



TWIO

This Week In Olympia

February 24, 2014

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Special Edition:

This afternoon, Senate budget-writers released their 2014 Supplemental Operating Budget proposal. The Senate Ways & Means Committee will hold a public hearing on package, a Proposed Substitute to SB 6002, on Tuesday at 3:30 p.m. In order to provide you with some quick information, this update only addresses some of the high-level changes in the budget. A more detailed, comprehensive report will be sent tomorrow.

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.

2014 Supplemental Operating Budget

For several months, there was considerable discussion about the possibility of NO Supplemental Budget this session. There was little money in the state's reserves and most legislators, especially in the Senate Majority Coalition Caucus, were not eager to adopt significant budgetary changes. Last week's positive revenue forecast, however, prompted Senate budget-writers to release an updated spending package. The proposal is rather modest with a grand total of less than \$100 million in increased spending. Of that amount, \$43.5 million (net) is for required "maintenance" level changes and the remaining \$52.1 million (net) is for "policy" level changes.

The proposal makes several resource changes, mostly due to increased and decreased revenues from passage of tax preference legislation. The proposal also includes \$51 million in fund transfers. The transfers include: (1) \$34 million from the Life Science Discovery Fund; (2) \$6.7 million from redirecting liquor excise taxes that otherwise would have been distributed to local governments; (3) \$3.7 million from Energy Freedom Account; and (4) \$3 million from adjusting lottery account distributions to increase amounts to the Opportunity Pathways Account. The loss of local government revenues resulting from the redirection of liquor excise taxes will be replaced by up to \$5.2 million in revenues from marijuana excise taxes, if sufficient revenues are received by the state.

K-12 Education receives a net reduction of \$8.4 million in the maintenance level budget. This is due to lower staff mix, assessment costs, and other budget drivers, partially offset by higher K-12 enrollment. At the policy level, there is an increase of \$38.7 million, with almost all of the increase provided to enhance K-12 technology. The provided \$38.3 million would fully fund the technology component of Maintenance, Supplies and Operating Costs (MSOC), pursuant to SHB 2776 (2010). The MSOC technology allocation in school year 2014-15 is increased from \$82 to \$126 per student. The total general education MSOC allocation for school year 2014-15 increases from \$782 to \$826 per student.

Additional funding is provided for paraeducator development (\$128,000), youth suicide prevention (\$100,000), school data internet access (\$198,000), an interactive gaming in schools partnership (\$66,000), homeless student educational outcomes (\$44,000), expanded learning opportunities (\$83,000), and a new biliteracy seal (\$21,000). Full details will be provided in tomorrow's *TWIO* Special Edition.

Special Edition: Budget and Instructional Hours Update

continued

The budget also includes the “repurposing” of instructional hour funding, as called for in E2SSB 6552, modifying instructional hours. The bill would use the \$97 million provided in last year’s budget to implement an increase in instructional hours, beginning in 2014–15 and redirects the funding to the opportunity for high school students to earn a 24-credit high school diploma. A laboratory science class size enhancement, increased guidance counselor allocation, and an additional MSOC allocation (\$164.25 per FTE student in grades 9-12) are provided for high school students. Funding is also provided for the Superintendent of Public Instruction to develop curriculum frameworks for a selected list of career and technical education courses with content in science, technology, engineering, and mathematics is considered equivalent, in full or in part, to science or mathematics courses that meet high school graduation requirements. This shift is cost-neutral.

1,080 Instructional Hours

This afternoon, **E2SSB 6552** received a public hearing in the House Education Committee. Public testimony was overwhelmingly positive; however, as expected, the bill received a chilly reception from some of the Committee members, in particular Representative Sharon Tomiko Santos (D-Seattle), the Chair of the Committee. It is clear we have our work cut out for us if this bill is to survive the legislative process.

We strongly encourage you to contact your legislators, as soon as possible, to urge support of this bill. Like most legislative measures, this bill is not perfect. If it fails to advance, however, school districts will be left with the status quo—an untenable instructional hour requirement with little flexibility and little positive measurable impact on student achievement. The bill is on the Education Committee’s tentative executive action list for Wednesday, February 26. The bill’s adoption is far from certain.

Another note about E2SSB 6552: OSPI has informed us they will have a pivot table available tomorrow, Tuesday, which will display the funding provided in the bill by school district. Please check OSPI’s Apportionment & Financial Services page tomorrow.