mary Dye (R-Pomeroy); Rep. Jeff Morris (D-Mt. Vernon); Rep. Marcus Riccelli (D-Spokane); Rep. John Koster (R-Arlington); Rep. Kristine Reeves (D-Federal Way); Rep. Beth Diglio (D-Olympia); Rep. Mark Sells (D-Everett); Rep. Drew MacEwen (R-Union); Rep. Nicole Marci (D-Seattle); and Rep. Monica Stonier (D-Vancouver).

WSNA 2017 Interim Plans

- WSNA Meals for Kids legislative committee did a breakout session on involvement with local legislators at the July 2017 WSNA annual conference in Kennewick, and recruited additional members to join their grassroots legislative network;
- Expand this network through the annual conference and other association meetings; and
- Continue to work with key legislators on 2018 WSNA legislative issues.

ALLIANCE OF EDUCATIONAL ASSOCIATIONS

- Washington Association of Maintenance and Operations Administrators (WAMOA)
www.wamoa.org
- Washington Association of School Business Officials (WASBO)
www.wasbo.org
- Washington School Nutrition Association (WSNA)
www.washingtonsna.org

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2017 LEGISLATIVE PLATFORM

WASA believes that the commitment of resources to the education and welfare of the children of Washington State is an investment in the quality of our future.

We believe that effective school leaders initiate and manage change resulting in a system of K–12 education in which all students receive a quality education.

2016–17 LEGISLATION AND FINANCE COMMITTEE

Region 101.....	Brian Talbott, Nine Mile Falls
Region 105.....	Mike Brophy, West Valley Becky Imler, Wapato
Region 108.....	David Forsythe, NWESD 189
Region 109.....	Marci Larsen, Mukilteo
Region 110.....	Duggan Harman, Highline
Region 111.....	Tom Seigel, Bethel
Region 112.....	Sandra Yager, Hockinson Nathan McCann, Ridgefield
Region 113.....	Lisa Grant, Mossyrock
Region 114.....	Patty Page, North Kitsap
Region 123.....	Dave Bond, Kennewick
Region 171.....	Garn Christensen, Eastmont
Small Schools.....	Marcus Morgan, Reardan-Edwall
IPAC.....	Mike Olson, Sedro-Woolley
Principals.....	Devin McLane, Mukilteo
BPAC.....	Corine Pennington, Puyallup
Special Education.....	Tracy Wilson, Pasco
Superintendents.....	Randy Russell, Freeman
ESDs.....	John Welch, Puget Sound ESD
Federal Liaison.....	Randy Russell, Freeman Frank Hewins, Franklin Pierce
At-Large.....	Stephen Nielsen, Seattle Jim Kowalkowski, Davenport/ Rural Education Center
WASA.....	Bill Keim, Executive Director Dan Steele, Assistant Executive Director Lois Davies (President) Sheila Chard, Administrative Assistant
Consultants.....	Mitch Denning (AEA) Fred Yancey (Pension/Health Benefits) Jim Shoemaker (AESD) Marcia Fromhold (AESD) Melissa Gombosky (AESD)

Comply with the Paramount Duty

WASA believes the Legislature should continue to be held accountable for complying with its constitutional “paramount duty” to provide ample funding for all K–12 children by implementing the new basic education finance system as adopted in both ESHB 2261 (2009) and SHB 2776 (2010). To ensure the new system is completely implemented—with full and equitable funding—as consistently ordered by the Supreme Court in *McCleary v. State*, the 2017 Legislature must act now to provide ample funding for basic education.

Expand Available State Resources

The current state budget structure cannot accommodate the required increases in basic education to comply with the Supreme Court’s *McCleary* decision, nor allow the state to address educator compensation or capital costs in a comprehensive way. WASA supports the enhancement of state revenues to ensure the Legislature is able to fully comply with its constitutional paramount duty with “regular and dependable” sources of funding and also prevent drastic reductions of other necessary government services—which would have significant impacts on K–12 education.

Ensure Competitive Public School Employee Compensation

WASA urges the Legislature to fully fund a competitive compensation system to ensure the state not only meets its responsibility to establish an equitable and ample allocation system, but maintains the present pension offerings and provides competitive benefits. Additionally, funding of the prototypical school funding model must ensure appropriate resources are provided to hire sufficient numbers of support staff, including paraeducators, school nurses, guidance counselors, and safety personnel. The 2017 Legislature must promptly act to prevent the approaching “levy cliff” by addressing the state’s obligation to adequately fund educator salaries, ending the unconstitutional overreliance on local levies. Current basic education labor costs must be funded first, before any potential reduction of local levies; however, any proposal to fund compensation that simply “swaps” state and local property tax authority without providing new state funding will not work and cannot be supported.

Enhance School Construction Assistance

To ensure all school districts have the resources to secure additional facility space necessary to accommodate all-day kindergarten and K–3 class size reduction, WASA urges the Legislature to: advance a constitutional amendment to the people authorizing school district bond issues to be approved with a simple majority vote; enhance the State’s investment in K–12 construction by updating the current, outdated funding formulas for the Construction Cost Allowance and Student Space Allocation to ensure funding more closely reflects actual construction costs and educational space needs; and provide a significant increase in capital funds to assist school districts with necessary new construction or modernization.

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