Federal and State Legislative Update
June 4, 2020 — Zoom

State Legislative Update:
2020 Review — And What Comes Next
State Legislative Update

2020 Legislative Session
  • 2020 Supplemental Operating Budget
  • 2020 Supplemental Capital Budget

2020 Interim & 2021 Session
  • Budget Outlook
  • WASA Advocacy Plan
2020 Legislative Session
2020 Supplemental Budget

- 2020 Supplemental Budget
  - Total Increase $961 million
  - Total K–12 Increase $185 million

- Governor Inslee Vetoes
  - Total Reduction $235 million
    - (2021–23 Reduction = $210 million)
  - Total K–12 Reduction $83.1 million

- Note: Inslee vetoed new or increased funding; did not reduce any current law funding
## 2020 Supplemental Operating Budget: K–12 Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Counselors</td>
<td>$31.8 million</td>
<td>Funding for an additional 0.5 FTE counselor for all high-poverty elementary schools</td>
</tr>
<tr>
<td>Local Effort Assistance</td>
<td>$45.8 million</td>
<td>“Hold Harmless” funding for Calendar Year 2020 due to assessed property values above forecast</td>
</tr>
<tr>
<td>Pupil Transportation</td>
<td>$62.8 million</td>
<td>$29.5 million (one-time) backfill of pupil transportation for over-expenditures in FY 2019; $11.8 million to adjust the prior year transportation base; $21.5 million (one-time) “hold harmless” funding</td>
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<tr>
<td>Special Education</td>
<td>$1.9 million</td>
<td>Funding for expected safety net growth</td>
</tr>
<tr>
<td>Paraeducator Training</td>
<td>$14.4 million</td>
<td>Funding for two additional days of comprehensive training per year on the fundamental paraeducator standards</td>
</tr>
<tr>
<td>Mental Health &amp; Safety</td>
<td>$2.6 million</td>
<td>Funding for an additional 1.5 FTEs per ESD for the Regional School Safety Centers established in 2SHB 1216 (2019)</td>
</tr>
<tr>
<td>Small School Funding</td>
<td>$4.0 million</td>
<td>Funding for grants to school districts with less than 650 students; OSPI to prioritize districts with low operating fund balances or other demonstrated financial need</td>
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</table>
2020 Supplemental Capital Budget

2019–21 Capital Budget
- Total Appropriation $4.87 Billion
- K–12 Facilities $1.11 Billion
  - School Construction Assistance Program $1.04 Billion

2020 Supplemental Capital Budget
- Total Increase $175.1 million
- K–12 Facilities Increase $18.5 million
  (Small District Grants; Distressed Schools; Seismic Retrofits)
  - School Construction Assistance Program ($1.1 million)
Additional Information
https://bit.ly/3dxT7jY

BREAK-OUT SESSION:
WASA’s 2020 Legislative Update—Where do we go from here?
2020 Interim & 2021 Legislative Session
Budget Outlook

- **NATIONALLY:**
  - Unemployment potentially 15–30 percent (topped at 10 percent in Great Recession); 14.7% in April
  - GDP potentially down as much as 50 percent (dropped 4.3 percent in Great Recession)

- **WASHINGTON:**
  - 1 in 5 workers have filed for unemployment: March–5.1%; April–15.4%; May–??
  - April revenue collections slightly below forecast (data from March, early in crisis); May revenue down $435 million below forecast; significant reduction expected in June revenue forecast
  - Early estimates of state revenue losses range from $5.0 to $8.0 billion, but may be “optimistic” ($10.2 billion lost, over six years, in Great Recession)
Economic Impacts—WA Unemployment

Unemployment: March – 5.1%   April – 15.4%   May – ??

The job loss in April was unprecedented.

Source: ERFC, 5/20
Economic Impacts—Revenue

April 11–May 10: $434.6 million below Feb forecast (22.5%)
Collections since Feb 11: $428.5 million below Feb forecast (8.7%)
(Not including $200 million in deferred payments, expected in June)

Source: ERFC, 5/20
Budget Forecasts

- ERFC Preliminary “unofficial” forecast:
  - $756 million down through end of Fiscal Year (June 30)
  - $3.8 billion down through end of biennium (June 30, 2021)
  - $3.3 billion down, 2021–23

- Revenue Forecast: June 17

- Caseload Forecast Council: June 17
Governor Inslee Directive—May 13, 2020

- Directed executive and small cabinet agencies to freeze hiring, personal service contracts and equipment purchases (effective May 18)

- Requested higher education institutions, boards and commissions, and other separately elected officials to impose similar restrictions
OFM Directive—May 13, 2020

- Agencies must identify Operating Budget savings options from FY 2021 appropriations; Immediate savings target=$1.9 billion (15% reduction)

- Agencies must plan to propose reductions as part of 2021–23 Operating Budget requests

- Budget savings options applies to cabinet agencies; higher education institutions, boards and commissions, and separately elected officials requested to find similar budget savings
## K–12 Non–Basic Ed Budget Impacts

FY ’21 Approps = $645 million / 15% Reduction = $96.8 million

### Non–Basic Education Reduction Options

<table>
<thead>
<tr>
<th>ESDs</th>
<th>BEST Program</th>
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</thead>
<tbody>
<tr>
<td>Local Effort Assistance</td>
<td>Supt/Principal Internships</td>
</tr>
<tr>
<td>Persistently Lowest Achieving Schools</td>
<td>Regional Transportation Coordinators</td>
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<tr>
<td>National Board Bonus</td>
<td>Dual Credit Subsidy</td>
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<tr>
<td>TPEP &amp; TPEP Training</td>
<td>CTE Grants</td>
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<tr>
<td>Computer Science Grants</td>
<td>Aerospace Assembly</td>
</tr>
<tr>
<td>WSLA</td>
<td>Next Gen Science Training</td>
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<tr>
<td>Foster Youth Ed Outcomes</td>
<td>Homeless Students</td>
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<tr>
<td>Dual Language Grants</td>
<td>WA Achievers Scholars</td>
</tr>
<tr>
<td>IT Academy</td>
<td>College Bound Scholarships</td>
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WASA Advocacy Plan
2020 WASA Legislative Platform

- Update Staff Allocation Formulas
- Define Teacher Duties and Expectations
- Provide Consistent, Equitable, and Ample Education Resources
- Support School Facilities

Strategy: With limited state resources, effort was to lay groundwork and gain momentum to advance issues in 2021
2021 WASA Legislative Platform

Early WASA Committee consensus to carry forward with 2020 Platform:

- New two–year budget will provide for additional K–12 investments
- Maintains consistent WASA message
- Allows us to build on groundwork laid in 2020

Along came COVID–19....
Must keep K–12 needs on the minds of legislators; however, cannot appear “tone deaf” by asking for significant investments when state budget and all areas of government are being gutted.

How do we keep K–12 needs in front of legislators, while they focus on reductions?

Solution:
Short–term and Long–term Platform
Short–term Issues to Address

- Hold the line on K–12 funding—don’t go backwards/honor Constitutional commitment
- Avoid “mid–year” reductions
- “No new mandates” (funded or not)
- Support technology/connectivity
- Increase local flexibility
- Clear sideboards on bargaining

Bottom Line Message: “Do No Harm”
Long–term Issues

While we are in “protection” mode, we have to remind legislators K–12 has unmet needs; at some point, the economy will come back around and revenues will be available to invest.

Similar to 2020, we must temper our expectations, but we cannot allow our needs to be forgotten, or we will have to start conversations all over again.
Long-term Issues

Update Staffing Allocations
- Continues to be a core, fundamental piece of the education funding structure, but continues to contain, outdated unrealistic staffing levels

Provide Consistent/Equitable/Ample Education Resources
- Several components of K–12’s new funding structure have exacerbated inequities between districts

Support Capital Facilities
- While not technically Basic Education, facilities remain a core need and state continues to use outdated funding formulas that fail to recognize the true cost of building
Advocacy is not a one-time thing; advocacy requires a year-round effort

Build relationships with legislators
  - Don’t forget to connect with challengers

Explain how you’re managing the current crisis: distance learning; food service; child care
  - Talk about your needs and challenges; AND successes

Remember: Advocacy does not have to be difficult or time-consuming; just commit to it
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