



IN THIS ISSUE:

- 2019 Session Preview
- WASA 2019 Legislative Platform

About TWIO

This Week in Olympia is emailed to active WASA, AEA, and WASBO members each Friday during the Legislative Session and is posted on WASA's website at www.wasa-oly.org/TWIO.

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Opening Day Special Edition

2019 Session Review

This afternoon, January 14, 2019, the Legislature convened its first year of the 66th Biennial Session. During this “long” session, limited to 105 days, the major job facing legislators will be to adopt a 2019–21 Operating Budget. Additionally, they will adopt a new two-year Capital Construction Budget and a new two-year Transportation Budget. With budget requests from all state agencies—including OSPI—and a budget proposal from Governor Jay Inslee, the stage is set to begin another complicated session. More on the budget situation in a moment.

As expected, the 2018 November election changed the face of the Legislature. There was not quite the “Blue Tidal Wave” that many expected; however, Democrats gained several seats in both the Senate and the House of Representatives. In 2018, the Democrats held slim majorities in both houses. In 2019, Democrats continue to control the Senate with 29 members to the Republican’s 20 members. (Note, however, that one dissident Democrat will continue to caucus with Republicans, effectively lessening the Democrats majority to 28–21.) In the House, Democrats hold 57 seats to the Republican’s 41 seats. The public assumption is that with large majorities in both houses, Democrats will easily adopt legislation on multiple priority issues that have been held up in recent years. The assumed list is large, but includes issues such as: gun control; a Carbon Emissions Tax; access to health care; environmental impacts; a Capital Gains Tax; homelessness and housing affordability; and saving orcas. While legislation is sure to be introduced addressing these issues, and many other issues in which there is pent-up demand, INTRODUCING legislation and TALKING about legislation are the easy actions. ADOPTING legislation will still prove to be difficult for some of these high-profile and controversial issues. And successful or not, it appears legislators will make every effort to occupy their time with these types of issues as they attempt to avoid K–12 education issues (perhaps with the exception of special education) at all costs. “McCleary fatigue” continues to reign, making it incumbent upon all educators to be fully engaged and remind legislators there is much work to be done in education, whether they are tired of working on K–12 or not. (The issues WASA will be focusing on are discussed later in this newsletter.)

Even though Democrats have large majorities, one of their problems will be internal rifts. No longer are there simply “Democrats”—there are liberal Democrats, conservative Democrats, progressive Democrats, moderate Democrats, and probably a series of other types of Democrats. (Republicans also have caucuses-within-the-caucus; however, they generally are better at holding together.) An individual member can even be spilt between these labels. For example, a legislator may be a social liberal, but a fiscal conservative. Trying to get 50 votes in the House and 25 votes in the Senate will never be a slam dunk on difficult issues.

Opening Day Special Edition

continued

The biggest policy issue the Legislature has to deal with every year is the two-year Operating Budget. Like those other controversial issues above, adopting a new biennial budget will be no easy feat. Even if the House can rally at least 50 votes to adopt its budget (it's the House's turn to initiate the budget process this biennium), it is unlikely to garner the necessary 25 votes in the Senate—at least the first time around. (Be cautious about placing your \$1 bet in the *Sine Die* pool because one-party control does not guarantee an “on-time” adjournment of a Regular Session.)

To give you an example about difficult budget decisions, you only need to review Governor Inslee's 2019–21 Operating Budget request—reviewed in WASA's [Special Edition of TWIO, December 14, 2108](#). As noted in that newsletter, each year, by law, the governor is required to submit budget proposals (Operating Budget, Capital Construction Budget, and Transportation Budget) to the Legislature by December 20. The detail that is excluded from that statement and the *TWIO* is the governor is legally required to propose a balanced operating budget request, using only currently available (or projected to be available) revenues. In other words, he must submit a no-new-taxes budget.

The budget proposal Gov. Inslee submitted on December 14, includes \$3.7 billion in new taxes. While the governor has every right to take that action, he must also submit a no-new-revenue budget. In legislative parlance, the required no-new-taxes budget is called a “Book I” budget. An optional proposal with new or higher taxes is called a “Book II” budget. Inslee's Book II proposal was released following a press conference and the issuance of a press release along with a series of briefing documents. Like he did in 2017, the required Book I budget was unveiled under the cover of darkness, with no press coverage and no supporting documentation (and it should also be noted it was released on December 21—after the statutory deadline. By law, this is a misdemeanor, but that's another issue for another day). While the governor did not discuss the issue publicly, it is clear that he would not support his own Book I budget and obviously prefers his Book II proposal.

The purpose for discussing this issue is to illustrate the type of difficult decision-making legislators will have to undertake when discussing, proposing, amending, and ultimately adopting a new budget. By reviewing both the governor's [Book I and the Book II budgets side-by-side](#) (in the drop-down menus, click on Agency: Public Schools; Version 1: Governor, 12/13; and Version 2: OFM Current, 12/21), you can get an indication of the governor's true budget priorities, and presumably the issues that will garner the most attention in the legislative arena. As a simple example, the governor supports a benefit increase for eligible members in the Public Employees' and the Teachers' Retirement Systems (PERS and TRS) Plans 1 and provides funding (\$43.3 million) in his Book II proposal. With limited resources, however, this line item is excluded from the governor's no-new-revenues Book I proposal. For K–12 education, the governor requests approximately \$568.1 million in new, Policy Level spending in his Book II proposal. Almost all of the governor's policy priorities in K–12 education are zeroed out in his Book I submittal, however, indicating that, without additional revenues, those items will be first on the chopping block. Does this indicate Governor Inslee will focus his advocacy efforts elsewhere if new revenues fail to be adopted? Apparently. (The numbers get uglier if you look at Local Effort Assistance. With additional revenues (Book II), Inslee requests \$213.6 million to enhance LEA. Absent new revenues (Book I), Inslee not only zeroes out the increase in LEA, there is a \$566.4 million reduction in LEA (an \$880.0 million swing) due to the levy/LEA policy changes adopted in HB 2242, 2017's *McCleary* “solution”.)

WASA 2019 Legislative Platform

In October, the WASA Board of Directors took action to adopt the association's [Legislative Platform for the 2019 Session](#). A highlight of the Platform is the support for safe and secure schools. Our focus is on prevention—and we will be strongly supporting state-funded staff allocation enhancements (via the Prototypical School Funding Model) for: school nurses, psychologists, social workers and other mental health professionals; guidance counselors;

Opening Day Special Edition

continued

and SROs. Mental and behavioral health issues will be THE major topic in 2019 and we will be arguing that schools, supporting over one million students, should be a key focus in solving this current health crisis. The Platform explicitly provides our support for a long-time ESD priority: investments in a system of comprehensive Regional Safety Centers. Even with additional staffing enhancements for school safety-related issues, many districts will still not be able to address many emergent needs. With necessary state support, the nine ESDs can provide assistance to the school districts in their respective regions with threat assessments and other services.

The 2017 Legislature adopted EHB 2242, implementing a comprehensive revision of Washington's K–12 education funding system. Administrators recognized serious deficiencies with many components of the bill and set their sights on a series of priority fixes in 2018. The 2018 Legislature did take action to revise EHB 2242 by adopting E2SSB 6362; however, some of the identified deficiencies were not addressed, others received minor adjustments, and some provisions further complicated the job of school administrators. Once again, WASA's Platform seeks a series of revisions to the state's new education funding system. Priority fixes identified are:

- **Special Education Funding.** While the Legislature provided additional special education funding in 2018, there continues to be a clear underfunding of required services. OSPI has calculated the underfunded need to be at least \$308 million (and potentially as much as \$400 million). All of the major education associations have special education funding included on their legislative platforms, and most legislators have publicly expressed their intent to quickly address the issue. Unfortunately, OSPI's budget request asks for \$86 million in 2019–21, with a plan to phase-in additional funding over three biennia. WASA will be strongly advocating the Legislature address the full underfunding of special education, eliminating the need to continue backfilling the gap with levy funds.
- **Levies and Local Effort Assistance.** The new levy and LEA policies adopted in EHB 2242 exacerbated inequities between districts by capping levy authority of property rich districts at a higher level than neighboring property poor districts. Legislators publicly committed to “reform” levy/LEA policies in 2018, but no action was taken.

When the WASA Platform was adopted, the priority was to request a review and revision of the new levy and Local Effort Assistance policies; however, we offered no specific solution. This issue is likely to be a hot topic with multiple options on the table, and understanding that school administrators have very diverse opinions on the question of levies/LEA, the WASA Board of Directors recently adopted a clarifying position on the issue. WASA intends to support an increase in local levy capacity (whether that be an increase in the current \$1.50 per \$1,000 of Assessed Valuation limit or a return to a lid based on a district's state and federal revenues). In order to support an increase in the levy lid, however, the increase must first be modest in scope (for example, the governor's proposed 28 percent lid goes too far). Second, any increase must include “bumpers” or “fences” around the new money, so it cannot be bargained away. Third, because any increase in levy capacity will further exacerbate inequities between districts, Local Effort Assistance must be enhanced. To garner WASA's support, any levy proposal must include all three of these components.

- **Salary Allocations, State Salary Schedule, and SEBB.** EHB 2242 eliminated the previous state Salary Allocation Model, instituted a new one-size-fits-all statewide average salary allocation, and eliminated the Staff Mix factor. This created significant inequities between districts. The 2018 Legislature reconsidered the decision to eliminate Staff Mix and instituted a new Experience Factor. Assisting less than 60 districts, however, we urge the Legislature to expand and improve the new Experience Factor and to begin to develop a future state salary allocation schedule.

Opening Day Special Edition

continued

Another compensation issue that must be addressed is the implementation of the new School Employees' Benefits Board. WASA is urging the Legislature to ensure school employee health benefit costs for all covered employees are borne by the state, preventing unfunded mandates on school districts. If the Legislature cannot ensure there will be no additional financial impacts on district resources, we urge implementation of SEBB to be delayed.

- **Regionalization Methodology.** Regionalization is another EHB 2242 plan that forced inequities and pitted districts against one another. The 2018 Legislature adopted a "correction" to the original regionalization methodology; however, only six districts were assisted. We will continue to request that regionalization and the application of regionalization factors be evaluated and adjusted.

School construction has been a long-time priority of school administrators and in 2019, WASA will continue to advocate for a series of required updates to school construction funding. We will be urging the Legislature to: (1) advance a constitutional amendment to the people to authorize school district bond issues to be approved with a simple majority vote; (2) update the current, outdated funding formulas (Construction Cost Allowance and Student Space Allocation) to ensure funding more closely reflects actual construction costs and educational space needs; and (3) provide school districts that have difficulty passing local bonds with capital funds to support necessary new construction or modernization. Additionally, we will be seeking a state investment in safety-related school facility costs.

School construction is often prioritized by legislators; however, that prioritization has not resulted in significant changes in the structure of school facility funding. There is the potential this may finally change in 2019. Last year, as part of the 2018 Supplemental Capital Construction Budget, the Legislature created the [Joint Task Force on Improving School Construction Funding](#). This bicameral, bipartisan Task Force was charged with providing recommendations to the Legislature on a series of school construction issues, including essential updates to the long-outdated School Construction Assistance Program (SCAP). The [Task Force's final report](#) was issued on December 15, and includes many recommendations that align with WASA's long-term requests. Those recommendations include: enhancements in the Student Space Allocation and the Construction Cost Allowance; and assisting rural school districts that cannot qualify for SCAP. Even the simple majority approval of school bonds was recommended (albeit with a seven-to-two vote).

Finally, WASA will once again argue the state's current budget structure simply cannot accommodate the required increases in basic education and still meet other state needs. The 2019 Platform specifically requests the enhancement of state revenues to ensure the Legislature is able to fully fund basic education and also prevent drastic reductions of other necessary government services. WASA will continue to use the Board-adopted [Position on Enhanced State Revenues](#) to guide our support or opposition of revenue proposals.

School administrators are encouraged to continue building relationships with local legislators and engage in the conversation throughout this session. Your association cannot effectively advocate without you.



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