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### About TWIO

*This Week in Olympia* is emailed to active WASA and AEA members each Friday during the Legislative Session and is posted on WASA's website at [www.wasa-oly.org/TWIO](http://www.wasa-oly.org/TWIO).

### Special Edition Update:

#### House Releases 2017–19 Operating Budget Proposal

Last week, Senate Republicans initiated the budget process by introducing, hearing, and adopting the first 2017–19 legislative budget proposal, an amended [SB 5048](#). The core of the K–12 section of the budget is [SB 5607](#), the previously adopted Senate Republican Education Funding Plan; however, in addition to the new budget, the Senate also adopted [SB 5875](#), which provides a series of amendments to SB 5607. For details on SB 5875 and the Senate-adopted budget, see the [March 22 Special Edition of TWIO](#).

Yesterday at noon, the House Democrats provided their response, a Proposed Substitute of [HB 1067](#). Later in the afternoon, the House Appropriations Committee held a public hearing on the bill. The proposal would spend approximately \$44.9 billion (compared to the Senate's \$43.0 billion), representing a \$6.5 billion increase over the current 2015–17 budget. Unlike the Senate plan, which would increase spending by \$5.0 billion without tax increases (excepting a new property tax from a proposed “levy swap”), the House spending plan includes \$3.0 billion in new revenue. The House's tax plan is contained in [HB 2186](#), introduced today. The omnibus bill includes a Capital Gains tax, a graduated increase in the Real Estate Excise Tax, B&O tax increases, economic nexus changes (“marketplace fairness”—i.e., online sales tax), and ends a series of tax preferences. Because the House has separate committees for spending issues and revenue issues (Appropriations and Finance, respectively), HB 2186 was not heard yesterday. It is scheduled for a public hearing in the House Finance Committee on April 3.

The K–12 portion of the House budget would receive an increase of approximately \$1.8 billion, bringing the total two-year investment in K–12 to just over \$22.0 billion, just a bit more than the Senate's plan. Because the House provides more increases in non-education areas of government, their \$22.0 billion investment amounts to a 49 percent share of the state budget, while the Senate's similar \$22.0 billion investment is more than 50 percent of the state budget.

Similar to the Senate's budget proposal which contains their Education Funding Plan (SB 5607/SB 5875), the core of the House's K–12 portion of the budget is the implementation of the House Education Funding Plan. Due to the adoption of [SB 5023](#) (Levy Cliff delay) and other necessary adjustments, the House's budget contains a new version of their Education Funding Plan, introduced this morning: HB 2185. (Note: The Senate's Education Funding Plan, SB 5607, was amended by SB 5875; the House's Education Funding Plan, [HB 1843](#), is replaced by HB 2185. More details to come later.)

## Special Edition: House Operating Budget Proposal

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The House's new budget is scheduled for executive action this afternoon and is expected to be acted upon by the full House by the end of the week, likely Friday, but perhaps as early as Thursday.

Key pieces of the K–12 portion of the budget are detailed below. Full budget details, including a summary, a comprehensive agency detail, an updated four-year budget outlook, and the actual budget bill are available from the [Washington State Fiscal Information website](#). (Note: Because the House's Education Funding Plan would repeal the Salary Allocation Model, the regular LEAP documents for K–12 staff mix factors, and salary allocation schedules are not available.)

### Major K–12 Policy Enhancements

#### Compensation Adjustments – \$1.76 billion

Funding is provided to implement HB 2185 increasing state funded salary allocations for Certificated Instructional Staff (\$917.0 million), Classified Staff (\$532.9 million), and Certificated Administrative Staff (\$268.1 million). The increased salary allocations include the beginning of a phase-in schedule for increased state support for professional learning as stipulated in HB 2185. Funding is provided for one day of professional learning in school year 2017–18 and two days in school year 2018–19 (\$40.0 million). In the next biennium, HB 2185 calls for an increase in state funding for professional learning, adding four days in school year 2019–20, and six days in school year 2020–21. Full implementation of HB 2185 requires state funding of ten professional learning days by the 2022–23 school year. The apportionment payment schedule would also be adjusted so that professional learning days are provided to school districts in July of each fiscal year.

#### Local Effort Assistance – \$117.1 million

Local Effort Assistance (LEA or levy equalization) funding is adjusted based on the phase-down of the levy lid and LEA percentages provided in HB 2185 and projections for increased basic education funding. Under HB 2185, levy authority would be reduced over four years from 28 percent to 24 percent for all school districts. State funding for LEA would be reduced from an equalization rate of 14 percent to 12 percent over four years, maintaining the current policy of one-half of the levy lid. Additionally, the Per Pupil Inflator (PPI) would be adjusted to 6.87 percent for Calendar Year 2018, 5.69 percent for Calendar Year 2019, and zero percent for Calendar Year 2020 and Calendar Year 2021.

#### Educator Workforce Study – \$7.0 million

Funding is provided for implementation of [HB 1827](#), intended to expand the current and future educator workforce supply through evidence-based strategies to improve and incentivize the recruitment and retention of highly effective educators.

#### Career-Connected Education – \$6.0 million

Funding is provided to OSPI to contract with a statewide nonprofit organization with expertise in promoting and supporting career-connected education from early learning through postsecondary education to establish a matching grant to support work-integrated learning projects.

#### Student Meals & Nutrition – \$2.6 million

Funding is provided to implement [HB 1508](#), which would create a Breakfast After the Bell program and provide grants of \$6,000 to qualifying high-needs schools in Fiscal Year 2018.

#### Computer Science Education – \$ 2.0 million

Funding is provided to the Office of Financial Management to a statewide nonprofit organization with expertise in promoting and supporting STEM education from early learning through postsecondary education to manage the grant program. Grants will support teacher training, technology purchases, and access to technology to increase

## Special Edition: House Operating Budget Proposal

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K–12 student access to computer science education across the state. The nonprofit must commit to generating matching funds to double the state’s investment and provide technical assistance.

### **Foster Care Youth Services – \$1.4 million**

Funding is provided to expand contracted educational planning and coaching services to improve graduation rates and post-secondary educational outcomes. New funding would increase support in the state foster care system by approximately 120 youth.

### **Paraeducators – \$950,000**

Funding is provided for implementation of [HB 1115](#), which would create a new Paraeducator Board and develop specialty certificates in special education and English language learners that paraeducators may obtain.

### **Dual-Language – \$675,000**

Funding is provided for implementation of [HB 1445](#), which would create dual language grant programs in K–12. Funding is sufficient for two-year grants for ten schools and for staffing at OSPI to support the grant program. In selecting grant recipients, OSPI is required to prioritize districts that received a grant under the dual language grant program specified in the 2015–17 Operating Budget.

### **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 would be provided for grants to qualifying high schools and \$100,000 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 the qualifying high poverty high school.

### **Career & College Readiness – \$500,000**

Funding is provided to implement [HB 1600](#), which would establish a work-integrated learning demonstration pilot project. Grant funding of \$250,000 per year is provided for three to four high schools to develop work-integrated learning project programs.

### **Website Compliance – \$500,000**

One-time funding is provided to support website compliance for the OSPI website.

### **Truancy Reduction – \$450,000**

Funding is provided to implement [HB 1170](#), making changes to the school and court processes regarding truancy. Funding is sufficient for staffing at OSPI to provide support to school districts.

### **Children’s Mental Health – \$408,000**

Funding is provided to implement [HB 1713](#), which among other things, requires OSPI to fund two ESDs to pilot a lead staff person for mental health and substance use disorder services.

### **National Board Staffing – \$300,000**

Staff to support the National Board certification program at OSPI have been funded through a grant from the US Department of Education; grant funding is set to expire at the end of Fiscal Year 2017. The budget provides state General Fund dollars to maintain the existing staff level to support the program at OSPI.

### **Mobile Planetarium – \$240,000**

One-time funding is provided 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.

## Special Edition: House Operating Budget Proposal

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### **Social-Emotional Learn Work Group – \$200,000**

One-time funding is provided for OSPI to convene a Work Group to build on the work of the Social-Emotional Learning Work Group that was established in the Operating Budget in 2015. 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.

### **Junior Achievement – \$200,000**

One-time funding is provided for a grant to a school district to implement a program that provides hands-on education in financial literacy, work readiness, and entrepreneurship.

### **Non-violence Leadership Training – \$180,000**

Funding is increased for Fiscal Years 2018 and 2019 to support Non-violence Leadership Training.

### **Bullying Prevention Support –\$114,000**

Funding is provided to increase support for bullying prevention.

### **Legislative Youth Advisory Council – \$100,000**

Funding is provided to support the Legislative Youth Advisory Council.

### **Pupil Transportation Formula Study – \$100,000**

Funding is provided for OSPI to contract with a consultant for a study of the state's 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 transportation of students who are identified as homeless. The study must include 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.

### **Basic Education Implementation – \$100,000**

Funding is provided to OSPI to implement HB 2185, the House's Education Funding Plan, including implementation of new reporting requirements and the staffing and reporting costs related to a Workgroup established to study the special education enrollment percentage.

### **Professional Certification – \$91,000**

Funding is provided for the Professional Educator Standards Board to implement the Professional Educator Collaborative (PEC) pursuant to the requirements specified in [HB 1341](#). The Collaborative is estimated to meet six times per year beginning in Fiscal Year 2018 with 15 members participating in the Collaborative, including support staff. The appropriation provides support for costs related to Collaborative member travel expense reimbursement, as well as facility costs, equipment, and meeting materials. Additionally, funding supports contract costs related to research on education policy and practice required by HB 1341.

### **Suicide Prevention Support – \$16,000**

Funding is provided to increase support for suicide prevention.

### **Model Policy Industry Career Prep – \$5,000**

One-time funding is provided for OSPI to contract with WSSDA to develop a model policy for school districts and industry to create a public-private partnership to support industry career preparation pipelines.

## Special Edition: House Operating Budget Proposal

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### Major K–12 Reductions or “Savings”

#### Assessment Changes – (\$21.1 million)

The budget accounts for savings on student assessments, pursuant to [HB 1046](#). The bill would “de-link” graduation requirements from statewide high school assessments by discontinuing the Certificate of Academic Achievement and the Certificate of Individual Achievement and eliminating the alternative assessments for students who have not met standard on statewide assessments.

#### TPEP Training – (\$10.0 million)

Grant funding has been provided for teachers to attend training to learn about the new Teacher and Principal Evaluation Program during the implementation phase. Funding for this program is eliminated beginning with Fiscal Year 2018.

#### Kindergarten Readiness – (\$394,000)

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

### Additional Details

#### K–3 Class Size Reduction – \$492.1 million

Maintenance Level funding is provided to complete implementation of the reductions in K–3 class size reductions, as required by SHB 2776 (2010). Beginning with the 2017–18 school year, state funding is provided for a class size of 17 students in each of grades kindergarten through third for all elementary schools.

#### Initiative 732 COLAs – \$348.7 million

Maintenance Level funding is provided for Initiative 732 Cost of Living Adjustments of 2.3 percent in the 2017–18 school year and 2.7 percent in the 2018–19 school year. Increased salary allocations related to implementation of HB 2185, noted above, are in addition to the I-732 salary allocation increases.

#### Dual Credit Programs – \$2.1 million

The budget consolidates funding for three dual credit programs into a single program to support dual credit: 1) Advanced Placement/International Baccalaureate Exam Fee Grant for Low Income Students; 2) Dual Credit Subsidies; and 3) High School Acceleration. Total funding is unchanged; however, OSPI may reprioritize funding by specific program, as compared to Fiscal Year 2017 allocations.

#### Lead Directive – \$3.5 million

Funding is provided to the Department of Health to test water fixtures in schools across the state, under the Governor’s lead directive, issued this past year. Testing of older schools must be emphasized first.

