



Special Edition: Governor Inslee Releases 2021–23 Budget Proposals

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. This week, Governor Jay Inslee presented budget proposals in a week-long rollout. On Monday, December 14, Inslee released a wide-ranging package of [equity-related proposals](#). The next day, Tuesday, December 15, the governor unveiled his plan to create a comprehensive [climate and clean energy program](#).

On Wednesday, Governor Inslee paused the budget release process and held a press conference to provide updated school guidance for in-person instruction. Included in the announcement was an investment of \$3.0 million (from remaining federal CARES dollars) for health and safety protocols in schools. There is a tremendous amount of detailed information provided, but in short (and probably oversimplistic terms), the new recommendations for a phased-in return-to-school are as follows:

- For counties with less than 50 cases per 100,000 residents over a two-week span, the recommendation is for in-person learning to be made available to all students.
- For counties with case numbers over 50 and less than 350 per 100,000 residents over a two-week span, the recommendation is for districts to prioritize a phased return of elementary-school and middle-school students. High-school students could be brought back if schools can demonstrate the ability to limit transmission and if case numbers are 200 per 100,000 or below.
- For counties with more than 350 cases per 100,000 residents over a two-week span, the recommendation is a phased return of students in kindergarten-fifth grade and those with highest needs in groups of 15 or less.

For additional, detailed information on the new guidance, please see these resources:

- [Updated In-Person Guidance \(DOH\)](#)
- [School Testing Guidance \(DOH\)](#)
- [Governor Inslee Phased Reopening of K–12 Schools Proclamation](#)
- [Governor Inslee Updated Guidance Press Release](#)
- [Governor Inslee Discussion of Updated Guidance](#)
- [Governor Inslee Press Conference \(December 16\)—TVW Archive](#)

Finally, yesterday, December 17, Governor Inslee held a [press conference](#) to release his full two-year [Operating, Capital, and Transportation Budgets](#). Inslee’s proposed 2021–23 Operating Budget is a \$57.6 Billion package. Even with a projected [\\$3.3 Billion budget shortfall](#) (total projected shortfall for the remainder of this biennium, ending June 30, 2021, and the 2021–23 biennium), Inslee’s Operating Budget increases spending by almost \$4.0 Billion beyond the current 2019–21 budget. He would accomplish this feat



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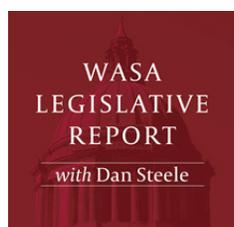
WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

About TWIO

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This Week in Olympia:**Special Edition:
December 18, 2020***continued***WASA Legislative Report Podcast**

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by draining the Budget Stabilization Account, relying on projected budget savings, and increasing revenue by way of new taxes (including a nine percent Capital Gains Tax).

Information on the governor's Equity package and his Climate program (both of which are embedded in his full 2021–23 Operating Budget released yesterday) follow below. Details regarding the K–12 education portion of Inslee's budget are at the end of this section.

Inslee's Equity Proposals

After years of systemic racism and racial disparities within state government and local communities and following multiple tragic deaths of men and women of color this past year which sparked protests in cities across the county, Governor Inslee released 2021–23 budget proposals with a strong emphasis on a significant priority: equity. \$365.0 million of his overall budget request is set aside to fund his equity package. His stated intent is to “eliminate the systemic racial disparities that exist in different aspects of life, and improve social equity across the state.”

Prior to the building of Inslee's budget, he started the conversation by directing all state agencies to center their budget and legislation requests around equity. From those [many requests](#), the governor constructed a comprehensive set of budget and policy proposals that “demonstrate his commitment to diversity, equity, and inclusion” in an effort to eliminate racial disparities.

Inslee's equity measures would do the following:

- **Create the Office of Independent Investigations to conduct investigations** of police use of excessive force (\$26.0 million).
- **Fund the Washington State Office of Equity**, as established by the 2020 Legislature (\$2.5 million). (NOTE: While the Office was created in 2020, it received no funding due to Inslee's veto of the \$1.3 million appropriation provided in the 2020 Supplemental Operating Budget.) The Office would be charged with: developing the state's five-year equity plan; helping state agencies to develop and implement their own diversity, equity, and inclusion plans; introducing best practices and change management to state agencies; and designing an online performance dashboard to measure agencies' progress toward diversity goals.
- **Maintain the Washington COVID-19 Immigrant Relief Fund** for economic support within the immigrant community (\$10.0 million).
- **Support financial literacy** to help address racial wealth inequities (\$674,000). The Department of Financial Institutions would be charged with working with financial education partners and financial institutions in helping underserved populations more equitably participate in safe, secure, and affordable financial services.
- **Ban insurance companies from using credit scores** to eliminate a practice that historically and disproportionately affects communities of color and low-income communities (\$89,000).
- **Increase minority contractors**. Funding would be provided (\$1.9 million): for the Business Diversity Management System to track the state's progress toward equity in public spending and state contractors; and to help the Office of Minority and Women's Business Enterprises (OMWB) finish implementing the System's first steps. Additional funding (\$221,000) would be provided to OMWB to launch the Washington State Toolkit for Equity in Public Spending to support state agencies and educational institutions.

This Week in Olympia:**Special Edition:
December 18, 2020***continued*

- **Invest in environmental justice.** The governor’s climate agenda (see next section) includes recommendations from the Environmental Justice Taskforce:
 - Improve air quality and climate resilience in the most impacted communities by putting a cap on greenhouse gas emissions;
 - Ensure the benefits of clean energy transition are equitably distributed;
 - Give overburdened communities a voice with a formal advisory role in climate governance by creating a permanent Environmental Justice and Equity Advisory Panel; and
 - Incorporate environmental justice into environmental and economic development agency staffing and programs.
- **Establish Juneteenth as a legal holiday.** June 19 is already recognized in state law as a day of remembrance for the day the slaves learned of their freedom in 1865; however, **HB 1016** would establish June 19, Juneteenth, as a legal holiday. Funding is provided (\$7.3 million) to cover the costs to maintain critical services during the new holiday each June 19.
- **Invest to close the digital divide** to support residential broadband connections for families across Washington who cannot afford connection services in their area (\$79.0 million). Additional funding (\$6.0 million) would be provided for the state to contract with a nonprofit entity to support a Digital Navigator Program in ten regions across the state to provide one-on-one digital skills support to individuals seeking work, families supporting students in K–12, individuals who are English language learners, and older citizens.
- **Create a more equitable process for grants.** \$400,000 (in capital bonds) would be provided to the Department of Commerce to create an equity committee to develop strategies for equitable investing and policy, with a focus on individual and community needs of underserved populations. An additional \$400,000 (in capital bonds) would be provided for the Recreation and Conservation Office to review equitable distribution of state grant programs.
- **Support community-based organizations** to advance racial equity in the state’s funding decisions and future investments. The Department of Commerce would be provided \$1.1 million to work directly with community leaders and organizations to support robust strategies and fund community capacity building assistance.
- **Advance equity on school campuses** by establishing a new Center for Diversity, Equity, and Inclusion to review curriculum at Community and Technical Colleges, in order to remove equity barriers to student success. The funding would also provide technology grants and faculty stipends to conduct curriculum reviews (\$23.3 million).
- **Remove barriers to financial aid** to help families and students connect to state and federal grants and loans. Funding (\$1.1 million) would continue the Aim Higher Free Application for Federal Student Aid initiative.
- **Improve equity for foster and homeless students** by providing grants, mentorship, and student support services to college students or apprentices who experienced foster care or homelessness. \$8.4 million would be provided to support the Passport to Careers Program, which serves students by helping them complete their educational pathway.
- **Support career development** by continuing and expanding the Washington State Department of Transportation’s pre-apprenticeship program (\$3.0 million). The

This Week in Olympia:
Special Edition:
December 18, 2020
continued

program awards groups that provide outreach, pre-apprenticeship training, and supportive services to underrepresented populations in the construction trades.

- **Expand outdoor recreation equity.** \$90,000 would be provided to Western Washington University to explore the possibility and benefits of expanding outdoor residential school programs that would more equitably serve fifth and sixth grade students. Another \$85,000 would be provided to the State Parks and Recreation Commission to facilitate a work group with the Commission on African American Affairs to identify inclusion barriers.

Inslee's Climate and Clean Energy Program

Governor Inslee's second step of his budget rollout was focused on climate change. His proposals would create a comprehensive climate program to combat the climate crisis, strengthen environmental justice efforts, and rebuild Washington's economy. In recognition that his proposals would have broad impacts, Inslee noted at the unveiling of the package that "climate change is a health issue, an economic issue, and an equity issue." Those three underlying issues seem to clearly align with the governor's priorities for the 2021 session. Major components of Inslee's climate and clean energy program follow:

- **Adoption of the Climate Commitment Act.** This legislation would create a comprehensive climate program and allow Washington to meet statewide greenhouse gas limits established in law. Additionally, it would improve climate resilience, and reduce climate change impacts on communities and ecosystems. The governor's budget includes \$12.6 million to start implementation of the Act.

The Climate Commitment Act would accomplish four main objectives:

1. **Cap greenhouse emissions.** The bill would establish a cap on greenhouse gas emissions for the state's largest-emitting industries and would authorize the Department of Ecology to administer a program to ensure industries comply.
 2. **Invest in community and climate resilience.** Proceeds from the sale of "gas credits" or "allowances" would be directed into the Climate Investment Account, which would be used for investments that support clean transportation, natural climate resilience solutions, clean energy transition and assistance, and emissions reduction projects. All projects would be required to meet strong labor standards and support environmental justice and equity goals.
 3. **Put environmental justice and equity at the center of climate policy.** Investments from the Climate Investment Account would be required to undergo an environmental justice analysis. This is intended to make sure that funds are directed toward eliminating environmental harm and economic and health disparities for vulnerable populations and overburdened communities.
 4. **Adopt a strategic approach to climate resilience.** Reducing the biggest climate impacts for the most vulnerable populations would improve our resilience to climate change impacts, protect our investments over the long-term, and sustain our natural resources, water, and infrastructure.
- **Transition to clean transportation.** Transportation is the largest source of greenhouse gas emissions in Washington and accounts for 45 percent of statewide emissions. To meet greenhouse gas limits, multiple components would be addressed under Inslee's plan:
 - **Support clean fuels.** A clean fuel standard is a market-based approach to cut greenhouse gas emissions from transportation fuels. Inslee would like to have an adopted clean fuel standard that would require fuel providers to clean up our fuel supply by reducing the amount of carbon in fuels: a 10 percent reduction by 2028 and a 20 percent reduction by 2035, and

This Week in Olympia:**Special Edition:
December 18, 2020***continued*

further reductions needed to meet the 2050 greenhouse gas limit. Inslee's budget includes \$2.9 million for the Department of Ecology to implement a clean fuel standards program.

- **Expand electric ferries and transit.** Washington State Ferries are the largest consumer of diesel fuel in the state. Electrifying these vessels would improve reliability, save up to \$14.0 million a year on ferry operating costs, and virtually eliminate engine noise and vibration that can harm orcas. In 2019, funding was provided to convert one ferry from diesel to electric. The governor's 2021–23 budget would invest \$318.0 million over four years to: fund a second ferry conversion; fund the construction of a new, smaller hybrid electric ferry; and fund the building of three charging stations that are critical to support the boats. An additional \$15.0 million (in capital funds) would be provided to help electrify transit systems.
 - **Educate consumers about electric vehicles.** The governor's budget provides \$1.5 million to fund a program to promote electric vehicle benefits and incentives, especially to residents with low income.
 - **Coordinate ultra-high-speed corridor options with West Coast partners.** Feasibility studies indicate a compelling case for an ultra-high-speed rail corridor that will create jobs, increase affordable housing options, clean our air, improve safety, and reduce traffic. The governor's budget includes \$3.3 million to establish a coordinating entity with representation from Washington, Oregon, and British Columbia. The group would be charged with conducting public engagement and integrating a high-speed rail corridor system with regional transportation plans. The development equity-based goals for the project would be required.
- **Establish healthy homes and clean buildings.** Inslee's Healthy Homes and Clean Buildings Act, if adopted, would require any new buildings to be zero-carbon by 2030 and put the state on a path to eliminate fossil fuels from existing buildings by 2050. The bill would also create a heat pump and electrification program to support clean electricity for space and water heating, and would authorize public utilities to provide incentives for high-efficiency electric equipment.

Inslee's 2021–23 Capital Budget proposal would invest \$141.0 million in programs and projects to support the transition to cleaner buildings:

- **Healthier homes for low-income families.** \$55.0 million would be provided to weatherize and support energy efficiency investments for 7,000 low-income residences, lowering a household's energy burden, improve health and safety, and reduce carbon emissions.
 - **Clean energy retrofits for public buildings.** \$66.0 million would be provided to retrofit more than 200 public buildings. This would reduce facility operating costs, lower greenhouse gas emissions, and create high-quality construction jobs.
 - **Next-generation clean buildings.** \$20.0 million would be provided to shift from fossil fuels to high-efficiency electric heat pumps and other electric equipment, creating more grid-enabled, high-efficiency, all-electric buildings that use renewable energy and efficiency measures to significantly reduce energy loads.
- **Center environmental justice and equity.** The governor's 2021–23 policy and budget proposals put environmental justice and equity at the center of the climate agenda. The proposals would: reduce emissions in the most impacted communities; ensure that the benefits of the clean energy transition

This Week in Olympia:
Special Edition:
December 18, 2020
continued

are equitably distributed so that vulnerable populations aren't left behind; and give overburdened communities a voice, with a formal advisory role in climate governance. As noted above in the discussion about Inslee's equity package, his proposals would implement 2020 recommendations from the Environmental Justice Task Force.

- **Clean energy investments.** To support the transition to a “just, equitable, clean energy economy,” the governor's budget includes an investment of \$100.0 million (in capital funds) in projects that provide a public benefit through development, demonstration, and deployment of clean energy technologies. These technologies can save energy, reduce energy costs and harmful air emissions, and increase community energy resilience. Projects that benefit vulnerable populations and overburdened communities, including tribes and communities with high environmental or energy burden, would receive priority consideration.

Inslee's 2021–23 Capital Budget proposal includes the following investments in the Clean Energy Fund:

- \$15.0 million for grid modernization projects;
- \$15.0 million for strategic research and development for new and emerging clean energy technologies;
- \$20.0 million for innovative approaches to electrify transportation systems;
- \$20.0 million for next-generation clean buildings and electrification projects;
- \$20.0 million for grants to nonprofit lenders who provide loans for clean-energy technologies;
- \$5.0 million to decarbonize the maritime sector; and
- \$5.0 million for dairy digester bioenergy projects.

Inslee's K–12 Education Proposals

Governor Inslee's Equity and Climate proposals are embedded in his 2021–23 Operating Budget (a few pieces are a part of the Capital and/or Transportation Budgets) and, certainly, K–12 funding is of most interest and concern to school administrators—so why spend the time to review these other proposals? One reason is that some of the proposals have a direct or indirect impact on schools, including the investments to close the digital divide, the expansion of outdoor education, and the transition to clean transportation. Another reason is to impress upon you what the priorities of the governor and many legislators will be during the 2021 Session. These issues will likely be a key focus throughout the course of the session—and will compete for “airtime” with K–12 education and other policy areas. Still another reason is to note the significant investments required to implement the many proposals—with an understanding that, with potentially limited revenues, these issues will compete with K–12 education funding requests.

Following are the key K–12 investments in Governor Inslee's 2021–23 Operating Budget:

- **Accelerated Learning Opportunities—\$400.0 million**
 A highlight of the governor's K–12 budget is a major investment to improve educational outcomes for all students and to address learning loss and educational opportunity gaps. One-time funding would be provided to school districts to expand learning opportunities and implement additional instruction, enrichment, and student supports based on an evaluation of student needs. School districts would have the option to add instructional time before or after school, additional days or during the summer. School districts would be

This Week in Olympia:

**Special Edition:
December 18, 2020
*continued***

required to identify specific assessment tools, pinpoint student learning and well-being gaps, and focus additional time and supports on students who are most in need of interventions.

- **Connectivity Enhancement—\$79.0 million**

The COVID-19 pandemic exposed the state’s digital divide. The governor’s budget includes \$79.0 million to address continued inequity in student access to affordable internet connectivity and digital learning devices throughout our state. Funding is provided to help close this digital gap in K–12 learning, and to help school districts support students and staff by providing broadband access outside of school.

In a separate area of the budget, an additional \$45.0 million would be provided to the Department of Commerce to deliver critical broadband infrastructure to unserved homes and businesses to support education, health care, public safety, and job retention and creation.

- **School Counselors—\$32.0 million**

The 2020 Supplemental Operating Budget included \$31.8 million to provide an additional 0.5 FTE counselor for all high-poverty elementary schools. Unfortunately, Governor Inslee vetoed the funding prior to signing the budget. Inslee would provide \$32.0 million in the 2021–23 budget to increase the number of elementary school guidance counselors to support the safety and social emotional needs of students in the most disenfranchised populations. These staff would support students who are falling behind academically and serve as potential points of contact for students who may be searching for adults to trust.

- **Paraeducator Training—\$14.8 million**

The 2020 Supplemental Operating Budget provided \$14.4 million for two days of comprehensive training in the 2019–20 and 2020–21 school years on the fundamental paraeducator standards, as required by law. Unfortunately, Governor Inslee vetoed this appropriation prior to signing the budget. Inslee would provide \$14.8 million in the 2021–23 budget to provide for additional paraeducator professional development as required by current law. In addition to Maintenance Level funding already “booked” in the budget, this new funding would provide for two days of training in the Paraeducator Certificate Program in Fiscal Year 2023, and two days each year thereafter. In addition, as a result of the COVID-19 pandemic and instruction primarily being provided online, \$250,000 of the overall appropriation would fund the development of a course to provide online training to paraeducators on effective community, family, and student engagement.

- **Climate Science/Outdoor Education—\$5.0 million**

Governor Inslee’s budget would provide \$4.0 million to increase the current investment in climate science education in public schools. This would promote more teacher development in science education and bolster support for community-based organizations to partner with schools and Educational Service Districts and develop training and curriculum supports. An additional \$1.0 million would be provided to continue services in outdoor education and student leadership programs for students across Washington.

- **Special Education—\$3.2 million**

The governor’s budget would provide \$3.1 million to fully fund the special education safety net. Additionally, \$75,000 would be provided for a Special Education Parent and Family Liaison. OSPI currently has an appropriation which

This Week in Olympia:**Special Edition:
December 18, 2020***continued*

partially funds one Special Education Parent and Family Liaison to support the needs of families of students with disabilities. This funding would increase state funding for 25 percent of the cost of a second Liaison to respond to the high volume of inquiries; the remaining 75 percent would be federally funded. This funding split ensures the position will comply with both state and federal requirements under the Individuals with Disabilities Education Act (IDEA).

- **Supporting Students Through MTSS—\$760,000**
Superintendent Reykdal requested \$4.5 million to support the statewide development of a Multi-Tiered System of Supports (MTSS) by providing training and technical assistance on evidence-based approaches to supporting students' academic, social, emotional, and behavioral needs. While Governor Inslee's 2021–23 budget includes funding for MTSS, the \$760,000 request would not support the development a Multi-Tiered System of Supports. Rather, it would simply fund a feasibility study for statewide MTSS database development, two full-time specialists and expert training on best practices.
- **Regional Apprenticeship Pathway—\$500,000**
The governor's budget includes funding to establish a new apprenticeship pathways and career connected learning program in the skilled trades in the Federal Way School District.
- **Integrated Early Learning Options—\$260,000**
The budget provides funding to continue collaboration with the Department of Children, Youth, and Families to complete a report with options and recommendations for administrative efficiencies and long-term strategies that align all high-quality early learning programs administered by both agencies for the purpose of integrated classes. The report is due on September 1, 2022, and will include recommendations for supporting the transition to entitlement for the Early Childhood Education and Assistance Program.
- **Mastery-based Learning—\$290,000**
In 2019, legislation was adopted (E2SHB 1599) requiring the State Board of Education to establish a Mastery-Based Learning Work Group to identify barriers to mastery-based learning and explore ways to increase student access to relevant and robust mastery-based academic pathways aligned to personal career and postsecondary goals. The Work Group, as required, submitted an interim report to the Legislature in December 2019 and a final report with findings and recommendations a few weeks ago. Governor Inslee's budget would provide \$290,000 to support the State Board request to continue the Mastery-Based Learning Work Group. The Work Group would be charged to continue developing recommendations so students have the option to meet their learning objectives through a personalized pathway, including a pathway to graduation.

A Final Note on the K–12 Budget

As we approach the 2021 Legislative Session, the clearest, loudest, and most consistent message we have heard from administrators across the state is: ensure our school districts have financial stability. The two specific issues which almost all districts are concerned about are: enrollment declines and the negative fiscal impacts; and pupil transportation and the scheduled "claw-back" of funding. WASA and our partners in the [School Funding Coalition](#) have been hammering these issues with legislators for quite some time. While nothing is guaranteed—and we certainly have to keep working—we are finally starting to hear some positive responses from key legislators about addressing both the enrollment and transportation issues.

This Week in Olympia:
Special Edition:
December 18, 2020, 2020

continued

That's the good news (and we encourage you to continue working with your local legislators about these issues), but major concerns were raised yesterday when the governor unveiled his budget. As noted above, the governor proposes to increase spending fairly substantially, even in the face of a projected \$3.3 Billion budget shortfall. His solution is to use budget reserves, capture budget savings, and implement new taxes.

Relying on budget savings is the concern. While Governor Inslee boasts about his substantial investment to close the educational opportunity gap by: expanding learning opportunities (\$400.0 M), closing the digital divide (\$79.0 M), and increasing student support staff (\$32.0 M), there is not much talk about what schools districts are losing.

Included in the governor's "[Proposed 2021–23 Budget & Policy Highlights](#)" is one paragraph—buried in a 65-page document—that is a major concern. In the discussion about the need to cobble together resources to solve the budget puzzle, it is noted the budget relies on savings in a number of areas...

“For example, projected education funding needs (for the current budget and the first year of the next budget) have fallen by an estimated \$831 million, largely due to lower school enrollments and pupil transportation costs amid the pandemic. **The governor proposes reinvesting some of that savings to meet critical needs, while using the rest to help balance the budget.**” [emphasis added]

Do the quick math. K–12 education has an \$831 million “savings,” while the substantial investment the governor proposes for K–12 is about \$510 million (almost \$540 million, if you add some of the smaller pieces—and \$400 million of the total is one-time funding). It is frustrating that the governor does not see the need to preserve school district budgets, so you can be prepared when students return to your schools in-person—and avoid the need to impose RIFs or eliminate programs. It is downright infuriating, however, to use K–12 funding to reinvest in some other priority or to balance the budget. His investment is not going to be very effective if he puts a few coins in one of our pockets and takes a wad of cash out of the other pocket.

We note this story to let you know that, while our message is starting to be positively received, there are other legislators who will applaud the governor's thinking. Which leads to the other reason: we strongly encourage you to engage with your legislators, participate in the legislative process, and “tell your story.” Your voice, especially in the upcoming “virtual” session may be more important than ever before.

For those of you who may feel anxious about engaging, we encourage you to take some time to review our recent advocacy webinar, “Finding Your Voice: The Importance of Legislative Advocacy.” Both the in-depth [PowerPoint](#) and the [recorded presentation](#) are available on the WASA website. They will help you easily jump into the process and effectively advocate for your schools, your students, and your colleagues.

Continue to follow these [newsletters](#) and our [Legislative Podcast](#) to stay up-to-date throughout the session. And consider participating in our [Annual Legislative Conference](#), jointly hosted with WSSDA and WASBO. Registration for the event is live.



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