

# TWIO

*This Week In Olympia*

**Special Edition—Sine Die**

**April 24, 2023**



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## 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 WAMOA.

This *Sine Die* Special Edition is the last TWIO of the 2023 Regular Session. TWIO's are archived on WASA's website at <https://wasa-oly.org/WASA/TWIO>.



## Sine Die Review

Last night, shortly after 10:00 p.m. the Legislature adjourned its 2023 Regular Session, *Sine Die*. The final week of session was full of whispers and rumors about final action on bills, potential striking amendments, and proposed deals. All while we awaited the white smoke out of the chimney indicating budget releases. The 2023–25 Capital Budget and the 2023–25 Transportation Budget came on Friday and were swiftly acted upon. The 2023–25 Operating Budget did not come until Saturday and legislators waited until yesterday to adopt it.

With the gavel falling last night, everyone is diving into Budget details (see below our initial review of the Operating and Capital Budgets) and taking stock of wins and losses. There will be time for that; however, we will use this last 2023 TWIO to update you on a couple key issues.

First off, Transitional Kindergarten. After the Senate adopted [HB 1550](#) on April 12—with a supposedly negotiated striking amendment—the House sat on the bill. After a week, the House finally took formal action to “Do Not Concur” and asked the Senate to recede from its amendments. This was last Thursday, as the Legislature was preparing to depart Olympia. Word was that legislators in both houses were continuing to negotiate amendments, potentially including a hang-up about authorizing charter schools to participate in the new Transition to Kindergarten (TTK) program.

Yesterday, midday, the Senate took formal action to recede from its amendments, and moved the bill back to Second Reading to adopt new amendments. A third [striking amendment](#) was introduced, debated and adopted. Interestingly, the new amendment lost support. HB 1550 with the second striking amendment passed the Senate with a vote of 39-10; yesterday, the updated bill was adopted with a vote of 30-19. Supposedly, this new bill was better; however, many senators apparently disagreed.

With the clock ticking, the House finally brought the bill to the Floor and they formally concurred with the Senate's new amendments and moved to final passage. Again, this new bill lost support. When the original HB 1550 moved through the House, it was adopted with a strong bi-partisan vote of 74-22. Yesterday, the new bill was adopted 60-37.

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NOTE: WASA staff is currently working on our annual End of Session Report, which will include full details of the 2023–25 Operating Budget and the 2023–25 Capital Budget, along with a comprehensive review of the many education-related bills the Legislature addressed this session. It will be emailed to all TWIO subscribers (and available on the WASA website) as soon as it is completed.

**WASA Legislative Report Podcast**



The Podcast will be available on a regular basis on the [WASA website](#), or [subscribe to the Report](#) via multiple podcast apps.

After 105 days, it is clear the anger over this issue has not subsided. When Representative Sharon Tomiko Santos (D-Seattle), Chair of the House Education Committee and prime sponsor of the bill, rose to speak on the bill, she expressed her concerns that the new bill includes a series of ambiguities and unanswered questions. Also, she could not resist a swipe at OSPI, noting that the bill includes much rulemaking by OSPI, but the requirements are “too generalized” and does not establish the framework legislators were seeking. She noted she had concerns, but she wanted to “move forward with the most basic principles: that the Legislature establish this program; and we clarify that this is NOT a part of basic education.”

The debate from the Education Committee’s Ranking Minority Member, Representative Skyler Rude (R-Walla Walla), was also interesting, to say the least. His first comment was that he supported the original bill, but would be a “No” on the new bill. He emphasized the “most valuable” piece of the bill is the clarification that TTK is not part of basic education, but expressed a series reservations about OSPI’s rulemaking authority. He stated the bill gives OSPI “a lot of rulemaking authority—and we already know where OSPI would like to go on this because that’s what they are doing right now.” He suggested that additional “side boards” were necessary. Rep. Rude closed his comments by saying “the moral of the story is that the other chamber should have listened to the version that was created” by Rep. Santos.

Clearly, even though this bill has passed—and Governor Inslee will likely sign it—the conversation is not done. Given the comments and the concerns raised about this bill, it appears like the odds are “clarifying” legislation will be a priority next session. Great.

Another bill to discuss is [HB 1044](#), capital assistance for small school districts. The more detailed story is down below, but the short version is: we lost the bill. As we have discussed previously in TWIO, the Legislature’s “reconciliation phase” can be dangerous, especially if a bill gets caught ping-ponging between the houses. That is what happened to HB 1044.

If there was more time to work the issue, perhaps a deal between the two Capital Budget Chairs could have been worked out; however, it appears that time was only one factor and there were much bigger concerns. HB 1044 (or at least similar legislation) has been introduced at least the last three years, so the conversation will continue. And HB 1044 will have a jumpstart next year. On the first day of the 2024 session, the bill will start on the House Floor.

## 2023–25 Operating Budget

Operating Budget negotiators met in a formal Conference Committee on Saturday. They did not come together to negotiate—because negotiations were already complete. As we have discussed in TWIO over the last few weeks, this first—and last—meeting of the Operating Budget Conference Committee was merely a formality. The meeting was essentially ceremonial—and necessary to comply with the Joint Rules of the House and Senate—even if the spirit of those Rules was already violated.

Arriving at the meeting, Conferees were presented with the previously agreed upon (by the Majority Democratic members) Conference Report. As anticipated, all four Democratic Conferees signed the Report and the House Republican Conferee recommended the Report not be approved. We were curious about whether Senator Lynda Wilson (R-Vancouver) would sign the Report given her support of the Senate-adopted Budget; however, we will never know, as she was a no-show to the meeting (she did support the Report when it was presented on the Senate Floor). The final Report was adopted by the full House and the full Senate yesterday, with votes of 58-40 and 37-12, respectively.

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The final, compromise 2023–25 Operating Budget, [SB 5187](#), appropriates \$69.8 billion (approximately \$388 million more than the Senate-adopted proposal and approximately \$361 million less than the House-adopted proposal). This is an increase of \$5.7 billion (8.8 percent) beyond the final 2021–23 Operating Budget (after being adjusted by the 2022 Supplemental Operating Budget). There was a lot of conversation that this budget would be conservative in light of the continuing questions about our economy and signals of a coming slowdown. It is questionable how “safe” this budget is; however, it does leave a projected \$1.4 billion Ending Fund Balance in 2023–25 and a total of \$3.6 billion in reserves.

So, how did budget-writers get there? The first trick was to utilize three-fourths (\$1.3 billion) of the Washington Rescue Plan Transition Account. This funding was set aside two years ago with the uncertainty of what the COVID-19 pandemic would do to our economy. With that storm essentially past it probably would be silly to assume legislators would let over \$2.0 billion sit in the bank (especially given the Budget Stabilization Account still holds \$1.3 billion in reserve). Looking for revenue under all the couch cushions led budget-writers to make almost \$200 million in transfers from dedicated accounts to the General Fund.

Whether these budget maneuvers are appropriate or not, they are not surprising or necessarily concerning. There is, however, a very troubling action in which we will have to be watchful. The budget plan assumes \$253.1 million in Fiscal Year 2023 reversions and another \$493.1 million in anticipated reversions in 2023–25. In simple terms, a reversion happens when the state appropriates funds and they are not used; the funds “revert” back to the state. That’s fine; however, there are two concerns (at least): One is that the level of anticipated reversions is significantly higher than normally assumed. How valid this assumption turns out to be is anyone’s guess, but if it does not come to pass, it will punch a hole in the budget. The second concern is pointed directly at K–12. K–3 class size funding is reverted if school districts do not reach the mandated target. Given failing bond issues (which preclude building or modernizing your facilities), continuing staffing shortages, and a troubling budget outlook has made it difficult for some districts to comply with the directive and meet the necessary K–3 class size targets. This new budget assumes a \$65.0 million “savings” from more class size reversions than normal. Providing needed funds with one hand and taking those funds back with the other does not help financially struggling districts.

One additional positive assist to the budget is something we discussed in Friday’s *TWIO*—adjustments to pension contribution rates. [SB 5294](#), as adopted, reduces contribution rates for the Unfunded Liability in the Public Employees’ Retirement System (PERS) Plan 1 and the Teachers’ Retirement System (TRS) Plan 1. This is helpful for local governments, including school districts—AND it provides an \$804 million savings for the state in 2023–25 (and projected to grow to \$1.9 billion over the next five years). SB 5294 also reduces (from \$800 million to \$250 million) a scheduled early payment into the Teacher Retirement System Plan 1. This saves another \$550 million.

Specifically for K–12 education, the final budget increases funding by \$2.9 billion. This is a significant increase and for the last month (since the original budget proposals were released), budget-writers have regularly and consistently touted the fact that funding for K–12 education is “the largest investment since the *McCleary* court decision.” The first [press release](#) that came out just minutes after the final budget documents were released on Saturday included this same line. Certainly, this is true, but as is usually the case, there is no context provided.

While the proposed—and now the adopted—funding level is, in fact, “the largest investment since the *McCleary* court decision,” there is no corresponding conversation about the significant increase in costs since the *McCleary* decision. School districts are definitely not immune to the supply chain issues and historically high inflation over the last few years—and teacher salaries are continuing to climb.

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And now that a budget has been adopted with an increase of \$2.9 billion, legislators will be patting themselves on the back. But, again, where's the context?

That \$2.9 billion increase is comprised of \$2.6 billion in REQUIRED Maintenance Level costs. Budget-writers only provided \$346 million in discretionary Policy Level decisions. And how much of that \$2.9 billion is one-time, reappropriated federal pandemic-related funding? Answer: over \$1.1 billion.

And a final piece of context: In the last session, the K–12 percentage of the overall Operating Budget dropped to 43 percent—from a high of 52 percent just a few years ago in 2019. Where does this new budget put K–12? Just shy of 44 percent. Let's throw them a bone and round that up: 44 percent.

Paramount Duty? Think about that for a minute.

Below is a review of the K–12 education portion of the final 2023–25 Operating Budget, followed by a discussion of the final 2023–25 Capital Budget. Please note that there are numerous line-items included in the budget that are not discussed here; this simply addresses the K–12 major highlights. After the dust settles, we will take a deeper dive and provide comprehensive details of the 2023–25 Operating Budget and the 2023–25 Capital Construction Budget in WASA's annual End of Session Report. Also included in that Report will be a complete review of the many education-related bills the Legislature addressed this session. When the document is complete, it will be e-mailed to all *TWIO* subscribers and also archived on the WASA website.

In addition to this review of the Operating and Capital Budgets below, additional details are available on the Legislature's budget website: [www.fiscal.wa.gov](http://www.fiscal.wa.gov). On this site you will find the full text of the final Budgets; overviews of the plans; and full statewide budget summaries and complete agency details (line-item funding and descriptions).

Also, for those of you in need of more than just the surface-level details, visit OSPI's "[Budget Preparations](#)" page. They have already posted a preliminary [John Jenft Rate Sheet](#) and a preliminary [Multi-Year Budget Comparison Tool](#). These resources have not yet been updated to include final details; however, updates should be posted shortly.

## **Major K–12 Education Items**

### **Special Education—\$371.0 million**

Special education funding was a priority of the entire education community this session—and was a stated priority of many legislators. Nevertheless, it was a struggle to get legislators to focus on the issue and it was unclear until the final days before *Sine Die* if we would see a somewhat token increase or a substantial investment in special education. In the end, legislators provided a significant increase. Although the final increase still leaves us short of "full funding" (we will be back next year), the investment provided will assist school districts to lessen (but not eliminate) the overreliance on local levies to supplement an important basic education program.

The increased funding will implement [HB 1436](#) and support: an increase in the enrollment cap used to calculate the excess cost allocation for state special education programs, from the current 13.5 percent to 15.0 percent, beginning in the 2023–24 school year (\$106.9 million); increases in the excess cost multiplier for three-five year old students not yet enrolled in Kindergarten and students in grades K–12 eligible for and receiving special education services (\$253.6 million); lowering the safety net threshold from the current 2.3 times average per pupil expenditure (APPE) to 2 times APPE for districts with less than 1,000 students and to 2.2 times APPE for districts with more than 1,000 students (\$5.5 million); and the continuation of professional development focused on inclusionary practices (that is, the Inclusionary Practices Project, or IPP) (\$5.0 million).

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Also pursuant to HB 1436, one-time funding is provided to the Joint Legislative Audit & Review Committee (\$1.5 million) and to the Office of the State Auditor (\$1.5 million) to conduct a performance audit of the state’s system of providing special education services to students with disabilities.

In addition to the funding above to implement HB 1436, another \$17.2 million is provided to support compensation adjustments and another \$27.9 million accounts for increases in Fiscal Year 2023.

**Inflationary Factor—\$261.4 million**

\$261.4 million is provided to support educator salary increases. Subject to [SB 5650](#), the inflationary factor, IPD, is 3.7 percent in the 2023–24 school year, and expected to be 3.9 percent in 2024–25. Note that earlier estimates of the second-year IPD would be 3.6 percent; however, whichever number is used, it is just an estimate and can move up or down. Under SB 5650, beginning with the 2024–25 school year, the inflationary factor will be calculated as IPD for the prior calendar year. In other words, 3.9 percent is a projection; however, we will know the “real” second-year IPD when the session convenes in 2024.

**Transitional Kindergarten—\$114.0 million**

To implement HB 1550, current Transitional Kindergarten (TK) funding is transferred from various programs to the new Transition to Kindergarten (TTK) program, providing a state savings of \$48.6 million. The new TTK program is provided with a total of \$114.0 million, including \$41.8 million in federal CRRSA/GEER funding. This funding is expected to be sufficient to support TTK enrollment based on the February 2023 projected caseloads for participating school districts, district-authorized charter schools, and tribal-compact schools.

**Learning Recovery—\$65.6 million**

\$65.6 million in one-time federal Elementary and Secondary School Emergency Relief (ESSER III) funding is reappropriated to OSPI to administer grants to school districts for the purposes of learning recovery due to impacts of the COVID-19 pandemic.

**CEP Expansion—\$59.0 million**

Funding is provided to reimburse additional school districts required to participate in the federal Community Eligibility Provision (CEP), under [SHB 1878](#), adopted in 2022. The funding would support schools not eligible for the full federal reimbursement rate.

**Special Passengers—\$26.0 million**

The overhaul of the current STARS pupil transportation funding formula that we requested and would have been accomplished by [SB 5174](#) or [HB 1248](#) was unsuccessful. Both bills morphed into vehicles to support funding for special passengers; however, neither bill was able to cross the finish line. Instead, like last year, legislators provided funding to support the transportation of special passengers, defined as: special education students that require transportation as a related service of their Individualized Education Program; homeless students requiring transportation under the federal McKinney-Vento Act; and foster students receiving transportation as required under the, Every Student Succeeds Act.

The funding will support a Transportation Safety Net, allowing OSPI to reimburse school districts with a “convincingly demonstrated need for additional transportation funding for special passengers.” Transportation safety net awards may only be provided when a school district’s allowable transportation expenditures attributable to serving special passengers exceeds the amount allocated through the Student Transportation Allocation Reporting System for special passengers and any excess transportation costs reimbursed by federal, state, tribal, or local child welfare agencies. A transportation safety net award may not exceed a school district’s excess expenditures directly attributable to serving special passengers in the pupil transportation program.

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**Free School Meals—\$25.9 million**

Funding is provided to reimburse schools serving any grade from kindergarten to grade four required to offer free meals under [HB 1238](#) for meals not reimbursed at the free federal meal rate.

**Regionalization/Experience Factor—\$23.4 million**

As required by law, the 2023–25 Operating Budget provides for a regionalization factor and experience factor “rebase,” beginning in the 2023–24 school year. For school districts that are set to have regionalization factors reduced and/or lose the experience factor, the final budget provides funding to “phase down” those reductions of over two years. See [LEAP Document 3](#) (dated April 20, 2023 at 06:09 hours) for updated regionalization factors and experience factors.

**ARPA IDEA—\$13.5 million**

One-time funds are reappropriated from federal funding allocations for students with disabilities as authorized in Section 2014 of the American Rescue Plan Act (ARPA) of 2021.

**COVID-19 Learning Loss—\$10.5 million**

One-time federal Elementary and Secondary School Emergency Relief (ESSER III) funding is reappropriated to OSPI to support: after-school programs (\$10.3 million); and summer programs (\$173,000).

**Dual Credit Enrollment—\$9.7 million**

Funding is provided to increase the Running Start enrollment limit from 1.2 FTE to 1.4 FTE, as required under [HB 1316](#).

**Non-Public Schools Reappropriation—\$9.3 million**

One-time federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding is reappropriated for allocations from the American Rescue Plan Act of 2021 (ARPA) to provide emergency assistance to non-public schools.

**Children Experiencing Homelessness—\$8.4 million**

One-time federal Elementary and Secondary School Emergency Relief (ESSER III) funding is reappropriated for the purpose of identifying children and youth experiencing homelessness and for providing them with wraparound services due to the challenges of COVID-19 or with assistance to enable them to attend school and participate in school activities.

**Small District Support—\$8.1 million**

Funding is provided to support small districts, charter schools, and state-tribal compact schools that have less than 800 enrolled students, are located in urban or suburban areas, and budgeted for less than \$20,000 per pupil in general fund expenditures in the 2022–23 school year. OSPI is required to allocate additional funds to these eligible districts. To determine the additional allocation, OSPI must multiply the school district’s or school’s budgeted enrollment in the 2022–23 school year by the lesser of 1) \$1,550 or 2) \$20,000 minus the school district’s or school’s budgeted general fund expenditures per pupil in the 2022–23 school year.

**ESSER Set Aside - CBO—\$7.8 million**

One-time federal Elementary and Secondary School Emergency Relief (ESSER III) funding is reappropriated to OSPI to support Community-Based Organizations (CBO) in addressing impacts from the COVID-19 pandemic.

**Mastery-Based Learning—\$6.9 million**

A series of funding, totaling \$6.9 million, is provided to support Mastery-Based Learning:

- One-time funding is provided to continue the Mastery-Based Learning demonstration projects (\$2.9 million) originally funded in the 2021–23 Operating Budget. Funding includes grants to schools, contracts with professional learning providers, travel costs, and staffing;

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- Funding is provided to expand the Mastery-Based Learning demonstration projects (\$3.1 million) originally funded in the 2021–23 Operating Budget, which provide professional learning to schools. Funding includes grants to schools, contracts with professional learning providers, event and travel costs, and staffing;
- Funding is provided for Mastery-Based Learning evaluation research, including a contract with an external evaluator (\$669,000); and
- Funding is provided for a Mastery-Based Learning resource suite, including development, curation, and maintenance of resources, along with support functions provided by State Board of Education staff (\$199,000).

**ESSER Set Aside - Dual Language—\$6.2 million**

One-time federal ESSER III funding is reappropriated to OSPI to support dual language grants to address impacts from the COVID-19 pandemic.

**Language Access in Schools—\$6.0 million**

Funding is provided for training, technical assistance, and district grants to support the implementation of language access programs in school districts, as required by [E2SHB 1153](#) (2022).

**Behavioral and Mental Health Services—\$5.6 million**

Funding is provided to ESDs for student behavioral health and mental health services.

**Behavioral Health Regional Services—\$5.0 million**

Additional one-time funding is provided to ESDs to continue the behavioral health regional services grants funded previously with federal ESSER funds to support school districts with the least access to behavioral health services.

**Behavioral Health Supports—\$5.0 million**

Funding is provided for statewide professional development and technical assistance to school districts and to provide a limited number of grants for demonstration projects to build school- and district-level systems that eliminate student isolation, track, and reduce restraint use, and build school-wide systems to support students.

**Learning Device Grants—\$5.0 million**

The 2021–23 Operating Budget and the 2022 Supplemental Operating Budget provided funds to allow ESDs to provide technology consultation, procurement, and training as required by [E2SHB 1365](#) (2021). This Budget provides additional funding for learning device grants.

**Federal Funding Adjustment—\$4.9 million**

A one-time adjustment increases federal funding authority to access available federal funds for migrant education program grants.

**Nurse Supply—\$4.2 million**

Funding is provided to implement a Career and Technical Education grant program in health sciences, as required by [SB 5582](#).

**Regional Apprenticeship—\$4.1 million**

Funding is provided to implement [HB 1013](#), which creates five regional apprenticeship programs across the state. \$2,000,000 of the overall appropriations is provided for the Marysville School District to collaborate with the Arlington School District, Everett Community College, other local school districts, local labor unions, local Washington State Apprenticeship and Training Council registered apprenticeship programs, and local industry groups to continue the Regional Apprenticeship Pathways Program.

Additional funding is provided to the Department of Labor & Industries (\$507,000) and directly to OSPI (\$136,000) to establish and manage Regional Apprenticeship Preparation Pilot Programs, as required by HB 1013.

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**ESSER Set Aside - OSPI Administration—\$3.5 million**

One-time federal funding is reappropriated to OSPI from Elementary and Secondary School Emergency Relief (ESSER) III state amounts to update the apportionment and financial reporting systems to administer grant programs funded with COVID relief funds.

**Dual Language Grants—\$3.3 million**

Additional ongoing funding is provided for dual language and tribal language grants.

**IT Academy—\$3.0 million**

Funding is provided to continue the Microsoft Information Technology (IT) Academy program in Fiscal Year 2024.

**Homeless Student Stability—\$2.6 million**

Additional one-time funding is provided to support the Homeless Student Stability Program. An additional \$2.0 million (ongoing) is provided to the Department of Commerce to support the Homeless Student Stability Program.

**Open Doors Summer Pilots—\$2.5 million**

Funding is provided to create summer Open Doors pilots with 12 dropout reengagement programs.

**ESSER Set Aside - CTE/CCL—\$2.4 million**

One-time federal funding is provided to OSPI from ESSER III state amounts to support Career and Technical Education and Career Connected Learning in response to the COVID-19 pandemic.

**Treehouse Graduation Success—\$2.2 million**

Funding is provided to expand the Treehouse Graduation Success Program to up to 50 percent of middle school students experiencing foster care statewide by June 2025.

**BEST Program—\$2.0 million**

Funding is provided to expand the Beginning Educator Support Team (BEST) program to increase the number of beginning teachers who receive mentoring.

**Behavioral Health Program Pilot—\$2.0 million**

One-time funding is provided to continue behavioral health program services to provide behavioral health support and trauma-informed staff training.

**Math Nation—\$2.0 million**

Funding is provided for OSPI to contract with a nongovernmental entity whose goals are to reduce disparities in student performance and improve algebraic achievement to create a statewide interactive math tutoring tool for middle and high school students that is accessible on a 24-hour basis to students, teachers, and parents across the state.

**Hands-on Science—\$2.0 million**

Funding is provided for a gravitational wave observatory located in southeastern Washington that is supported through the National Science Foundation to purchase hands-on, interactive exhibits to expand the number of developmentally appropriate activities available for K–12 students attending the observatory.

**Native American Names—\$2.0 million**

Legislation was adopted in 2021 ([SHB 1356](#)) prohibiting public schools from using Native American names, symbols, or images as school mascots, logos, or team names, except under specific circumstances. OSPI was provided funding in the 2021–23 Operating Budget for grants to school districts to support schools that incur costs resulting from complying with provisions of the new law; however, available grant funding did not meet the need, so OSPI requested—and received—additional funding in the 2022 Supplemental Operating Budget. The 2023–25



Operating Budget provides another round of funding (\$2.0 million) to support additional grants.

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**Institutional Education Oversight—\$1.9 million**

Funding is provided for staff to support state-level institutional education collaboration, oversight, and data collection to implement [E2SHB 1295](#) (2021). These positions will work collaboratively with the Department of Children, Youth, and Families.

**IDEA Preschool Services—\$1.8 million**

One-time federal funding from ARPA is reappropriated for students qualifying for special education preschool services under Section 619 of Part B of the Individuals with Disabilities Education Act (IDEA).

**Holocaust and Genocide Education—\$1.5 million**

One-time funding is provided for OSPI to contract with a nonprofit organization that supports Washington teachers in implementing lessons of the Holocaust for the expansion of comprehensive Holocaust and genocide education.

**Science on Wheels—\$1.5 million**

Funding is provided for a grant to the Pacific Science Center to increase hands-on learning opportunities for Title I K–5 students statewide by increasing access to science on wheels and virtual field trips.

**Office of Native Education—\$1.4 million**

Funding is provided to the Office of Native Education to convene a work group to develop the supports necessary to serve American Indian and Alaska Native students identified as needing additional literacy supports. The work group will conduct tribal consultations, develop best practices, engage in professional learning, and develop curricula and resources to be provided to school districts and state-tribal education compact schools.

**Social Workers in Schools—\$1.3 million**

Funding is provided to ESDs for coordination of social worker associates that agree to work in schools and supervisors working with local mental health agencies and schools.

**Teacher Residency Program—\$1.0 million**

Funding is provided for Professional Educator Standards Board to develop a teacher residency program focused on special education instruction.

Additional funding is provided to the Central Washington University (\$967,000) for grow your own teacher residency programs in Yakima, Wenatchee, and Moses Lake. The programs will lead to teacher certification with an elementary education endorsement paired with bilingual education, English language learners, or special education. Funding is also provided to the Western Washington University (\$1.3 million) to establish and administer a teacher residency program focused on special education instruction beginning in the 2024–25 school year.

**Rural Mental Health Access—\$1.0 million**

Funding is provided for ESDs to provide students attending school in rural areas with access to a mental health professional using telemedicine.

**Salmon in the Schools—\$1.0 million**

One-time funding is provided for OSPI to contract with an organization that works directly with educators to secure salmon eggs, offer learning opportunities as the fry develop, and assist when students release the fry.

**Residential Outdoor School—\$995,000**

One-time federal funding is provided to OSPI from ESSER III state amounts to contract with the Washington School Principals' Education Foundation to support pandemic-related learning loss through outdoor learning and overnight camp experiences.

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**Student Data Transfer—\$968,000**

Funding is provided to implement [SB 5593](#), which requires data sharing agreements between public institutions of higher education and OSPI to facilitate the transfer of high school student directory information for purposes of informing students about postsecondary educational opportunities. The funding will allow OSPI to hire an Associate Director to implement the provisions of the bill.

**Peer Mentoring—\$816,000**

Funding is provided for a grant program for up to six school districts to develop peer-to-peer support programs.

**FIRST Robotics Increase—\$800,000**

Enhanced funding is provided for the FIRST Robotics program.

**Expand Core Plus—\$800,000**

Increased funding is provided to expand the Core Plus program, which provides intensive Career & Technical Education experiences with the purpose of preparing students for employment in Aerospace, Construction, or Maritime trades upon graduation. Core Plus is a program that meets the criteria of the CTE Graduation Pathways.

**Bilingual Educator Initiative—\$762,000**

Funding is provided for additional teacher academy cohorts, programmatic support, and professional development related to the Bilingual Educator Initiative.

**Seal of Biliteracy—\$697,000**

Funding is provided for OSPI to establish criteria for school districts to award the Seal of Biliteracy to graduating students, as well as to provide students with access to methods for students to demonstrate proficiency in less commonly taught or assessed languages.

**Civic Engagement Grant Program—\$650,000**

One-time funding is provided for the Puget Sound ESD 121 to administer a Washington State Capitol Civic Engagement grant program for the Auburn, Federal Way, Highline, Kent, Renton, and Tukwila school districts.

**African Community—\$625,000**

One-time funding is provided for an organization located in SeaTac to provide wraparound social services and expand and maintain education and family engagement programs that serve students and families in the Federal Way School District and the Highline School District. The organization must focus on housing and social services, education, and economic development for African immigrant and refugee communities.

**Charter School Oversight—\$558,000**

Funding is provided for additional charter oversight duties required under [HB 1744](#), which clarifies the responsibilities and accountability for the effective delivery and oversight of public education services to charter school students.

**Northwest Education Access—\$500,000**

One-time funding is provided for OSPI to contract with a nonprofit organization serving Opportunity Youth in Pierce, King, and Snohomish counties. The organization must assist traditionally underrepresented students on nontraditional educational pathways by providing mentorship and technical assistance in navigating higher education and financial aid.

**Career-Integrated Mentoring—\$500,000**

Additional funding is provided one-time for career-integrated mentoring services.

**Controls Programmer Apprenticeship—\$500,000**

Funding is provided for OSPI to contract with a nongovernmental entity for a controls programmer apprenticeship program.

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**Sound Scholars Music Program—\$360,000**

One-time funding is provided to OSPI for the Shelton School District to contract with an organization that provides free early childhood music education.

**Yakima Valley Safe—\$350,000**

One-time funding is provided for OSPI to contract with a nonprofit organization to develop and provide a Latino youth resource and support program for students.

**Math Improvement Pilot—\$340,000**

Funding is provided for the Math Improvement Pilot Program.

Additional funding is provided to the University of Washington College of Education (\$100,000) to partner with the Chehalis School District and the Spokane School District to continue the Math Improvement Pilot Program.

**Military Spouse Employment—\$305,000**

Funding is provided to implement [HB 1009](#), which establishes requirements for certain state agencies and licensing authorities related to the professional licensing and employment of military spouses.

**Snohomish Arts and Culture Programs—\$300,000**

One-time funding is provided for arts and culture programs in Snohomish County for children from diverse backgrounds.

**AIM Program—\$276,000**

Additional one-time funding is provided one-time for the Academic Innovation and Mentoring (AIM) Program.

**Graduation Pathway Options—\$271,000**

Funding is provided to implement [HB 1308](#), which establishes an additional graduation pathway option that enables students to meet pathway requirements by completing a performance-based learning experience.

**West Sound STEM—\$250,000**

Funding is provided for the West Sound STEM network to increase science, technology, engineering, and math (STEM) activities for students in school and after school and develop industry education pathways in high demand sectors.

**Special Education/Nonpublic Agencies—\$245,000**

Funding is provided to implement [SB 5315](#), which expands OSPI's duties regarding nonpublic agencies that contract with school districts to provide special education programs for students with disabilities.

**High School and Beyond Plan—\$168,000**

Funding is provided to implement [SB 5243](#), which requires OSPI to conduct a cost analysis and feasibility study to determine the cost of transitioning to an online High School and Beyond Plan platform, due September 1, 2024.

**Substitute Teacher Application—\$150,000**

Funding is provided for OSPI to plan for the development and implementation of a common substitute teacher application platform.

**Maritime Academy—\$150,000**

One-time funding is provided for OSPI to conduct or contract to conduct a feasibility study for a Maritime Academy located on the Olympic Peninsula.

**Project Education Impact—\$150,000**

Funding is provided for OSPI to contract with a nongovernmental agency to coordinate and serve as a fiscal agent and to cover direct costs of the Project Education Impact Workgroup to achieve educational parity for students experiencing foster care and/or homelessness.

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**Plant-based School Meals—\$150,000**

One-time funding is provided for OSPI to administer grants to school districts for a Plant-based School Meals Pilot Program.

**Purple Star Award—\$145,000**

Funding is provided to implement [HB 1346](#), which establishes the Purple Star Award to recognize school districts and schools that demonstrate educational and social-emotional supports to students of military service members.

**Institutional Education Programs—\$143,000**

Funding is provided to implement [HB 1701](#), which, among other provisions, directs OSPI to develop a timeline and plan for assuming delineated basic education responsibilities.

**ESSER Set Aside - Summer Meals—\$143,000**

One-time federal funding is provided to OSPI from ESSER III state amounts for grants for supplies, equipment, staffing, and services to increase access to meals in the 2023–24 school year, or the summer prior to the start of the school year.

**Deliberative Democracy Program—\$124,000**

One-time funding is provided for the High School Deliberative Democracy Climate Change education program.

**Educational Staff Associates—\$113,000**

One-time funding is provided for the Professional Educator Standards Board to review national certification opportunities for Educational Staff Associates through the relevant national associations for their profession and through the National Board for Professional Teaching Standards.

**Cannabis Revenue Distribution—\$112,000**

Appropriations from the Dedicated Cannabis Account are adjusted pursuant to [E2SSB 5796](#) (2022) and updates in the March 2023 revenue forecast.

**Education Commission of the States—\$92,000**

Currently, Washington State is a member of the Education Commission of the States. Funding is provided to support ongoing membership in the Commission.

**Highly Capable Students—\$91,000**

Funding is provided to implement [SB 5072](#), which modifies Highly Capable Program data collection and reporting requirements for OSPI.

**CTE Courses—\$87,000**

Funding is provided to implement [SB 5617](#), which addresses Career and Technical Education course equivalencies. Sufficient funding is provided for the technical work group established in the bill.

**Bilingual Education Endorsement—\$71,000**

One-time funding is provided for the Professional Educator Standards Board to collaborate with OSPI to report on a plan to align bilingual education and English language learner endorsement standards and to determine language assessment requirements for multilingual teachers and paraeducators. A report is due to the Legislature by September 1, 2023.

**Child Nutrition Staffing Analysis—\$60,000**

One-time funding is provided for OSPI to conduct an analysis of child nutrition staffing.

**Vancouver Skills Center Support—\$50,000**

One-time funding is provided for a Skills Center located in Vancouver, Washington to support the center's Criminal Justice and Fire Science programs.

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**Childcare Development Materials—\$50,000**

One-time funding is provided for up to two high schools to develop materials to be used by school districts to provide courses and hands-on work experience in early childhood development and child care services.

**School Depreciation Subfunds—\$39,000**

Funding is provided to implement [SB 5403](#), which requires second class school districts to establish a depreciation subfund and allows school districts to deposit up to two percent of a school district’s general fund each fiscal year into the depreciation subfund for the purpose of preventative maintenance or emergency facility and equipment needs.

**Elementary School Recess—\$17,000**

Funding is provided to implement [SB 5257](#), which requires WSSDA, with OSPI’s assistance, to revise a model policy and procedure on nutrition, health, and physical education.

**Local Effort Assistance—(\$20.1 million)**

Funding for Local Effort Assistance (LEA or “levy equalization) is reduced by \$20.1 million. This is not a policy “cut,” however. The reduced funding is due to updates of final levy election results and assessed property values.

While overall funding for LEA is reduced, the 2023 Supplemental Operating Budget provides \$31.6 million to assist school districts in Fiscal Year 2023 that are set to lose some—or all—of their LEA due to spikes in housing values. See [LEAP Document 4](#) (dated April 20, 2023 at 11:11 hours) for the distribution of these funds.

**Skills Center Integrated Pathway—(\$200,000)**

Funding is reduced and made one-time in the 2023–25 biennium for the Skills Center integrated pathway.

**Institutional Student Records—(\$200,000)**

Funding is removed for a records coordinator at Naselle Youth Academy due to its closure.

**Federal Reappropriations**

Federal reappropriations of remaining funding from the Elementary and Secondary School Emergency Relief (ESEER) fund, the Governor’s Emergency Education Relief (GEER) fund, and other emergency federal funding for schools appropriated in the 2021–23 biennium are reappropriated in the 2023–25 biennium. Including the one-time federal pandemic funds to support some of the programs above, these reappropriated funds account for \$1.1 billion in K–12 funding in the 2023–25 biennium:

- **ESSER III Subgrants—\$671.4 million**  
Federal ESSER III subgrant funding is reappropriated to local education agencies for the allowable uses in the American Rescue Plan.
- **ESSER III Learning Loss Subgrants—\$123.4 million**  
Federal funding is reappropriated from ESSER III funds, as authorized by section 2001 of the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-2), for subgrants to local education agencies for learning loss.
- **ESSER II Reappropriation—\$102.0 million**  
Federal ESSER II sub grant funding is reappropriated to local education agencies for the allowable uses in the Coronavirus Response and Relief Supplemental Appropriations Act.

**2023–25 Capital Budget**

The biennial Operating Budget is always the issue that catches the most attention—and adopting an Operating Budget is the ONLY specific accomplishment necessary in a long session—but the Capital Construction Budget is also a major issue. As

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we have discussed previously, crafting and adopting a two-year Capital Budget is often a very bi-partisan affair and that was certainly true again this year. Both the Senate's and the House's original proposals were jointly introduced by Capital Budget leads from the Majority Democrats and Minority Republicans and when the two houses negotiated a final, compromise budget, all four Caucuses were involved.

Because discussions of the Capital Budget were less controversial, and mostly bi-partisan, negotiators never asked for formal Conference Committee. As we noted in last week's *TWIO*, it was expected that when negotiators completed their work, they would introduce a Substitute Bill or a Striking Amendment (depending on which bill moved), rather than establishing a Conference Committee and signing a Conference Report (which precludes any Floor amendments). Procedurally, as a technical matter, neither house would have been able to ask for a Conference Committee anyway, because neither house had adopted an opposite house bill. [SB 5200](#), was adopted by the full Senate and was advanced straight to the House Floor Calendar, but was never acted upon. The House's proposal, [HB 1147](#), went through the Committee process and sat in the House Rules Committee as it waited for action by the full House; that never occurred.

So, as anticipated, when a final, compromise bill was formally introduced on Friday afternoon, it was introduced as a [striking amendment](#) to SB 5200, which was already primed for action in the House. We expected the bill to move on Saturday; however, the House almost immediately went to the Floor for debate and final passage. There was not much actual debate; members from both sides of the aisle took time to give accolades to their colleagues and Capital Budget staff (both Caucus and Committee staff) and really did not focus on what was in the budget. Ultimately, the House adopted the striking amendment with no dissenting votes (two members were excused) and sent it off to the Senate for its final action.

On Friday, the House also adopted [HB 1148](#), the necessary bond bill to fund the Capital Budget. Like the overall Capital Budget, there were no dissenting votes (two members were excused). As adopted, the State Finance Committee is authorized to issue up to \$4.2 billion in General Obligation bonds to finance projects in the 2021–23, 2023–25 and future fiscal biennia.

You will note below, that the final 2023–25 Capital Budget is funded with \$4.7 billion in bonds, while HB 1148 only provides \$4.2 billion in General Obligation bonds. Where does the missing \$500 million bond funding come from? This gets into the weeds, but the bond bill goes beyond the simple authorization of issuing bonds. Unlike previous years, the funding in the bond bill incorporates underspending in the 2023 Supplemental Capital Budget (\$127 million) and provides a one-time reappropriation reversion (\$400 million). There are also three previous and expiring bond authorizations where projects have been completed: Flood Hazard Mitigation bonds issued in 2008, School Construction Assistance Program bonds issued in 2009, and Skills Center Facility bonds issued in 2008. The one-time reappropriation reversion comes from a difference in the amount of bonds authorized versus the amount of appropriations expended prior to 2021. This difference has not been reflected in the calculation of available debt capacity under the state debt limit, which has resulted in an understatement of available debt capacity of the state (prior to these adjustments, \$4.2 billion). Making these changes increases the total projected bond capacity to \$4.8 billion for the 2023–25 biennium. Utilizing \$4.7 billion of that total leaves \$95 million in bond capacity, which will be reserved for a 2024 Supplemental Capital Budget.

On Saturday, the Senate took final action on SB 5200. Because the House adopted a striking amendment reflecting the agreed upon compromise, the necessary action for the Senate was to simply concur with the House amendments. The motion to concur was adopted with no dissenting votes (one member was excused) and the final 2023–25 Capital Budget was forwarded to the governor for his final action.

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Similarly, on Saturday, the Senate adopted HB 1148, the bond bill, as passed by the House. Because this bill had never passed the House previously, there was no need to concur with House amendments; the Senate simply moved the House-adopted bill to final passage. Like the Capital Budget, the bond bill was adopted with no dissenting votes (again, with one member excused). HB 1148 has also been forwarded to the governor for his final action.

As adopted by the Legislature, the final, compromise 2023–25 Capital Budget, SB 5200, funds \$9.0 billion in construction projects—which is well-above either of the original legislative plans. The Senate’s original proposal would have appropriated \$7.9 billion, while the original House plan would have funded projects in the amount of \$8.1 billion. \$4.7 billion of the spending is financed with General Obligations bonds (the total of which is explained above). The remaining \$4.3 billion in funding consists of: \$947 million in federal funds; \$328 million in Model Toxic Control Accounts; \$717 million in Climate Commitment Accounts; \$295 million in alternative financing authorizations; \$275 million from the State Common School Construction Account; and \$1.8 billion in other funds. Approximately \$95 million in bond capacity is reserved for a 2024 Supplemental Capital Budget.

The final Capital Budget would provide: \$884 million for behavioral health needs (including \$613 million for phased in construction of a new Western State Hospital); \$694 million in affordable housing projects; and \$407 million to address various human services projects. Major funding is provided for natural resources projects (\$2.4 billion); higher education construction (\$1.5 billion); and various general government projects (\$1.5 billion)

For K–12 education, the final Capital Budget provides \$871.5 million (compared to \$894 in the Senate proposal and \$847 in the House proposal). The majority of this appropriation is for the School Construction Assistance Program (SCAP). SCAP receives \$588.2 million in the new two-year Budget, coupled with a reduction of \$105.3 million in the 2023 Supplemental Capital Budget. It is important to note that this is not a “cut”—it simply is an adjustment resulting from less districts requesting funding for eligible projects than expected. This is mostly due to unanticipated bond failures. \$5.0 million of the overall SCAP appropriation is provided for study and survey grants and for completing inventory and building condition assessments for public school districts every six years. (This funding is slightly increased from previous proposals because additional proviso language is added requiring part of the appropriation to be used for the acquisition of art, as required by current law.)

### **Additional K–12 Capital Investments**

**Small District and Tribal Compact Schools Modernization.** \$100.0 million is provided for grants to repair or replace significant building systems in school facilities.

- \$81.4 million of the overall appropriation is provided for modernization grants for small school districts and state-tribal education compact schools with total enrollments of 1,000 students or less with significant building system deficiencies and limited financial capacity as approved by OSPI’s Small District Modernization Grant Advisory Committee.
- \$1.5 million of the overall appropriation is set aside for planning grants. Planning grants may not exceed \$50,000 per district and may only be awarded to school districts with an estimated total project cost of \$6.0 million or less.
- \$12.1 million of the overall appropriation is set aside for planning grants and modernization grants to state-tribal compact schools. OPSI may prioritize planning grants for state-tribal compact schools with the most serious building deficiencies and the most limited financial capacity.
- \$5.0 million of the overall appropriation (funded by the Climate Commitment Account) is set aside for energy assessment grants for small

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school districts. Grant funding awarded may be used to perform facility energy assessments of instructional buildings.

OSPI must submit a list of small school district modernization projects, as prioritized by the Small District Modernization Grant Advisory Committee, to the Legislature by September 15, 2024. The list must include: (a) a description of the project; (b) the proposed state funding level, not to exceed \$6.0 million; (c) estimated total project costs; and (d) local funding resources.

Appropriations provided may only be awarded to projects approved by the Legislature, as identified in [LEAP Document No. OSPI-1-HB-2023](#) (dated April 10, 2023).

**Skills Centers.** \$48.2 million is provided to support Skills Centers:

- \$41.4 million is provided to the Bremerton School District to complete design and begin construction of a new Career and Technical Education facility at the West Sound Technical Skills Center in Bremerton. A reappropriation of \$11.0 million is also provided for the project. The reappropriation is subject to proviso language contained in the 2022 Supplemental Capital Budget, which requires the Bremerton School District to coordinate with OSPI to: (a) ensure the Career and Technical programs planned for in the design of the Skills Center support highdemand and high-wage sector program needs; (b) ensure that space needs are reasonable and appropriate for the programs planned and enrollment projections; (c) evaluate the proposed project budget using value engineering and life-cycle cost analysis techniques; and (d) use this information to inform the proposed design. OSPI is required to approve the Skills Center programs, design, and budget before requesting allotment of construction phase funding.
- \$5.1 million is provided for Skills Centers Minor Works.

**School Seismic Safety Grants.** \$40.0 million is provided to the School Seismic Safety Grant Program, as established in 2022 ([SSB 5933](#)). Under the program, grants are provided to school districts and state-tribal education compact schools to cover the costs of retrofitting or relocating schools located in high seismic hazard areas or within the Washington Tsunami Design Zone.

NOTE: OSPI, in collaboration with its Citizens Advisory Panel (CAP) and Technical Advisory Committee (TAC), has developed administrative Rules to implement the School Seismic Safety Grant Program created by the Legislature in 2022. New Rules, which are awaiting public hearings, would outline how schools apply and receive grant funding provided by the new program. Additionally, if the proposed Rules are adopted, they would allow seismic projects to become eligible for SCAP funding.

Outside of the Education section of the Budget, an additional \$663,000 has been provided to the Department of Natural Resources for School Seismic Safety—Geologic Site Class Assessments in 2023–25.

**Distressed Schools.** \$21.7 million is provided for seven specific projects:

- Rainier Beach High School Campus Skills Center (Seattle)—\$9.9 million
- Maritime 253: South Puget Sound Maritime Skills Center (Tacoma)—\$8.0 million
- Seattle Skills Center (Seattle)—\$2.2 million
- Stevenson-Carson High School (Stevenson)—\$750,000
- Ingraham High School Construction Trades Skills Center (Seattle)—\$527,000
- Cascadia Technical Academy (Vancouver)—\$250,000
- Washington Middle School (Seattle)—\$98,000



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**School District Health & Safety.** A total of \$20.2 million is provided to support school districts in making their schools safer. Proviso language stipulates the following:

- \$5.0 million is provided for **emergency repair** grants to address unexpected and imminent health and safety hazards at K–12 public schools, including Skills Centers, that will impact the day-to-day operations of the school facility. For emergency repair grants only, an emergency declaration must be signed by the school district board of directors and submitted to OSPI for consideration. The emergency declaration must include a description of the imminent health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimate, and identification of local funding to be applied to the project. Grants of emergency repair moneys must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. OSPI is required to notify the Office of Financial Management, the Legislative Evaluation and Accountability Program Committee, the House Capital Budget Committee, and the Senate Ways and Means Committee as projects are approved for funding.
- \$11.6 million is provided for **urgent repair grants** to address nonrecurring urgent small repair projects at K–12 public schools, excluding Skills Centers, that could impact the health and safety of students and staff if not completed. OSPI, after consulting with Maintenance and Operations administrators of school districts, must develop criteria and assurances for providing funding for specific projects through a competitive grant program. The criteria and assurances must include, but are not limited to, the following: (a) limiting school districts to one grant, not to exceed \$500,000, per three-year period; (b) prioritizing applications based on limited school district financial resources for the project; and (c) requiring any district receiving funding provided in this section to demonstrate a consistent commitment to addressing school facility needs. The grant applications must include a comprehensive description of the health and safety issues to be addressed, a detailed description of the remedy, including a detailed cost estimate of the repair or replacement work to be performed, and identification of local funding, if any, which will be applied to the project. Grants may be used for, but are not limited to: Repair or replacement of failing building systems, abatement of potentially hazardous materials, and safety-related structural improvements.
- \$3.6 million is provided for **equal access grants** for facility repairs and alterations at K–12 public schools, including Skills Centers, to improve compliance with the Americans with Disabilities Act and Individuals with Disabilities Education Act. OSPI must develop criteria and assurances for providing funding for specific projects through a competitive grant program. The criteria and assurances must include, but are not limited to, the following: (a) limiting districts to one grant, not to exceed \$100,000, per three-year period; (b) prioritizing applications based on limited school district financial resources for the project; and (c) requiring recipient districts to demonstrate a consistent commitment to addressing school facility needs. The grant applications must include a description of the Americans with Disabilities Act and Individuals with Disabilities Education Act compliance deficiency, a comprehensive description of the facility accessibility issues to be addressed, a detailed description of the remedy including a detailed cost estimate of the repair or replacement work to be performed, and identification of local funding, if any, which will be applied to the project. Priority for grant funding must be given to school districts that demonstrate a lack of capital resources to address the compliance deficiencies outlined in the grant application.

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**Healthy Kids—Healthy Schools.** \$11.5 million is provided to support Healthy Kids—Healthy Schools grants. Proviso language stipulates:

- \$10.0 million is provided for Healthy Kids—Healthy Schools grants for projects that are consistent with the Healthiest Next Generation priorities. Funding is provided for grant funding to school districts for the purchase of equipment or to make repairs to existing equipment that is related to improving:
  - children’s physical health, and may include, but is not limited to, fitness playground equipment, covered play areas, and physical education equipment or related structures or renovation; and
  - children’s nutrition, and may include, but is not limited to, garden-related structures and greenhouses to provide students access to fresh produce, and kitchen equipment or upgrades.

OSPI must develop criteria for grant funding under this subsection that include, but are not limited to, the following requirements:

  - districts may apply for grants, but no single district may receive more than \$200,000 of the appropriation for grants awarded under this section;
  - any district receiving funding provided in this section must demonstrate a consistent commitment to addressing school facilities’ needs; and
  - applicants with a high percentage of students who are eligible and enrolled in the Free and Reduced-Price Meals program may be prioritized.
- \$1.5 million is provided for grants to school districts for the replacement of lead-contaminated pipes, drinking water fixtures, and the purchase of water filters, including the labor costs of remediation design, installation, and construction.

**Agriculture Science in Schools.** \$5.0 million is provided for competitive grants administered by the Future Farmers of America Foundation to furnish equipment for agricultural science instruction in public schools.

**Career Preparation and Launch Capital Grants.** \$4.0 million is provided for OSPI to provide competitive grants to school districts to purchase and install Career and Technical Education equipment that expands Career Connected Learning and work-integrated learning opportunities. Proviso language requires OSPI, after consulting with school districts, Career Connect Washington, and the Workforce Training and Education Coordinating Board, to develop criteria and assurances for providing funding and outcomes for specific projects through a competitive grant program. The criteria must include, but are not limited to, the following: (a) districts or schools must demonstrate that the request provides necessary equipment to deliver Career and Technical Education; and (b) applicants with a high percentage of students who are eligible and enrolled in the Free and Reduced-Price Meals program must be prioritized.

Budget language prohibits any single district from receiving more than \$150,000 of the overall appropriation.

**K–12 Capital Program Administration.** OSPI is provided with \$4.8 million (as requested) for the administrative funding needs of the School Facilities and Organization department within OSPI for the 2023–25 biennium. Funding will support the administration and management of K–12 capital grant programs.

**Capital Assistance to Small School Districts.** ~~\$4.0 million~~ is provided to support preconstruction grants and administrative implementation, as described in [HB 1044](#). HB 1044 creates a new capital construction and planning grant program for the modernization and replacement of instructional facilities, specifically for financially distressed school districts that meet certain enrollment and eligibility criteria.

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Unfortunately, this bill got caught in a political web. The original bill, as introduced had an estimated fiscal impact of \$138 million in 2023–25, increasing to \$292 million in 2025–27. This was never going to happen, so it was unsurprising the bill was drastically limited as it passed the House. As HB 1044 was moving through the process, the Senate was moving [SB 5126](#) through the process.

As we talked about many times in *TWIO*, SB 5126 would require the Common School Construction Fund to finance the prioritized project list of the Small School District Modernization Grant Program before appropriating funds for other capital projects. The bill passed the Senate Early Learning & K–12 Education Committee, then the Senate Ways & Means Committee, followed by a vote of 43-5 from the full Senate.

As legislative budget proposals were released, both houses included about \$100 million for the Small School District Modernization Grant Program (as noted above). The difference, however, was that the Senate included funding to implement SB 5126, while the House included similar funding but resisted putting the program in statute. After a significant amount of pressure was put on the House Capital Budget Committee Chair, he provided a hearing for the bill—but it died lacking action.

Flip to the Senate: as HB 1044 was moving through the process, the bones of SB 5126 were added to the House bill. After the bill passed the full Senate (46-3), it moved into the “reconciliation phase” and ping-ponged between the houses. The House refused to concur with the Senate amendments; then the Senate moved to insist on its position; and the House again refused to concur and requested a Conference Committee. Instead of granting the request, the Senate “adhered” to its position (again insisting on the amendments).

At this point, it appeared there was a stalemate. And lacking action, HB 1044 died last night as the Session closed. Unfortunately, the funding to support capital assistance for small school districts included a “null and void clause” indicating that if HB 1044 failed to be adopted, the funding would lapse. We lost the bill... and we lost the funding.

**Green Schools: Stormwater Infrastructure.** Originally funded under the Healthy Kids–Healthy Schools Grant program, Green Schools: Stormwater Infrastructure Projects began being funded as a stand-alone program in the 2021–23 Capital Budget. The 2023–25 Capital Budget appropriates \$3.2 million to continue the program. The funding must be used to contract with a statewide Community-Based Organization with experience planning and developing green stormwater infrastructure and related educational programs on public school properties. The organization that is awarded the contract must use the funding solely for green stormwater infrastructure projects on public school properties and must use geographic analysis to identify green stormwater infrastructure project locations based on the opportunity to reduce stormwater runoff.

To qualify for a project, schools must be eligible for financial assistance under Title I and the contracted organization must prioritize schools with high percentages of students eligible for the Free and Reduced-Price Meals program that also serve diverse student populations. The stormwater infrastructure projects should aim to:

- Provide equity of opportunity in high-need communities; and
- Engage students in conjunction with K–12 STEM education programs aligned with the Washington state science and learning standards.

### **Other Details**

**Early Learning Facilities—School Districts Grant.** A total of \$6.4 million is provided, via the Department of Commerce—Ruth Lecocq Kagi Early Learning Facilities Development Account, to assist in the building or expansion of early learning facilities. Grants are provided for seven school district projects:

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- Toppenish School District—\$1.08 million
- Orondo School District—\$1.08 million
- Bethel School District—\$1.08 million
- Issaquah School District—\$1.06 million
- North Thurston School District—\$1.0 million
- Highline School District—\$809,000
- South Bend School District—\$300,000

**Local and Community Projects.** Funding is provided to the Department of Commerce for a series of local and community projects, including school and school-related construction:

- Kelso School District—construction and renovation—\$165,000
- Tacoma School District—School Based Health Care Facility—\$515,000
- Great Northern School District—HVAC installation—\$1.6 million
- Everett School District—Everett Memorial Stadium—\$7.4 million
  - (NOTE: This funding will not be provided directly to the Everett School District or used for school facilities; funding will be used to rebuild a stadium for the Everett AquaSox minor league baseball team.)
- South Bend School District—Madison Street School Sidewalk—\$175,000

**Chief Leschi School.** \$25.0 million is provided (\$10.0 million, via the Climate Commitment Account; \$15.0 million, via the State Building Construction Account) to Chief Leschi School for the first phase of a heating, ventilation, and air-conditioning project.

**See 2023–25 Operating Budget Side-by-Side Below**

**2023–25 Operating Budget—EESB 5187**  
**(Dollars Thousands)**

	SENATE	HOUSE	FINAL
Special Education (SB 5311/HB 1436)	371,900	179,400	371,000
K-12 Salary Inflation (SB 5650/HB 1732)	264,000	261,600	261,400
Pupil Transportation—Special Passengers (SB 5174)	100,600		26,000
CEP Expansion	59,000	61,400	59,000
Learning Recovery	57,600		65,600
<del>Tutoring &amp; Extended Learning</del>	7,000		
Mastery-Based Learning	6,900	6,900	6,900
Language Access in Schools	6,000	6,000	6,000
Nurse Supply (SB 5582)	4,200		4,200
IT Academy	3,000		3,000
Treehouse Graduation Success	3,000	2,200	2,200
Regional Apprenticeship	2,000	3,600	4,100
Math Nation	2,000		2,000
Behavioral Health Pilot	2,000	2,000	2,000
IDEA Preschool Services	1,800	1,800	1,800
Hands-on Science /Gravitational Wave Observatory	1,500		2,000
Rural Mental Health Access	1,000		1,000
Holocaust and Genocide Education	1,000	1,500	1,500
<del>Media Literacy (SB 5626)</del>	1,000		
Residential Outdoor School	995	5,000	995
FIRST Robotics Increase	800		800
Expand Core Plus	800	1,000	800
Student Data Transfer (SB 5593)	769		968
Bilingual Educator Initiative	762	762	762
High School and Beyond Plan (SB 5243)	751	731	168
Science on Wheels	750		1,500
Controls Programmer Apprenticeship	500		500
<del>School Library Information and Technology (SB 5102)</del>	319		
West Sound STEM	250		250
Special Education/Nonpublic Agencies (SB 5315)	245		245
<del>Teacher Mobility Compact (SB 5180)</del>	225		
<del>Inclusive Learning Standards (SB 5462)</del>	92		
Education Commission of the States	92		92
Highly Capable Students (SB 5072)	91		91
CTE Courses (SB 5617)	87		87
School Depreciation Subfunds (SB 5403)	39		39
<del>School Safety Staff (SB 5019)</del>	18		

Elementary School Recess (SB 5257)	17		17
Special Education Safety Net Awards (SB 5031)	2		
Transitional Kindergarten	(41,800)	(61,800)	(\$6,700)
Transition to Kindergarten (HB 1550)		58,100	114,000
Regionalization/Experience Factor Rebase		23,400	23,400
Free School Meals (HB 1238)		23,400	25,900
Local Effort Assistance Support		23,000	31,600
Dual Credit Enrollment		19,100	9,700
Student Restraint and Isolation (HB 1479)		15,000	
Small District Support		8,100	8,100
Professional Education Workforce (HB 1565)		8,000	
Extended Transition Supports		7,000	
Behavioral and Mental Health Services		5,600	5,600
Behavioral Health Regions Services		5,000	5,000
Learning Device Grants		5,000	5,000
BEST Program		4,000	2,000
Summer Evaluations (HB 1109)		4,000	
Native American Mascots		4,000	2,000
Career Connected Learning		2,700	
Homeless Student Stability		2,600	2,600
Open Doors Summer Pilots		2,500	2,500
Kindergarten Readiness Program—Technology-based		2,000	
Institutional Education Oversight		1,900	1,900
Office of Native Education		1,400	1,400
Social Workers in Schools		1,300	1,300
Tribes/K-12 Instruction Funding (HB 1332)		1,100	
Salmon in the Schools		1,000	1,000
Peer Mentoring		816	816
Seal of Biliteracy		697	697
Civic Engagement Grant Program		650	650
African Community		625	625
Charter School Oversight (HB 1744)		558	558
Northwest Education Access		500	500
Career-Integrated Mentoring		500	500
Childhood Music Education—Shelton		360	360
Yakima Valley Safe		350	350
Continuing Education (HB 1377)		329	
Military Spouse Employment (HB 1009)		305	305
Snohomish Arts & Culture Programs		300	300
AIM Program		276	276
Graduation Pathways Options (HB 1308)		271	271

Maritime Academy		150	150
Project Education Impact		150	150
Plant-Based School Meals		150	150
Purple Star Award		145	145
Institutional Education Programs (HB 1701)		143	143
Deliberative Democracy Program		124	124
Educational Staff Associates		113	113
Bilingual Education Endorsement		71	71
Child Nutrition Staffing Analysis		60	60
Vancouver Skills Center Support		50	50
Childcare Development Materials		50	50
Professional Educator Reprimands (HB 1113)		28	
Skills Center Integrated Pathway		(200)	(200)
Institutional Student Records		(200)	(200)
Financial Literacy Transfer		(2,400)	
Behavioral Health Supports			5,000
Federal Funding Adjustment			4,900
Dual Language Grants			3,300
Teacher Residency Program			1,000
Math Improvement Pilot			340
Substitute Teacher Application			150
Cannabis Revenue Distribution			112

<b>FEDERAL PANDEMIC FUNDING</b>	<b>SENATE</b>	<b>HOUSE</b>	<b>FINAL</b>
ESSER III Subgrants	671,400	671,400	671,400
ESSER III Learning Loss Subgrants	123,400	123,400	123,400
ESSER II Reappropriations	102,000	102,000	102,000
ARPA IDEA	13,500	13,000	13,500
COVID-19 Learning Loss	10,500	8,000	10,500
Non-Public Schools Reappropriation	9,300	17,600	9,300
Children Experiencing Homelessness	8,400	8,400	8,400
ESSER Set Aside—CBO	7,800	4,800	7,800
ESSER Set Aside—Dual Language	6,200	6,600	6,200
ESSER Set Aside—OSPI Administration	3,500	3,500	3,500
ESSER Set Aside—CTE/Career Connected Learning	2,400	1,400	2,400
ESSER Set Aside—Summer Meals	143	143	143