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Special Edition: Interim Legislative Update

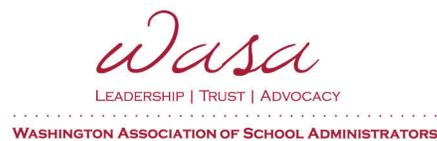
State Budget Update

On November 18, the [Economic & Revenue Forecast Council](#) (ERFC) provided an update of the state’s revenue projections. The last quarterly update of the year capped off a roller coaster budget picture. Here is a reminder of what has occurred since February.

The Council’s February revenue forecast provided the foundation for the Legislature’s 2020 Supplemental Operating Budget. When last session began, it appeared revenues would be tight and an updated budget would provide minimal increases. The February revenue update, however, projected an increase of more than \$600 million in revenue above estimated revenue in November. Coupled with two previous positive forecasts, legislators were able to adopt a revised budget with increased spending of approximately \$961 million, bringing the total spending in the 2019–21 budget to \$53.5 billion. This was less than anticipated, with the final budget appropriating less than either the House or Senate had proposed, but legislators were wary of a growing health problem called COVID-19. Both budget-writers noted that we are facing an uncertain future, including a possible economic downturn from the coronavirus outbreak, and it was necessary and important to build a “buffer” to protect against potential revenue reductions. Spending less than originally planned left additional revenues in reserve: just under \$1.0 billion in the Ending Fund Balance, plus another almost \$2.0 billion in the Budget Stabilization Account.

Just after the budget was adopted, Governor Inslee declared a [State of Emergency](#). Shortly after, Inslee started imposing restrictions, including the prohibition of large gatherings, and just a few days later the mandated closure of schools. Further restrictions came in rapid succession, including the closing of restaurants and bars, and prohibiting elective surgeries. On March 23, the governor issued his [“Stay Home, Stay Healthy” Order](#), effectively shutting down the state, with the exception of essential services. Prior to the governor’s signing the updated budget, COVID-19 had been declared a pandemic and Inslee vetoed \$445 million (\$235 in the current biennium and \$210 in 2021–23) in new or enhanced funding in an effort to further protect the budget.

Following Inslee’s “Stay Home, Stay Healthy” Order, consumer spending slowed dramatically and unemployment spiked. When the Forecast Council released their June update, projected revenues plummeted from \$52.34 billion for the remainder of the biennium and \$55.70 billion in 2021–23, to \$47.80 billion through the end of



About TWIO

This Week in Olympia (TWIO) is published by WASA in support of our members and members of our partners in WASBO, WSPA, and AEA.

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the biennium and \$51.34 billion in the next biennium. In total there was an expected \$8.8 billion shortfall over three years.

Anticipating the bad budget news that would likely be coming in June, Governor Inslee took some early action to stem the bleeding. In May, [Inslee directed](#) state cabinet agencies to freeze hiring, personal service contracts, and equipment purchases. (Note: the [Directive was just updated](#) a few days ago, but the freezes remain in effect.) Later, just before the June Revenue Forecast was released, [Inslee ordered](#) state cabinet agencies to cancel a planned three percent pay raise for agency directors, Exempt Management Service and Washington Management Service employees, and all other exempt employees earning more than \$53,000 annually. Additionally, he ordered all state employees to take: one furlough day per week, from June 28–July 25; and one furlough day per month through November. In total, state employees were required to take nine furlough days. These actions were expected to save \$55 million. If non-cabinet agencies—which technically the governor cannot control—took similar action, it was estimated to save another \$91 million.

On top of Inslee's actions, the Office of Financial Management (OFM, the governor's budget office) [directed state agencies](#) in May to identify Operating Budget [savings options](#) from Fiscal Year 2021 appropriations. The immediate savings target was \$1.9 billion, which equated to a 15 percent reduction in all agencies. In June, as agencies began to prepare their 2021–23 budget requests, [OFM provided further directions](#) to state agencies, requiring them to submit budget proposals for the coming biennium that identified reductions equal to 15 percent of unprotected Maintenance Level budgets. This specifically excluded debt service, K–12 basic education expenditures, pension contributions, and mandatory Medicaid.

During the late summer, some of the state COVID-19 restrictions were being lifted or scaled back. In addition, most citizens had received stimulus checks from the federal government. As citizens started returning to stores and restaurants and unemployment was falling from historic levels to more manageable numbers, it was hoped that the result would be a positive impact on the state's finances. When the Economic & Revenue Forecast Council met in September, there was good news. With expected revenues increasing from June's projection of \$47.80 billion in the remainder of the biennium and \$51.34 billion in 2021–23 to \$50.0 billion in the remaining nine months of the 2019–21 biennium and \$53.74 billion in the next biennium, there was a collective sigh of relief. Of course, this still left a \$4.3 billion shortfall over a three year period of time, but the projected shortfall in June was cut in half.

Not wanting to throw water on the good news, but still wanting to be realistic, Steve Lerch, Executive Director of the ERFC, tried to temper expectations. He noted that the budget situation was looking better in September than June, but there was a significant level of uncertainty. It was unclear to him if the increase in revenues was due to pent up demand or if the increased revenues would be sustainable.

Which brings us to November. Last week, on November 18, the Forecast Council presented its updated Revenue Forecast. With revenue collections between September and November increasing above September projections (up \$633.8 million for 2019–21 and \$328.4 million in 2021–23, for a total of \$962.2 million), the anticipated shortfall again fell. The September Forecast projected \$50.0 billion in the remainder of the biennium and \$53.74 billion in 2021–23, while the November update anticipates \$51.0 billion in the rest of Fiscal Year 2021 and \$54.67 billion in the next biennium. This brings the current anticipated shortfall to [\\$3.3 billion](#) over three years.

Revenues continue to increase above projections (although note that the increase between September and November was much less of an increase than the revenue collections prior to the September Forecast); however, there continues to be substantial uncertainty.

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In the last several weeks, Washington (and the nation) has seen a significant spike in COVID-19 infection rates, indicating a “third wave,” right at the time temperatures start to drop and activities will move more indoors. This has prompted Governor Inslee to reimpose a number of restrictions, which may stall economic activity—and increase costs due to rising unemployment. Positively, there are several companies that are completing COVID-19 vaccine trials and they are reporting high levels of efficacy (90+ percent), with little-to-no negative health effects. Those companies are seeking emergency FDA approval to start production of the vaccines. On the flip-side, vaccine producers are talking about having their products out to the public as early as mid-December or early-January; however, the first wave of vaccines will be reserved for health care workers, first responders, and those who are already infected with COVID. It is likely vaccines will not be readily available to the general public until as late as August or September. And even when the vaccines are readily available, public surveys are indicating that over 42 percent of responders will not take the vaccine.

So, revenues continue to outpace projections, albeit at a slower rate than previously, but they remain well-below pre-pandemic levels. Many will argue that a \$3.3 billion shortfall can be almost eliminated with budget reserves, projected budget reversions, and savings gained by Inslee’s early action. Even if this were accurate, this fails to take into account: any spending decisions that may be made by the Legislature; costs of a new state employee Collective Bargaining Agreement; pension or health benefit adjustments; or other unforeseen issues. It is a good thing to think positively, but it is important to look at the whole picture.

Speaking of the whole picture, let’s shift from revenue to spending. Expenditures often get lost in the conversation of revenues. Often the discussion centers around how much money is coming into the state coffers, with a silent assumption that expenses are static. Obviously, they are not. The first conversation of expenses starts with Maintenance Level costs. In simple terms, the Maintenance Level is the cost of providing current services and programs, including adjustments—up or down—in entitlement caseloads and other mandatory expenses, such as inflation. The first step is to look at state caseloads.

On November 10, the [Caseload Forecast Council](#) adopted an [updated Caseload Forecast](#). Similar to revenues, there is good news regarding mandatory caseload costs. Compared to the February Forecast (on which the current budget is based), the November Forecast is estimated to reduce General Fund-State spending by \$528.3 million (\$276.8 million in FY 2021 and by \$251.5 million in 2021–23). This is another piece of good news to the overall budget outlook.

But hold the phone. Regular readers of *TWIO* know it is hard to focus on good news without sharing the opposite side of the coin. All joking aside, there is significant troubling news for K–12 education. While the overall caseload forecast indicates a state savings of \$528 million, K–12 education is estimated to have a savings of \$1.112 billion. Most of that “savings” comes from enrollment—both general education enrollment reductions (projected at 3.4 percent) and special education enrollment reductions (projected at 10.4 percent).

These types of numbers are why WASA included stable funding (including supporting consistent enrollment funding) as a part of our [2021 Legislative Platform](#). It is also a central point of advocacy for the [School Funding Coalition](#). This is a difficult issue to argue, however. Legislators (especially those who do not understand how our schools operate or are funded—which is most of them) will take a simple view and ask, “Why would we provide full apportionment, if you are not providing services to the same number of students?” Some legislators have made comparisons to nursing homes: if nursing homes do not have as many clients as before, the state won’t provide the same level of funding as before. Pretty simple, huh? (Simple minded, maybe.)

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This issue is only one example of why WASA is pushing hard this year to get ALL of our members engaged in the legislative process. YOU are the education experts and YOU have the stories that legislators need to hear. Please check out the information, later in this edition of *TWIO*, regarding the upcoming [Legislative Advocacy Training](#) on December 4. We encourage you and your colleagues to attend.

OSPI 2021–23 Operating Budget Request

By law, the governor is required to release a Biennial Budget proposal to the Legislature [by December 20](#) (a Supplemental Budget request, submitted prior to the second year of the Legislature’s biennial session is due 20 days before the beginning of the next session). In order for the governor and the Office of Financial Management (OFM, the governor’s budget office) to prepare his request, all state agency directors and separately elected state officials—including State Superintendent of Public Instruction Chris Reykdal—must provide a budget request to the governor in September.

In mid-September, Superintendent Reykdal submitted OSPI’s 2021–23 Operating Budget request to the governor. As noted in [Reykdal’s submittal letter](#), his request is focused on five foundational concepts:

1. Dismantle systemic inequities that may disadvantage students of color, students in foster care, students experiencing homelessness, and students facing economic hardship;
2. Further invest in the prototypical school funding model to support the safety and social emotional needs of all students;
3. Ensure all students have access to online learning spaces and opportunities at home, in schools, and in child care facilities;
4. Continue to develop graduation pathways that serve all students; and
5. Increase supports for students with disabilities.

Understanding the financial strain the COVID-19 pandemic has placed on the state economy, Reykdal’s proposal is fairly modest for a biennial request. If enacted in full, Reykdal’s request would increase the K–12 budget by approximately \$538 million—a minor blip to the current \$27.3 billion K–12 state appropriation.

Following below is a review of OSPI’s 2021–23 Operating Budget request. For more in-depth information, each request includes a link to OSPI’s detailed Decision Package that corresponds to that particular line item.

- [Building Staffing Capacity to Support Student Well-Being—\\$346.0 million EHB 2242](#) (2017’s *McCleary* “Solution”) directed OSPI to convene a Staffing Enrichment Technical Workgroup, comprised of diverse representatives of school districts and education stakeholders, to provide recommendations to phase-in staffing enhancements to the program of basic education (via the Prototypical School Funding Model), as detailed in the bill (EHB 2242, Section 904).

The Workgroup submitted its [report with recommendations](#) just prior to the 2020 Session. Because of the significant expenditures necessary to fully implement the recommendations (which would ultimately fund the requirements of [Initiative 1351](#), as adopted by the voters in 2014), the Workgroup proposed a six-year phase-in, beginning in the 2020–21 school year and culminating in the 2025–26 school year. Because of the long phase-in schedule, the Workgroup also recommended updating staffing ratios that meet students’ needs for safety as well as mental, social, emotional, and behavioral health be addressed as the first priority.

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Last session, with limited available revenues in a short, non-budget session, it was not anticipated there would be any major success on this issue. There was, however, an expectation (or at least a hope) that legislators would step up to their obligation (after all, it was the Legislature which stated its intent “to review and prioritize future K–12 staffing ratio increases”—EHB 2242, Section 903) and, at the very least, adopt legislation to set up a framework for the future—that is, establish a roadmap with a phase-in plan. No funding was provided in 2020 and no “roadmap” was adopted. In fact, legislation to establish the required framework ([SB 6615](#)) received only a perfunctory 20-minute hearing in the Senate, two days before Committee cut-off.

A priority issue for Superintendent Reykdal last year, he again submitted a funding request to begin the implementation of 2019’s Staffing Enrichment Workgroup. Given the budget circumstances, Reykdal made two strategic moves with his request. First, he specifically limits his request for funding to implement the first phase recommended by the Workgroup. This initial phase, to be implemented no later than the 2024–25 school year, would allow school districts to: better meet safety and social-emotional needs of students; provide more professional development for school staff; increase allocations for school principals; and add continuous learning coaches to the Prototypical School Funding Model.

His second strategic maneuver is to request funding only in the second-half of the biennium. If adopted, the \$346 million request would provide \$0 in Fiscal Year 2022, with the full \$346 million being funding in Fiscal Year 2023. With budget difficulties on the horizon, the belief is that the pandemic will be in the rearview mirror by the 2022 Session and the economy will have rebounded enough to support an enhancement in the second year of the biennium. (Note: after the initial “down payment” of \$346 million in the 2021–23 budget, another \$1.92 billion would be required in the 2023–25 budget to fully complete this first-step phase-in.)

- **[Closing Gaps in Access to Learning Devices and Connectivity](#)—\$252.1 million**
Funding is requested to close the digital opportunity gap in K–12 learning. The funding would provide grants to school districts, allowing them to address educational equity by: purchasing learning devices; purchasing mobile hotspot devices and services; and by supplementing families’ purchase of internet service in the home. Funding would also ensure child care providers caring for school-aged children have sufficient broadband access, allowing students to engage in school-based learning in their facilities.
- **[Expanding Inclusive Teaching Practices](#)—\$19.0 million**
In 2019, legislation was adopted ([E2SSB 5091](#)) to increase the special education excess cost multiplier for enrolled students from 0.9609 to 0.995 in the 2019–20 school year. Beginning in the 2020–21 school year, a two-tiered multiplier was implemented. Under provisions of the bill, a 1.0075 multiplier is used for K–12 students receiving special education and reported to be in the general education setting for 80 percent or more of the school day. For K–12 students receiving special education and reported to be in the general education setting for less than 80 percent of the school day, the multiplier is maintained at 0.995.

The 2019–21 Operating Budget also provided OSPI with \$25.0 million to support professional development in inclusionary practices for classroom teachers. The primary form of support to public school classroom teachers must be for mentors who are experts in best practices for inclusive education, differentiated instruction, and individualized instruction. Funding for mentors must be prioritized to the public schools with the highest percentage of students with Individualized Education Programs aged six through twenty-one who

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spend the least amount of time in general education classrooms. (Note: WASA is one of the several education organizations that was awarded a grant under the Inclusionary Practices Professional Development Project.)

OSPI requests funding to continue the Inclusionary Practices Professional Development Project (IPP) and capitalize on positive momentum built by the current project. The project includes professional development to help teachers develop instructional skills and under COVID-19 has increased their ability and capacity to teach all students in general education settings, across school reopening models.

Superintendent Reykdal is interested in extended the current project because it will support long-term, lasting change, and will help cement the gains made, ward off regressions, and enhance significantly the state's ability to create sustained growth in inclusion. In addition, this proposal requests spending a portion of the additional funding on pre-K educators in order to help reduce special education referrals and will provide students who receive services more opportunities to benefit from learning with their typically developing peers. Data has shown that positive pre-K interventions impact students throughout their learning career.

- **Supporting Students Through MTSS—\$4.5 million**

Funding is requested 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. Students do not come to school with equal opportunities for success; however, many schools and districts do not have the infrastructure or capacity to implement a comprehensive system of support that would benefit each individual student. Washington students, including students with disabilities, multilingual/English learners, students of color, and students from low-income families continue to experience persistent gaps in opportunities, growth, and achievement. In order to close these gaps, schools must have systems to identify students requiring additional supports and respond to their needs.

This funding would deliver the benefits of MTSS to Washington's K–12 students through statewide implementation and data reporting and regional implementation specialists. These benefits include: a tiered continuum of supports; evidence-based practices; data-based team decision making; and student, family, and community engagement.

- **Aligning Mathematics Pathways with Student Career Goals—\$1.1 million**

Washington state's graduation requirements are designed to signify that a student is prepared for a meaningful next step in life; however, Algebra II (the most frequently used course for a third credit of math) lacks relevance to a wide range of careers. This request would use funding to strengthen mathematics pathways by modernizing Algebra II, develop associated professional learning for educators, and implement a pilot project in order to provide increased opportunities for all students to develop diverse foundational skills crucial for modern or developing careers. As both college degree-based and technical skill-focused careers change, mathematics curricula must adapt to suit the educational needs of all students.

- **Supporting Families with a Special Education Family Liaison—\$299,000**

OSPI currently has an appropriation which partially funds one Special Education Parent and Family Liaison to support the needs of families of students with disabilities. This request would increase state funding for 25 percent of the cost of a second Liaison to respond to the high volume of inquiries. Additionally,

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OSPI requests an increase in federal authority to ensure the Individuals with Disabilities Education Act (IDEA) can support the remaining 75 percent of the new position. This funding split ensures the position will comply with both state and federal requirements.

- **Enhancing Agency Digital Security—\$160,000**

The State Chief Information Officer has requested all state agencies to upgrade their Microsoft licensing to a level with more enhanced security features, especially to support a remote workforce. The requested funding would allow OSPI to upgrade its Microsoft Office 365 licensing level from A3 to A5 for all agency accounts, and to maintain the new server and data backup application needed to support the new hardware installed as part of the mandatory State Data Center transfer. A security upgrade would also protect the shared e-mail service OSPI provides to the State Board of Education, the Professional Educator Standards Board, the Charter Schools Commission, and the Financial Education Public-Private Partnership.

In addition to the above items, OSPI also requests funding for **Maintaining the Special Education Safety Net**. Technically a Maintenance Level request, OSPI seeks an additional **\$90.0 million** for the biennium to ensure increased requests for Safety Net funding are met.

The number of Safety Net applications and average cost of applications continues to rise, and the impacts of COVID-19 have added to that cost and demand. The additional requested funding is based on a 19 percent increase in the number of high need individual applications and an increase of ten percent for the average cost of each high need application for Fiscal Year 2022 and Fiscal Year 2023.

Each year, the Professional Educator Standards Board (PESB) submits a budget request; however, it is embedded in the OSPI Decision Package. PESB requests funding for additional **paraeducator professional development** as described in ESHB 1115 (2017). Currently, funding is provided for the Paraeducator Certificate Program to allow paraeducators to complete their mandated training; however, that funding ends after the 2020–21 school year. Funding continues for two days of training for newly hired paraeducators, but not for paraeducators who have received their four days of foundational training.

The PESB requests funding (**\$14.6 million**) to provide for two days of training on the Paraeducator Certificate Program in Fiscal Year 2023, and two days each year thereafter. As schools have mostly relied on remote learning in the 2020–21 school year, it has highlighted inequities in the education system, and paraeducators will continue to be called upon to assist students who are at most risk of falling behind or access the services they need to achieve success. The proposed funding would continue two days of training for all paraeducators each school year to improve their professional knowledge, particularly in topical areas such as: social emotional learning; student and family engagement; navigating online instruction and improving the learning environment; mental health awareness and watching for signs of trauma; and other topics that enable paraeducators to support students with the most need.

Additionally, as a result of the current pandemic, most instruction has been provided online. PESB also requests one-time funding (**\$250,000**) to develop an online course to provide training to paraeducators on effective community, family, and student engagement. The online module would focus on addressing inequities that are the result of the shift to remote learning to ensure maximum student engagement and support.

The State Board of Education (SBE) also submits its own budget request, but like the PESB, it is embedded in OSPI's Decision Package. In 2019, legislation was adopted

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(E2SHB 1599) requiring SBE 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 submitted an [interim report](#) to the Legislature in December 2019 and must provide a final report with findings and recommendations by December 1, 2020.

The State Board requests funding (**\$290,000**) to [continue the Mastery-Based Learning Work Group](#), with additional representation, and expand its charge. SBE proposes to add a teacher preparation program representative to the Work Group and continue the Work Group through December 2021, with a charge to develop the Washington State Profile of a Graduate. The Profile would outline the cross-disciplinary skills a student should have developed by the time they graduate high school. In developing the Profile, the Work Group would consult with students, families, and educators from communities that have been underserved in our education system.

The Work Group would be required to recommend the Profile of a Graduate to the State Board of Education by December 10, 2021. The SBE then would be charged with adopting the recommended Profile by April 30, 2022, and proposing rules that would align graduation requirements to support implementation of the adopted Profile. The proposed rules would have to be submitted to the Legislature by December 31, 2022.

The State Board also requests funding (**\$267,000**) to [employ a Student, Family, and Community Engagement Coordinator](#) to bolster current outreach efforts by engaging with communities throughout Washington, especially those furthest from educational justice. The Coordinator would focus on centering the voices of those often unheard and who may have faced barriers to participating in the state policy making process. The Board believes that by strengthening how they engage with those they serve as partners in designing policy, the Board will be more responsive to student and family needs and do a better job at closing opportunity gaps.

It should be noted that OSPI—like all state agencies—also submitted a 2021 Supplemental Operating Budget request. (Note: A 2021 Supplemental Budget will make adjustments to the underlying 2019–21 Operating Budget, as adopted by the 2019 Legislature and “fine-tuned” by the 2020 Legislature.) There are several items in OSPI’s supplemental request; however, the most impactful is the request to provide [sustained funding for pupil transportation](#) (that is, “hold harmless”).

The COVID-19 pandemic forced school districts to provide most of their instructional services in a remote setting. As a result, far fewer students have been or will be utilizing the state-funded “to-from” transportation services typically provided by districts each school day. These lower ridership counts will decrease the amount of funds districts can use to provide other critical services during the 2020–21 school year. OSPI does not ask for addition funding; the request is for the state to provide an allocation for transportation for the entire 2020–21 school year equal to the estimated annual allocations used as a basis for fall apportionment payments.

If OSPI’s request was accepted, the pending reduction in pupil transportation funds would be eliminated and it would ensure that districts can continue to provide essential services, including the potential of transporting students to and from school every day later in the school year if the COVID-19 data allows such a practice to resume. If the funds are not ensured for school districts, there will be reduction adjustments to their pupil transportation allocations at the same time they are ramping up in-person learning. Regardless of the ridership on a bus, if it is running routes, even to support hybrid learning models, the labor, fuel, and maintenance costs are essentially full costs.

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In addition to the maintenance of current pupil transportation allocations, OSPI is also requesting that the Legislature engage in a conversation in the 2021 Session that would result in the framework for a new pupil transportation funding model. The model needs to be more transparent and predictable for school districts and taxpayers.

As part of their 2021 Supplemental Operating Budget Request, OSPI is also requesting the Legislature to: fully fund [institutional education](#) for the 2020–21 school year; increase funding for the [special education Safety Net](#); and grant OSPI additional [federal funding authority](#). The supplemental request also identifies staff furlough and salary [savings made by OSPI](#), as well as identified staff and program [savings made by the State Board of Education](#), as requested by the governor.

OSPI 2021–23 Capital Budget Request

Along with his Operating Budget request, Superintendent Reykdal also submitted a 2021–23 Capital Construction Budget request. In his [submittal letter](#), Reykdal linked the construction request to his operating request, firmly stating: “Providing a high-quality K–12 education to each of our students is not possible without safe and effective classrooms and support space for learning.”

While it will certainly be a struggle to advance major funding requests in the Operating Budget, there may be an opening to achieve gains in the Capital Budget in the upcoming session. As the COVID-19 pandemic has hampered economic growth and forced record levels of unemployment, funding construction projects can jumpstart the economy, providing good paying jobs to struggling workers. In his submittal letter, Reykdal makes this case, saying the state has a “unique opportunity to address longstanding facility needs while stimulating local economies throughout the state.”

Superintendent Reykdal’s [2021–23 K–12 Capital Budget](#) request focuses on four main concepts:

1. New funding for a Capital Prototypical Model Pilot Program to ensure elementary schools have the space needed to meet class-size ratios, as well as space for student support, security, and safety needs;
2. Continued funding for the Small District Modernization Grant Program to assist schools in preserving and maintaining buildings to provide a safe and comfortable learning environment;
3. Continued funding for the School Seismic Safety Retrofit Program to perform seismic retrofits to school buildings identified as high-risk by the Department of Natural Resources; and
4. Continued grant funding to purchase equipment; modernize skill centers; and create science, technology, engineering, and math (STEM) classrooms and laboratories to prepare students to enter the workforce

While Reykdal’s Operating Budget request was fairly modest, his Capital Budget request is much more aggressive, asking for \$1.57 billion. This total includes \$978.0 million for the School Construction Assistance Program (SCAP), which would continue the current program at the 2019–21 funding levels, adjusted for inflation. Following below is a review of the major details of OSPI’s 2021–23 Capital Construction Budget request.

- **Elementary Student Space Allocation Enhancement—\$111.8 million**
The Student Space Allocation (SSA) is one of the major funding drivers of the School Construction Assistance Program (SCAP) funding formula, which determines the amount of matching funds a local school district will receive. Funding levels for the SSA have not been updated to support K–6 class-size requirements and are not adequate for current educational standards. As a

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result, school districts statewide are building schools at a higher square feet per student than funded.

OSPI is requesting \$109.5 million to increase state funding of the SSA, allowing school districts to build classrooms that meet modern educational standards and educator/student ratios. The requested funding would increase the SSA funding levels for kindergarten through grade six, from the current 90 square feet per student to 110 square feet per student in Fiscal Year 2022 and to 120 square feet per student in Fiscal Year 2023.

The Funding Assistance Percentage (FAP) is the percentage of recognized project costs which will be paid by the state and is in statute. The percentage rate is based on the assessed property valuation of a district. The FAP equalizes the amount of state assistance between property-wealthy and property-poor school districts and ranges from a minimum level of 20 percent to a maximum level of 100 percent. In addition to the requested increase in the K–6 SSA, OSPI also requests funding (\$2.3 million) to increase the minimum FAP floor of 20 percent to 30 percent.

- **Skills Centers—\$101.0 million**

Skills Centers across the state are in need of upgrades to address health and safety concerns and programmatic needs. \$6.9 million of OSPI's request is made on behalf of the Directors of the Washington State Skills Centers to fund their highest priority minor works projects based on a prioritized list of projects developed by the Skills Center directors working in collaboration. The Skills Centers directors identified 27 projects in need to address building systems which impact student learning, safety, and health.

The remaining \$94.1 million of OSPI's overall request would provide funding for upgrades, modernization, and expansion of the state's Skills Centers.

- **Small School District Modernization Grants—\$72.6 million**

OSPI requests \$72.6 million to continue the Small District Modernization Grant Program funded by the Legislature in 2019. This program assists school districts (with enrollments of 1,000 students or less) and tribal compact schools that are not eligible to participate in SCAP with facility modernization, equipment upgrades, and building system repairs.

The Legislature provided \$20.0 million in the 2019–21 Capital Budget to support the Small District Modernization Grant Program. The program supports small school districts, with enrollments of 1,000 students or less, which have significant building systems deficiencies, but have such low property values that replacing or modernizing the school facility through SCAP would present an extraordinary tax burden on property owners or would exceed allowable debt for the district. OSPI requests \$72.6 million to continue the program.

OSPI submitted a prioritized list of projects, with a total cost of \$79.7 million, to the Legislature for approval during the 2020 Session. Ultimately, the Legislature provided \$22.2 million for the Grant Program, which funded ten of the 38 projects on the list. \$60.6 million of the 2021–23 request would be used to complete the remaining 28 small school district modernization projects that received planning grants in the 2019–21 biennium.

OSPI also requests an additional \$3.1 million to: provide funding for planning grants to the 32 small school districts that were denied planning grants in 2019–21; and provide funding for 30 additional planning grants to new applicants.

\$8.9 million is also requested to provide planning and project grants to five tribal compact schools.

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OSPI also proposes the redirection of school trust land revenues in 2021–23 to support the Small District Modernization Grant Program, ensuring small districts have access to revenues generated by the common school lands in their communities. It is estimated that school trust lands will generate about \$130 million. The estimated cost to redirect current and future trust revenues which financed prior biennia SCAP funded projects is \$181.8 million.

- **School Seismic Safety Retrofit Program—\$50.0 million**

In 2019, the Department of Natural Resources (DNR) was provided funding to conduct school seismic safety assessments of 222 public school buildings in Washington. OSPI collaborated with DNR on the project and uploaded the school building assessment data into the Information and Condition of Schools (ICOS) Pre-Disaster Mitigation Module. This will enable school districts and OSPI to report on the seismic conditions of schools and begin to estimate the funding needed to perform seismic retrofits.

DNR's published results ([June 2019](#)) indicated that many older school buildings are seismically vulnerable and need to be retrofitted to protect the safety of students and educators. The report showed older unreinforced masonry buildings and non-ductile concrete buildings are especially at risk. The average date of construction of the buildings assessed was 1963, which was well before the adoption of modern seismic building codes in 1995.

The 2020 Supplemental Capital Budget appropriated \$13.24 million to OSPI for seismic retrofit grants to school buildings. The Legislature specified that OSPI must prioritize buildings with the most significant building deficiencies and the greatest seismic risks as determined by the most recent geological data and building engineering assessments, beginning with facilities classified as very high risk. The Legislature further specified that OSPI must consider factors such as building use, district financial capacity, and anticipated building life when awarding seismic retrofit grants.

In order to ensure Washington's schools are prepared for future seismic events, OSPI requests \$50.0 million (\$2.0 million for planning grants and \$48.0 million for physical retrofits) to continue the School Seismic Safety Retrofit Program. As part of the proposal, school districts with significant seismic risks that are not able to participate in SCAP—due to the districts' low property values and/or their inability to raise local funds—would be able to apply for grant funding to fully pay for the cost to retrofit their at-risk buildings.

- **Capital Prototypical Funding Model—\$27.1 million**

OSPI administers the School Construction Assistance Program (SCAP), which operates as a partnership with local school districts to provide funding to school districts to plan, construct, and modernize school facilities to provide space for learning. OSPI requests \$27.1 million for a pilot project that utilizes a Capital Prototypical Funding Model (CPFM) process for elementary school projects to calculate state funding assistance. The new CPFM will determine eligible square footage for a new, replacement (new-in-lieu), or modernization project. In addition, this proposal will provide an increase of 15 percent to the Construction Cost Allocation, which would increase the current amount of \$238.22 per square foot to \$275.00 per square foot, in order to provide an incentive for school districts to participate in a pilot project.

The current SCAP calculation for eligible area does not align with school district student space needs, educational standards, or prototypical student-teacher ratios mandated in the Operating Budget. OSPI's CPFM would strengthen the state and local partnership in SCAP by identifying eligible square footage and providing state assistance for any school district school that contributes adequate local funds for a particular project. Also, it would strengthen the

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capital budget decision making process because it links capital funding needs to essential student-teacher and support staff space ratios identified in the Operating Budget, while also answering the critical questions of what kinds of spaces in schools the state is supporting with capital investments.

- **Workforce Development Grants—\$15.0 million**

This request would continue the competitive grant funding last provided in 2017, to support school districts in creating the learning spaces needed for science, technology, engineering, and mathematics (STEM) education and career and technical education (CTE) programs.

OSPI requests \$15.0 million to support Workforce Development Grants. \$10.0 million of the request is for a STEM Classroom and Lab Grant program to offer competitive grant funds to school districts to create the classrooms or labs needed for science, technology, engineering, and mathematics (STEM) education. Funds could be used to build additions to existing school buildings or to modernize existing classrooms and labs to provide STEM educational opportunities.

Another \$5.0 million would be used to continue the CTE Equipment Grant program initiated and funded in the 2019–21 Capital Budget. The Legislature appropriated \$1.0 million in 2019–21 for competitive grants; however, OSPI received over \$5.0 million in project requests from school districts statewide demonstrating a significant need for this grant program.

New graduation requirements approved by the Legislature and adopted by the State Board of Education require students graduating in 2019 to earn three science credits, including two credits in laboratory science. The CTE Equipment Grant funds will support the preparation of students to meet the needs of employers and prepare students to be pursue post-secondary pathways.

- **School District Health & Safety—\$13.0 million**

OSPI requests \$13.0 million to continue school health and safety programs funded by the Legislature in the 2019–21 Capital Budget. The programs are intended to continue supporting the needs of school districts statewide who do not have the financial resources to address long-standing and urgent concerns in order to make needed health and safety repairs which impact student learning. Continuation of this grant program will provide three grant opportunities to address the following facility needs: health and safety; equal access; and emergency repairs.

- * **Health & Safety and Equal Access Grants: \$10.0 million**

The Legislature funded the Urgent Repair Grant program in the 2019–21 biennium with an appropriation of \$3.0 million to assist school districts in paying for non-recurring costs associated with school facility repairs and renovations necessary for health, safety, and equal access.

In 2019–21, OSPI received application requests totaling \$9.5 million from 54 school districts for Urgent Repair funding; OSPI was only able to fund 20 of these applicants. The proposed grant program will continue to provide funding to school districts to address deferred maintenance projects focusing on health and safety issues which impact learning. Priority would be given to districts who have attempted and failed to pass a capital bond or capital levy in three consecutive elections.

Also, in 2019–21, the Legislature provided \$1.0 million for Equal Access Grants to improve compliance with the Americans with Disabilities Act (ADA) and Individuals with Disabilities Education Act (IDEA). In 2019–21, OSPI received application requests totaling \$2.3 million from 31 districts; OSPI was only able to fund 17 of these applicants, with projects ranging

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from making agricultural facilities wheelchair accessible to purchase of accessible playground equipment.

This request: merges the Urgent Repair Grant and Equal Access Grant programs into one grant program to gain administrative efficiencies; and seeks additional funds to support more school districts.

* **Emergency Repair Pool: \$3.0 million**

The Legislature first provided funding for the K–12 Emergency Repair Pool beginning in the 2011–13 Capital Budget to address unexpected and imminent health and safety hazards at K–12 public schools, including Skills Centers, which have an impact on the day-to-day operations of the school facility. Emergency Repair Pool grants have been used for school districts that do not have the financial resources to fix and repair building systems which impact health, safety, and student learning. As of August 2020, OSPI has provided a total of \$1.7 million in funding to six districts for projects that required immediate remedies. OSPI seeks funding to continue this successful program and provide urgently needed support to more school districts.

● **Healthy Kids-Healthy Schools Grant Program—\$10.5 million**

The Healthy Kids-Healthy Schools grant program supports school districts in helping students maintain a healthy weight, enjoy active lives, and encourage good eating habits by creating healthy learning environments. Districts typically use the funds for purposes such as building gardens and greenhouses, renovating school kitchens, providing access to fresh produce, purchasing water bottle filling stations, building covered play areas or playground equipment, and more. OSPI's request would continue the funding provided in 2019 so more students can benefit from the program.

Beginning in the 2015–17 Capital Budget, funds for the Healthy Kids-Healthy Schools grant were appropriated to purchase water bottle filling stations as well as other renovations to improve the health of our K–12 students. Grant funds could be used to purchase kitchen equipment or renovate kitchens, build garden-related structures and greenhouses to provide students access to fresh produce, purchase and install playground equipment, build covered play areas, and purchase physical education equipment.

OSPI's request to continue funding for the Healthy Kids-Healthy Schools grant comes in two parts:

* **Children's Nutrition & Physical Health Grants—\$7.5 million**

This request continues the Nutrition and Physical Health Grants funded by the Legislature starting in the 2015–17 Capital Budget. Grant funds can be used for purchasing fitness or playground equipment, building covered play areas, creating areas to promote physical health opportunities, and purchasing kitchen equipment or upgrades, such as ovens, dishwashers, or other equipment to encourage scratch cooking in school meals. Grant funds can also be used to purchase water bottle filling stations to help eliminate plastic waste and encourage students to drink water over sugary beverages. The need for continued grant funding is demonstrated by the Nutrition and Physical Grant applications received in 2019–21; OSPI received applications from 76 school districts totaling \$8.1 million in project requests. Due to the continued strong demand for this grant funding, OSPI requests \$7.5 million for Children's Nutrition and Physical Health Grants.

* **Lead Contaminated Drinking Water Fixture Replacement—\$3.0 million**

In the 2019–21 biennium, the Department of Health (DOH) was provided funding to continue sampling and testing drinking water in public schools.

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OSPI set aside \$250,000 of the Healthy Kids-Healthy Schools appropriation to fund drinking water fixture replacements in schools that test positive for any detectable lead and the funding was fully obligated within the first fiscal year, leaving no funding available to districts in the second fiscal year. OSPI closed the grant to new applicants prior to the end of the biennium after providing funding to just nine districts. Since OSPI closed the grant for drinking water fixture replacements, DOH has tested additional fixtures and will continue testing through the remainder of the biennium—thus, there will continue to be a need for funds to replace fixtures.

The requested \$3.0 million would cover the costs associated with addressing lead in drinking water in schools. Funding would continue the grant program established by the Legislature to replace fixtures (\$2.0 million) and provide additional funding to address lead contaminated pipes (\$1.0 million).

Legislative Advocacy Training

WASA believes legislative engagement by ALL school administrators is critically important—especially in the upcoming 2021 Legislative Session, as we fight to protect school funding. If you are not interested, ask yourself the question: “If I don’t advocate for my students, my district, and my staff and colleagues, who will?” The legislative arena is like a vacuum—and if you don’t speak up to fill the vacuum, you can be sure someone else will. And they likely won’t have the same information, experience, or opinion as you. YOU are the education expert and you need to speak up.

You may be interested in being involved, but think you just don’t have the time. Or maybe you don’t understand how to be engaged. Or perhaps you don’t feel comfortable about being an advocate. It is important to remember: Advocacy does not have to be hard, time-consuming, or intimidating. It simply takes a commitment.

WASA encourages you to be committed and we want to help you become an effective advocate. On **December 4, noon–1:00 p.m.**, WASA will be presenting a “Brown Bag” webinar on how to engage with the Legislature. ALL WASA members are invited. We strongly encourage you to attend—and bring a colleague.

The webinar is free, but you must register; click on this link:

[Finding Your Voice—The Importance of Legislative Advocacy](#)

2021 WASA/WSSDA/WASBO Legislative Conference

One excellent opportunity to put your advocacy skills to use is at the annual Legislative Conference, held jointly by WASA, WSSDA, and WASBO. The 2021 Conference is scheduled for Sunday, February 21, 1–5:00 p.m.

Still in the midst of the pandemic, we have made the difficult decision to host a “virtual” conference. The agenda is still being finalized; however, we wanted to announce that, given the virtual format, we are going to adjust our program somewhat. One of the biggest changes is the involvement of a keynote speaker (along with other presenters, as usual). Our keynote speaker will be talking about communication and “how to tell your story”—which is especially pertinent to your advocacy work.

We also wanted to let you know that the 2021 Legislature will be functioning in a remote or virtual mode. Only legislators and authorized staff will be allowed in the Capital building and legislative offices; Committee hearings will be held remotely; and Floor Sessions will be a mix of in-person action and remote connectivity.

The purpose for telling you this now is to let you know that our traditional “Day on the Hill” on Monday after the Sunday Conference program will be altered. Because meetings

with legislators will be held remotely, we will be having a “Week on the Hill” (from your own office). Be on the lookout for additional information from WSSDA’s Legislative Committee members in the coming weeks.

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Registration for the Conference will open soon, but we encourage you to Save The Date now.

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2021 WASA • WSSDA • WASBO **SAVE THE DATE!**

LEGISLATIVE CONFERENCE AND WEEK ON THE HILL

ADVOCACY IN A VIRTUAL WORLD

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| LEGISLATIVE CONFERENCE FEBRUARY 21 1-5 P.M. WEBINAR | WEEK ON THE HILL FEBRUARY 22-26 VIRTUAL |
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